

Belgium Memorandum of Understanding.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE PRINCIPLES GOVERNING MUTUAL COOPERATION IN THE RESEARCH, DEVELOPMENT, PRODUCTION, PROCUREMENT AND LOGISTIC SUPPORT OF DEFENSE EQUIPMENT

PREAMBLE

The Government of the United States of America and the Government of the Kingdom of Belgium duly represented by their Ministers of Defense:

Intending to increase their respective defense capabilities through more efficient cooperation in the fields of research, development, production, procurement and logistic support in order to:

- Make the most cost-effective and rational use of their respective resources allocated to defense,
- Promote the widest possible use of standard or interoperable equipment,
- Develop and maintain an advanced industrial and technological capability for the North Atlantic Alliance, and particularly with respect to the parties to this Memorandum of Understanding (MOU),

Seeking to improve the present situation and to strengthen their military capability and economic position through the further acquisition of standard or interoperable equipment, and

Mindful of the objectives described in Art. 3 of the North Atlantic Treaty and para. 4 of the final communique of the North Atlantic Summit Council of May 1977 with regard to Alliance cooperation in view of safeguarding Western security,

Have entered into this Memorandum of Understanding in order to achieve the above aims.

This Memorandum of Understanding sets out the guiding principles governing mutual cooperation in research, development, production, procurement and logistic support of conventional defense equipment. The conclusion of this MOU does not preclude other specific agreements for cooperation in developing, producing, or co-producing, as appropriate, items of defense equipment.

The two Governments conclude this MOU to strengthen the North Atlantic Alliance. The two Governments further agree that this MOU should be viewed in the larger context of the cooperation within the Alliance. In

so doing, the Governments are fully aware that the Independent European Program Group (IEPG) wants to enhance equipment collaboration by more comprehensive and systematic arrangements among the individual member nations.

The parties hereto also agree that in the event of a possible conflict between this MOU and other agreements, they will consult with a view to amending this MOU.

## ARTICLE I

### Principles Governing Reciprocal Defense Cooperation

1. a. Both Governments intend to facilitate the mutual flow of defense procurement for their armed forces, aiming at a long term equitable balance in their exchanges, taking into consideration the relative technological level of such procurement, and consistent with their national policies.

b. Both Governments will make their best efforts to facilitate defense R&D cooperation, coproduction of defense equipment and provision of opportunities to compete for procurement of defense services and equipment to include components, subsystems, spare parts and major systems at all technological levels.

c. A long term equitable balance will not imply an equal monetary flow of defense procurement, but will take into account each country's financial, industrial, economic and commercial possibilities.

d. In order to assess the mutual flow of defense articles and services, the two Governments will jointly determine the counting procedures to be set down in an annex to this MOU that will apply to all defense articles and defense services purchased by them directly or through their respective industries under this MOU.

2. The two Governments will, consistent with their relevant laws and regulations, give the fullest consideration to all requests for cooperative R&D, and to all requests for production and procurement which are intended to optimize standardization and/or interoperability within the Alliance. They will do likewise with regard to offers of services.

3. In the interests of standardization and the effective utilization of scarce resources, the two Governments will, to the extent possible, select qualified defense articles and defense services that have been developed or produced in the other country to meet their requirements, in accordance with the procedures of paragraph 7 below. Defense articles or defense services are those articles or services which may be procured utilizing appropriated funds of the U.S. Department of Defense or budgeted funds of the Belgian Ministry of Defense.

4. Each Government will from time to time notify the other Government of defense articles and services that may only be acquired by the notifying Government from domestic sources, as well as those defense articles and services that may be particularly suitable for acquisition by the other Government. Indicative lists of the latter will be provided in an annex to this MOU.

5. Both Governments will provide appropriate policy guidance and administrative procedures within their respective defense acquisition organizations to facilitate achievement of the aims of this MOU.

6. Competitive contracting procedures will normally be used in acquiring defense articles developed or produced in or defense services provided by each country for use by the other country's defense establishment.

