

AMENDMENT 1 TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE
GOVERNMENT OF EGYPT
AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
CONCERNING THE
PRINCIPLES GOVERNING SCIENTIST AND ENGINEER EXCHANGE AND
MUTUAL COOPERATION
IN
RESEARCH AND DEVELOPMENT, PROCUREMENT AND
LOGISTIC SUPPORT OF DEFENSE EQUIPMENT
OF MARCH 23, 1988

The Government of the United States of America and the Government of Egypt, hereinafter referred to as "the Governments", have agreed to amend the Memorandum of Understanding between the Government of Egypt and the Government of the United States of America Concerning the Principles Governing Scientist and Engineer Exchange and Mutual Cooperation in Research and Development, Procurement and Logistic Support of Defense Equipment (MOU) signed on March 23, 1988, as follows:

Article I is hereby amended to (a) revise subparagraphs 2.a and 2.c and paragraph 3 to read as follows and (b) add a paragraph eight at the end of the Article:

"2. ...

a. Offers will be evaluated without applying price differentials resulting from "Buy National" laws and regulations.

...

c. Full consideration will be given to qualified industrial or governmental sources of the other country

for conventional defense supplies and services consistent with the policies and criteria of the cognizant purchasing agencies, if such offers satisfy all requirements of the purchasing organization for performance, including requirements related to quality, delivery and cost.

..."

"3. Both Governments will provide appropriate procurement regulations, policy guidance, and administrative procedures within their respective defense procurement organizations to facilitate achievement of improved defense cooperation. Each Government will exchange such regulations, guidance, and procedures with the other. Each Government will also be responsible for calling to the attention of the relevant industries within its country the existence of this MOU, as amended, together with appropriate implementing guidance."

"8. The Governments agree to discuss measures to limit any adverse effects that offset arrangements have on the defense industrial base of each country."

Article IV, paragraph 1, is hereby amended to read as follows:

"1. This MOU will remain in effect for a ten-year period following its signing and will be extended automatically for five-year periods unless written notification of an intention to terminate is provided by one Government to the other Government in accordance with the provisions of paragraph 2 of this Article."

Subject to the above amendments, the MOU will continue in all other respects with full force and effect.

This Amendment shall enter into force on the date of the last signature, with effect from March 23, 1998.

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

DONE in duplicate, in the English language.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF EGYPT:





Date: 3/4/99

Date: 15.4.1999

Place: Wash, D.C.

Place: Cairo

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
GOVERNMENT OF EGYPT
AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
CONCERNING THE
PRINCIPLES GOVERNING SCIENTIST AND ENGINEER EXCHANGE AND
MUTUAL COOPERATION
IN
RESEARCH AND DEVELOPMENT, PROCUREMENT AND
LOGISTIC SUPPORT OF DEFENSE EQUIPMENT

PREAMBLE

The Government of the United States of America and the Government of Egypt, hereinafter referred to as the Governments:

o Noting their previous agreements on (1) the Production in Egypt of US Designed Defense Equipment (signed on 21 October 1979), (2) Scientist and Engineer Exchange Agreement (signed on 11 April 1980), (3) General Security of Information (signed on 10 February 1982) and (4) Exchange of Weapons Development Data (signed on 9 February 1984).

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

- Promote the cost-effective and rational use of funds allocated to defense to the extent permitted by their national laws and policies, and

- Mutually benefit from selected research and development programs which satisfy each nation's defense needs in a cost effective manner, and

o Noting that Egypt will continue to purchase large quantities of defense equipment from the United States and desiring to ameliorate the ensuing imbalance in defense trade between the two countries by allowing Egyptian sources to compete for procurements of the US Department of Defense (DoD), have entered into this Memorandum of Understanding (MOU) in order to achieve the above aims.

This Memorandum of Understanding (MOU) sets out the guiding principles governing mutual cooperation in research and development, procurement and logistic support of conventional defense supplies and services.

ARTICLE I
PRINCIPLES GOVERNING RECIPROCAL DEFENSE COOPERATION

1. The Governments intend to facilitate the accomplishment of the above-stated aims through operational and technical exchange leading toward understanding of military requirements and their technological solutions, through cooperation in the research and development areas, and data exchange and scientist-engineer exchange programs, as covered in Annexes hereto; and by allowing each other's national sources to offer conventional defense supplies and services in accordance with this MOU.

2. Consistent with national laws and regulations each Government will accord the following treatment to offers of conventional defense supplies and services from sources of the other country:

a. Offers will be evaluated without applying price differentials resulting from Buy National laws and regulations, including the Balance of Payment program.

b. Offers will be evaluated without consideration of the cost of duties, and provisions will be made for duty-free entry certificates and related documentation.

c. Except as provided below, full consideration will be given to qualified industrial or governmental sources of the other country for conventional defense supplies and services consistent with the policies and criteria of the cognizant purchasing agencies, if such offers satisfy all requirements of the purchasing organization for performance, including requirements related to quality, delivery and cost. The US will not consider procurement from Egyptian sources if the procurements are: (1) restricted by US disclosure policies or US industrial security requirements, (2) set aside for small business, (3) reserved for mobilization base suppliers, (4) otherwise restricted by law or regulation. In addition, the US may restrict the geographic region in which contracts for the maintenance, repair or overhaul of equipment that are part of the DoD overseas workload program may be performed if appropriately designated officials of the Department of Defense determine that performance of the contract outside that specific region:

(a) could adversely affect the military preparedness of the Armed Forces of the US; or

(b) would violate the terms of an international agreement to which the US is a party.

d. Each Government's laws and regulations relating to purchases of property and services (including the requirements for obtaining competition for such purchases) shall be applicable to purchases by each Government, respectively, in the implementation of this agreement.

e. Whenever permitted by law, waivers of further restrictive requirements are encouraged to facilitate the participation of sources in one country in the procurements of the other country.