7. The detailed implementing procedures to be agreed will, consistent with and to the extent permitted by national laws and regulations, incorporate the following:

a. Offers or proposals of defense articles produced in or defense services provided by each country will be evaluated without applying price differentials under buy-national laws and regulations, and without applying the cost of applicable import duties. In the event that either party can no longer comply with the exemption from import duties, the parties hereto will consult with a view to amending this MOU;

b. Each country will give full consideration to all qualified sources in the other country. In addition, each country will give full consideration to all applications for qualification by sources in the other country;

c. Offers or proposals will be required to satisfy requirements of the purchasing Government concerning performance, quality, delivery and costs;

d. Provisions for duty-free certificates and related documentation;

e. Arrangements concerning quality control and audits of incurred costs and price proposals.

8. Both Governments will review defense articles and defense services submitted as candidates for their respective requirements. They will indicate requirements and proposed purchases in a timely fashion, in accordance with national regulations, to ensure adequate time for their respective industries to qualify for eligibility and to submit a bid or proposal.

9. Each Government will ensure that the technical data packages (TDP's) made available under this MOU are not used for any purpose other than for the purpose of bidding on or performing a prospective defense contract, without the prior agreement of those owning or controlling proprietary rights, and that full protection shall be given to such proprietary rights, or to any privileged, protected, or classified data and information they contain. In no event shall the TDP's be transferred to any third country or any other transferee without the prior written consent of the originating Government.

10. a. Transfers to third parties of defense articles or technical data made available under this MOU, and of articles produced with such data, will be subject to the prior written agreement of the Government that made available the defense articles or technical data, except as otherwise provided in particular arrangements between the two Governments.

b. Each Government will base its decisions regarding requests by the other for agreement to third party transfers on its laws, regulations and defense policies. Each Government will use the same criteria for proposed transfers by the other as it uses for itself, and will not reject, solely in the pursuit of its own national commercial advantage, a request from the other for a third country transfer of such defense articles or technical data. Third country transfers approved in accordance with this agreement will count in the calculation of the balance of exchanges as a purchase by the Government authorizing the transfer.

c. Consistent with the above, in carrying out its own transfers to third countries, each Government shall take into consideration the extent to which a proposed transfer may damage or infringe upon known licensing arrangements whereby commercial firms in the US or Belgium have granted to firms in the other country licenses for the manufacture of the articles proposed to be transferred to a third country.

11. Both Governments will use their best efforts to assist in negotiating licenses, royalties and technical information exchanges with their respective industries or other owners of such rights. The two Governments will mutually make available to each other, to the extent possible and in a timely fashion, all information and the proprietary rights required to implement cooperation under this MOU. The two Governments will, to the extent feasible, seek appropriate agreement with their industries that in the interest of standardization and armaments cooperation, proprietary rights in defense-relevant information and data can be transferred by appropriate arrangements and on fair and reasonable terms, between the industries of the two countries.

12. Arrangements and procedures will, at the request of the purchasing Government, be established concerning follow-on logistic support for items of defense equipment covered by this MOU. Both Governments will make their defense logistic system and resources available for this purpose if required and mutually agreed.

## ARTICLE II

### Implementation Procedures

1. Mutually agreed implementing procedures for this MOU will be established and be a part thereof.
2. Representatives of the two Governments will be appointed as the responsible authorities for the implementation of this MOU. The Under Secretary of Defense for Research and Engineering will be the representative for the United States Government. The National Armaments Director will be the representative for the Government of Belgium.
3. The establishment of a Belgian-United States Committee for Mutual Cooperation and its rules of procedure and competence will be agreed upon in an annex to be made a part of this MOU.
4. Each Government will designate points of contact at the Ministry of Defense level and in the procurement offices under the Ministry of Defense. They will be listed in an annex to be made a part of this MOU.

## ARTICLE III

### Industry Participation

1. Each Government will be responsible for calling to the attention of its respective industries the basic understanding of this MOU, together with appropriate implementing guidance. Both Governments will take all necessary steps so that their industries comply with the regulation pertaining to security and to safeguarding classified information.
2. Implementation of this MOU will involve maximum industrial participation. Accordingly, the Governments will arrange that their respective acquisition and requirements offices be made familiar with the principles and objectives of this MOU. However, primary responsibility for finding business opportunities in areas covered by this MOU shall rest with the industries in each country.

## ARTICLE IV

### Security

The General Security of Information Agreement, dated 9 August 1960 and the Agreement for Security Procedures for Industrial Operations, dated 24 July 1979, between the two Governments, apply to activities under this Memorandum of Understanding.

ARTICLE V

Annual Statement

An annual United States - Belgium statement of the current balance and long-term trends of R&D cooperation, procurement, maintenance and logistic support of defense equipment between the two nations will be prepared on a basis to be mutually agreed in an annex to this MOU and reviewed during the meetings of the Belgian - United States Committee for Mutual Cooperation, in accordance with its terms of reference.

ARTICLE VI

Annexes

Annexes negotiated by the responsible officials and approved by the appropriate government authorities will be incorporated into this MOU and become an integral part thereof as of the date of the last signature.

ARTICLE VII

Duration

1. This MOU will remain in effect for a ten-year period. Unless the Governments mutually decide otherwise, the duration will be extended for successive five-year periods.
2. If, however, either Government considers it necessary for compelling national reasons to terminate its participation under this MOU before the end of the ten-year period, or of any extension thereof, written notification of its intention will be given to the other Government six months in advance of the effective date of termination. Such notification of intent shall become a matter of immediate consultation with the other Government to enable the two Governments fully to evaluate the consequences of such termination and, in the spirit of cooperation, to agree upon such actions as are necessary to alleviate problems that may result from the termination.
3. Although the MOU may be terminated by the parties, any contract entered into consistent with the terms of this MOU shall continue in effect, unless the contract is terminated in accordance with its own terms.

ARTICLE VIII

Implementation

1. The agreements in this MOU represent the understanding reached between the Government of the United States of America and the Government of the Kingdom of Belgium upon the matters referred to herein. Each Government may propose amendments; both Governments must agree in writing to any amendment of this MOU.
2. Any difference of opinion over the interpretation and implementation of this MOU and its annexes will be resolved by consultation between the two Governments.
3. This MOU, in three original texts in the English, French and Dutch languages, all three texts being equally authentic, will come into effect on the date of the last signature.

For the Government of the United  
States of America  
The Secretary of Defense

Harold Brown

Date 12 December 1979

For the Government of the  
Kingdom of Belgium  
The Minister of Defense

Jose Desmarets

12 December 1979

## ANNEX I

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE PRINCIPLES GOVERNING MUTUAL COOPERATION IN THE RESEARCH AND DEVELOPMENT, PRODUCTION, PROCUREMENT AND LOGISTIC SUPPORT OF DEFENSE EQUIPMENT DATED 12 DECEMBER 1979.

### PRINCIPLES GOVERNING IMPLEMENTATION

#### 1. INTRODUCTION

On 12 December 1979, the Governments of the United States and the Kingdom of Belgium signed a Memorandum of Understanding (MOU) relating to the principles governing mutual cooperation in the research, development, production, procurement and logistic support of defense equipment. This Annex sets forth the agreed implementing procedures for carrying out the MOU.

#### 2. MAJOR PRINCIPLES

a. The U.S. Department of Defense (DoD) and the Ministry of Defense of Belgium (MOD) will consider for their defense requirements qualified defense items developed or produced in the other country.

b. It will be the responsibility of government and/or industry representatives in each country to acquire information concerning the other country's proposed research, developments, and purchases and to respond to requests for proposals in accordance with the prescribed procurement procedures and regulations. However, the responsible government agencies in each country will assist sources in the other country to obtain information concerning intended research and development, proposed purchases, necessary qualifications and appropriate documentation.

#### 3. ACTION

DoD and MOD will review and, where considered necessary, revise policies, procedures and regulations to ensure that the principles and objectives of this MOU, which are intended to be compatible with the broad aims of NATO Standardization and Interoperability, are taken into account. DoD and MOD agree that the following measures shall be taken, recognizing that among other factors, delivery date requirements for supplies, the interest of security and the timely conduct of the procurement process, are considerations related to ensure free and full competition for the award of contracts:

1. Ensure that their respective requirements offices are familiar with the principles and objectives of the MOU.

2. Ensure that their respective research and development offices and institutes are familiar with the principles and objectives of this MOU.

3. Ensure that their respective acquisition offices are familiar with the principles and objectives of this MOU.

4. Ensure wide dissemination of the basic understanding of the MOU to their respective industries producing and/or developing defense items and/or services.

5. Ensure that, consistent with national laws and regulations, offers of defense items produced in the other country will be evaluated without applying to such offers, either price differentials under buy-national laws and regulations, or the cost of applicable import duties. Also, provisions will be made for duty-free entry certificates and related documentation to the extent that existing laws and regulations permit.

6. Assist industries in their respective countries to identify and advise the other government of their production capabilities and assist such industries in carrying out the supporting actions to maximize industrial participation.

7. Full consideration will be given to all qualified industrial and/or governmental sources in each other's country and to all applications for qualification by sources in the other country.

8. Review defense items submitted by the other country as candidates for respective requirements. Identify requirements and proposed purchases to the other country in a timely fashion to ensure that the industries of such country are afforded adequate time to be able to participate in the research and development, production and procurement processes.

9. Use best efforts to assist in negotiating licenses, royalties, and technical information exchanges with their respective industries, or other owners of such rights.

10. Ensure that those items and services excluded from consideration under this MOU for reasons of protecting national requirements, such as the maintenance of a defense mobilization base, are limited to a small percentage of total annual defense procurement spending. It is intended that such defense items and services, as well as those items and services that must be excluded from consideration under this MOU because of legally imposed restrictions on procurement from non-national sources, be identified as soon as possible by the MOD and the DoD, and that such defense items and services be kept under review at this level.

11. Ensure that the balance of reciprocal purchases takes into consideration the levels of technology involved, as well as the monetary value of purchases hereunder and each country's financial, industrial, economic and commercial possibilities.

12. DoD and MOD will from time to time arrange visits in order to actively explore possibilities for cooperation on research and procurement, and logistical support and to examine any issues related to counting reports or procedures.

#### 4. COUNTING PROCEDURES

a. The purchases and other transactions to be counted against the goals of this MOU will be identified jointly by the DoD and MOD. In principle, all defense items and services purchased by the DoD or MOD from the other country will be counted as long as such purchases meet the following criteria:

1. Contracts resulting from direct purchases by the DoD or MOD, including their respective Agencies, one from the other.

2. Contracts resulting from purchases by either the MOD or DoD from the industry of the other country. When such purchases involve offset agreements between the Government of either country and the industry of the other country, the amount of such offset shall be applied in calculating the balance.

3. Purchases by industry from the Government or industry of the other country in the framework of Government defense contracts.

4. Purchases by a third country government from the US or Belgian Government or the industry of either country when either of the following circumstances occur:

- The sale requires the prior agreement of the non-vendor Government.

- The sale is a direct result of the promotional efforts by the Government or industry of the non-vendor country, which fact has been previously acknowledged and agreed by the vendor party.

5. Acquisitions by either country of defense items or services resulting from projects jointly funded by both countries.

6. License fees, royalties and other associated income resulting from orders placed by DoD or MOD and/or industry in one country with a licensed company in the other country; or in DoD-MOD transactions.

7. Transfers of technology, and production, testing and quality control equipment required to achieve the goals of this MOU.

8. Contributions by one country in research; development and demonstration programs in the other country that have been agreed by both Governments

9. Purchases of non-defense items and services by the Government or industry of either country from the Government or industry of the other, provide that both Governments agree that any particular purchase is to be counted against the goals of this MOU.

b. The following transactions will not be counted:

1. Maintenance and logistic support activities in either country under contracts in effect before the effective date of this MOU.

2. Any transaction being carried out under contracts and agreements in effect before the effective date of this MOU.

3. Operational expenses of either Government to achieve the goals of this MOU.

c. Transactions listed in paragraph 4.a.1., and any others that both Governments agree, will be credited in the following manner:

1. At the value of the contract on its effective date.

2. Purchases by third countries of defense items or services from the US or Belgian Government or the industry of either country as described in paragraph 4.a.4. above, will be credited as a sale by the non-vendor country, as follows:

- When authorization by the non-vendor Government is required; the value of the item(s) directly related to the authorization will be credited.

- When the sale is the direct result of promotional efforts by the Government or industry of the non-vendor country; the value of parts, sub-assemblies, assemblies, equipment and services supplied by either the US or Belgian Government or their respective industries will be credited.

d. The following transactions will be credited in the manner and amounts agreed by both Governments:

1. License fees, royalties, and any other income resulting from transfers of technology, and production, testing and quality control equipment between both countries.

2. Orders placed by DoD or MOD and/or industry in one country with a licensed company in the other country, or from DoD-MOD transactions.

3. Contributions by one country in research, development and demonstration programs in the other country.

e. Transactions will be credited according to the exchange rate of the respective currencies on the effective date of the transaction.

f. Each Government will prepare an annual calendar year counting report. These reports will summarize the data counted pursuant to each of the categories above. Supporting data for each category included in the summary will indicate the item supplied, the parties to the transaction, transaction date, and credited value. Both Governments will exchange the summary reports and supporting data sufficiently in advance of the annual meeting to permit review and comment or agreement by the other at least two (2) weeks prior to the meeting. Any disagreement concerning the reports will be settled by the Belgian-US Committee for Mutual Cooperation established pursuant to paragraph 3 of Article II of the MOU.

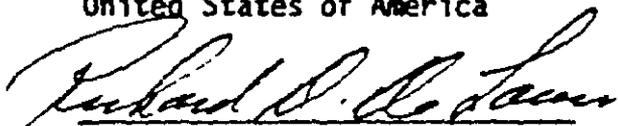
5. ADMINISTRATION

a. Each Government will designate points of contact at the Ministry of Defense level, as well as within other relevant Departments and Agencies, for the purpose of carrying out those actions necessary to implement this MOU.

b. The Belgian-US Committee for Mutual Cooperation will be responsible for the general administration of this MOU. Its terms of reference are contained in Annex II.

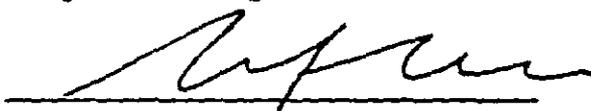
c. Quality assurance procedures outlined in STANAGs 4107 and 4108 will apply, unless other provisions are mutually agreed upon. Reimbursement for services provided shall be afforded in accordance with the national laws and regulations of each country.

For the Government of the  
United States of America



Date 25 April 1983

For the Government of the  
Kingdom of Belgium



Date 25-04-1983

BRUNO  
Lieutenant Colonel Aviateur  
Chef de Section au Rcl  
Le Sous Chef d'Etat-Major

ANNEX II

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE PRINCIPLES GOVERNING MUTUAL COOPERATION IN THE RESEARCH AND DEVELOPMENT, PRODUCTION, PROCUREMENT AND LOGISTIC SUPPORT OF DEFENSE EQUIPMENT DATED 12 DECEMBER 1979.

TERMS OF REFERENCE FOR THE U.S./BELGIAN COMMITTEE FOR MUTUAL COOPERATION

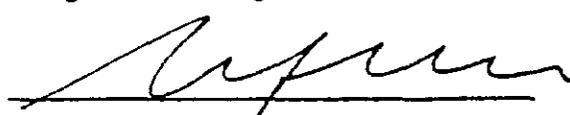
1. The Belgian-US Committee for Mutual Cooperation, hereinafter called "the Committee", referred to in paragraph 3 of Article II of the MOU, will operate under the direct responsibility of the Authorities cited in paragraph 2 of the same Article, or their respective representatives. It will be the main body responsible for implementation of the MOU.
2. To this end, the Committee will meet not less than once in each calendar year. The meetings will be devoted to reviewing the progress in implementing and accomplishing the MOU. In particular, it will review progress in removing obstacles to achievement of the MOU goals, and the effectiveness of definite actions that may be mutually agreed to reach these goals. Furthermore, the Committee will:
  - a. Discuss each country's requirements of research, development, production, procurement and logistic support of defense items, as well as the evaluation of possible areas for cooperation and activities to be jointly developed.
  - b. Exchange information as to the way the stipulations of the MOU have been implemented and carried out, and, if need be, prepare proposals for amendments to the MOU and/or its Annexes.
  - c. Review and approve the annual counting report on the trade balance to be prepared in accordance with the guidance contained in Annex I to this MOU. Formulate conclusions and recommendations from it, to include any long-term trends which may be established.
  - d. Consider any other matters relevant to the MOU.
3. The Committee will alternately meet in Belgium and in the United States. Each country will appoint a Project Officer, who will jointly prepare the agenda for each subsequent meeting. The country in which a particular meeting takes place will provide the chairman and the secretariat who will be responsible for preparing the minutes of the meeting.

For the Government of the  
United States of America



Date 25 April 1983

For the Government of the  
Kingdom of Belgium



Date 26-04-1983

J. LEFEBVRE  
Lieutenant General Artisteur

## ANNEX III

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE PRINCIPLES GOVERNING MUTUAL COOPERATION IN THE RESEARCH AND DEVELOPMENT, PRODUCTION, PROCUREMENT AND LOGISTIC SUPPORT OF DEFENSE EQUIPMENT DATED 12 DECEMBER 1979.

### PRINCIPLES GOVERNING CONTRACT ADMINISTRATION SERVICES

#### 1. INTRODUCTION

This Annex sets forth the terms, conditions, and procedures under which the Governments will provide each other with selected contract administration services and related information in support of defense contracts and subcontracts contemplated or executed under the Memorandum of Understanding (MOU). It is recognized that in the event conflicts arise between any aspect of this Annex and the laws of either Government, the laws shall prevail.

#### 2. MAJOR PRINCIPLES

The objective of this Annex is to insure each Government is able to employ the most effective and efficient contract administration support possible when acting under the MOU. Nothing is to be construed as impairing a purchasing Government's access to its contractors and their records as may be contractually authorized.

For the purpose of this Annex, contract administration shall include all those necessary actions, other than contract pricing and audit, to be accomplished at, or in proximity to, a firm's place of business to assist the purchasing office in evaluating a prospective contractor's capabilities and in monitoring and enforcing awarded contracts. This Annex supplements NATO Standardization Agreement (STANAG) 4107, hereby incorporated by reference in regard to reciprocal quality assurance.

#### 3. GENERAL

The purchasing Government may request specific services and information selected from those listed in Appendix 1 to this Annex which it considers appropriate to the circumstances. The purchasing Government may elect to obtain additional support through its own on-site representatives provided there is no duplication of work performed by the host Government. In addition, the host Government will use its best efforts to supply information requested by the purchasing Government but not listed in this Annex when necessary to support contract award, enforcement, or termination. The provision of any services and information other than those defined in Appendix 1 will be on a cost reimbursable basis. The purchasing Government may modify a request for support during contract performance after consultation with the host Government.

The host Government shall accept requests for services to the extent resources are available and carry them out according to the procedures that Government uses for its own contracts.

Contracts shall contain suitable provisions for the host Government to act for and on behalf of the purchasing Government and shall authorize access

to contractor facilities and records and use of contractor assets as necessary for the performance of contract administration services.

Where representatives of either Government deal with a contractor at the same location in support of the same contract or separate contracts, they shall act in full concert according to terms of reference mutually agreed or to be agreed upon.

Each Government shall designate a single office to receive requests for contract administration services. This office shall arrange for the required services to be performed by the appropriate national organization. In addition, each Government may elect to designate an office in or near the other's country to act as a focal point through which requests for support will be forwarded. The host Government will endeavor to keep the purchasing Government's focal point apprised of current contract administration practices and resources to help insure requests for services are reasonable and prudent. The focal point shall advise the host Government concerning contract requirements and clarify requests for services as necessary.

#### 4. PROCEDURES

Requests for contract administration in the Kingdom of Belgium shall be directed to:

Commission Interforces d'Evaluation  
en Assurance de la Qualite  
Quartier Reine Elisabeth - Bloc 11  
Rue d'Evere 1  
B 1140 BRUSSEL BELGIUM  
Tel 2/243 40 21. TWX 21339CTRMDB

Requests for contract administration in the United States shall be directed to:

The Department of Defense Control Point  
DCASR New York  
201 Varrick Street  
New York, New York 10014  
Tel 212/374-3446.

Contract administration requests will be accompanied by the number of copies of the request for proposal or awarded contract, as appropriate, prescribed in STANAG 4107 and will specify the contract administration services desired. Every effort will be made to forward support requests simultaneously with the forwarding of awarded contracts to the contractor. The format shall be as described in Annex A to STANAG 4107, with desired services other than quality assurance specified in Block 10. If less than comprehensive quality assurance is needed, the desired services selected from Allied Quality Assurance Publication (AQAP) 10 shall be specified in Block 10. Requests shall reference this Annex to the MOU and shall be processed according to the procedures in STANAG 4107 with due regard to Section VII of this Annex. In principle, acceptance or rejection shall be made within 30 calendar days of receipt by the host Government.

Direct communications between the purchasing office and the assigned contract administration office in resolving contract problems are authorized

and encouraged. The purchasing Government shall retain final authority over contract interpretations and enforcement actions, and shall advise the contract administration office on such matters as needed.

In the event the purchasing Government envisions the assignment of in-plant representatives, proposed terms of reference describing an appropriate working relationship with host Government representatives will be suggested to the host Government as early as possible.

**5. RESPONSIBILITY AND LIABILITY**

Nothing in this annex shall relieve the contractor of any responsibilities under the contract. No liability will attach to the Government, its officers or agents, acting under this Annex on behalf of the other Government.

**6. PROTECTION OF INFORMATION**

Data obtained through the implementation of this Annex shall receive the same protection against unauthorized disclosure as such data would normally receive under the laws and rules of the country which possesses it.

**7. CHARGES**

Services defined in Appendix 1 and provided under this Annex will be free of charge, subject to a joint review of the services being exchanged at not less than three-year intervals. If, as a result of such a joint review, either Government determines that charges will be necessary, they may be imposed after not less than one year advance notice. Should such charges by the U.S. Government become necessary, or should the USG provide services other than those defined in Appendix I, Foreign Military Sales Procedures then in effect will apply.

**8. DURATION**

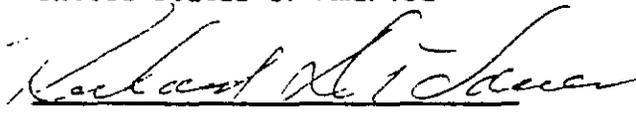
This Annex will remain in effect for a period as set forth in ARTICLE VII of the MOU, and may be terminated under the conditions as set forth in that Article.

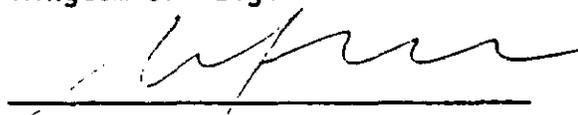
**9. IMPLEMENTATION**

This Annex will come into effect on the date of the last signature.

For the Government of the  
United States of America

For the Government of the  
Kingdom of Belgium





Date 26 April 1953

Date 25 April 1953

Appendix  
1. Services to be Exchanged

REPRESENTATIVE  
Lieutenant General Aviateur  
Alfred de Witte, 10 Roi

## APPENDIX 1 to ANNEX III

### Services to be Exchanged

In accordance with the principles and procedures as set forth in this Annex the following services will be performed by the host Government within its national boundaries upon requests by and on behalf of the purchasing Government:

1. Support evaluations of contractor capabilities prior to award.
  - a. Supply available information concerning design, production, and quality control capabilities as appropriate; for example, the amount of available floor space, plant equipment; skilled and unskilled workers, past production of similar items, and the NATO Allied Quality Assurance Publications (AQAPs) against which the firm has been assessed.
  - b. Evaluate the financial strength of the prospective contractor, estimate the likelihood that financial resources will be sufficient to accomplish the contract, and report the monetary value (in local currency) of host Government capital assets furnished or made available to the contractor which may be used in the contract.
  - c. Provide access to available accounting system disclosure statements and assistance in determining the system's ability to meet contractual requirements.
2. Perform Government quality assurance, as defined in STANAG 4107, in whole or in part as requested.
3. Report detected potential or actual slippages in contract delivery schedules or any other contractor difficulties which might affect contract performance.
4. Assess contract progress if needed by the purchasing office to authorize financial payments, and recommend approval or disapproval of contractor payment requests.
5. Evaluate the feasibility and practicality of contractor production plans.
6. Verify contractor management reports furnished to the purchasing office during contract performance.
7. Evaluate and monitor contractor compliance with contract requirements governing technical data, especially the propriety of any restrictive markings on data offered for delivery under the contract.
8. Monitor contractor costs under cost reimbursement contracts, and insure the purchasing office is advised of any anticipated overruns or underruns of estimated costs.
9. Advise the purchasing office if supporting contract administration is needed at subcontractor plants to verify the adequacy of prime contractor management, and assist the purchasing Government to obtain desired support within the host country.