3. Both Governments will provide appropriate policy guidance and administrative procedures within their respective defense procurement organizations to facilitate achievement of improved defense cooperation. Each Government will also be responsible for calling to the attention of the relevant industries within its country the existence of this Memorandum of Understanding together with appropriate implementing guidance.

4. Technical information, including Technical Data Packages (TDPs), furnished to the Government, to firms, or to persons in the other country for the purpose of offering or bidding on, or performing a defense contract shall not be used for any other purpose without the prior agreement of the originating Government as well as the prior agreement of those owning or controlling proprietary rights in such technical information. Each Government will ensure that full protection will be given by its officers, agents, and firms to such proprietary information, or to any privileged, protected or classified data and information it contains. Each Government will also undertake its best efforts to ensure compliance with the foregoing provisions on the part of other firms, or persons, in its country. In no event shall such technical information or TDPs or products derived therefrom be transferred to any third country or other third party transferee without the prior written consent of the originating Government.

5. Both Governments will undertake their best efforts to assist in negotiating licenses, royalties, and technical information exchanges with their respective industries, when required. Both Governments will also facilitate the necessary export licenses required for the submission of bids or proposals or otherwise required for the performance of this MOU and its Annexes.

6. The transfer to third countries of material or technical information and of articles derived therefrom generated from the mutual cooperative programs included in this MOU is subject to case-by-case advance agreement of the originating Government.

7. Arrangements and procedures will be established concerning follow-on logistic support for items of defense equipment covered by this Memorandum of Understanding. Both Governments will make their defense logistic systems and resources available for this purpose as required and mutually agreed.

ARTICLE II IMPLEMENTING PROCEDURES

Implementing guidance is included in Annex I. A joint US DoD-Egypt MOD Steering Committee for Armaments Cooperation shall be established to update the annexes as appropriate and periodically review the progress of implementation. The Under Secretary of Defense for Acquisition, in coordination with the Assistant Secretary of Defense for International Security Affairs, and other appropriate Department of Defense and State officials, will be responsible in the US Government for the implementation of this MOU. The Director General, Egyptian Ministry of Defense, will be the responsible counterpart authority for the Government of Egypt. Other duties to be assigned this committee and the frequency of their meetings shall be further defined in Annex I.

ARTICLE III SECURITY

To the extent that any items, plans, specifications or information furnished in connection with specific implementation of this MOU are classified by either Government for security purposes, the General Security of Information Agreement, dated 10 February 1982, between the Governments shall apply.

ARTICLE IV DURATION

1. This MOU will remain in effect for a ten-year period following its signing and will be extended for successive five-year periods, if at the end of each five-year interval the Governments mutually agree to such an extension.

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 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 Governments fully to evaluate the consequences of such termination and, in the spirit of cooperation, to take such actions as necessary to alleviate problems that may result from the termination. In this connection, although the MOU may be terminated by the Parties, any contract entered into pursuant to the terms of this MOU shall continue in effect, unless the contract is terminated in accordance with its own terms. Moreover, Article I, Sections 4 and 6 and Article III of this MOU will continue in full force and effect after, and notwithstanding, the expiration or termination of this MOU.

3. In any event, this MOU may be amended at any time upon the agreement of the parties.

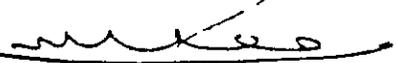
**ARTICLE V
ANNEXES**

The following annex is an integral part of this MOU:

I. Principles Governing Implementation

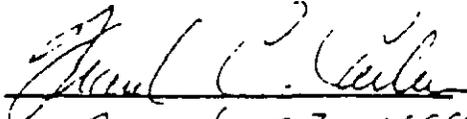
Further annexes to this MOU (such as Research & Development Annex) may be negotiated by the responsible officers and approved by the appropriate authorities of each Government and will be treated as an integral part hereof.

FOR THE GOVERNMENT OF EGYPT
THE MINISTER OF DEFENSE



Date 3/23/1988

FOR THE UNITED STATES
THE SECRETARY OF DEFENSE



March 23, 1988

ANNEX I
PRINCIPLES GOVERNING IMPLEMENTATION
TO

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF EGYPT AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE PRINCIPLES GOVERNING SCIENTIST AND ENGINEER EXCHANGE MUTUAL COOPERATION IN RESEARCH AND DEVELOPMENT, PROCUREMENT AND LOGISTIC SUPPORT OF SELECTED DEFENSE EQUIPMENT.

I. TERMS OF REFERENCE

1. A joint US Department of Defense-Egypt Ministry of Defense Steering Committee for Armaments Cooperation (hereafter to be called "the Committee") is hereby established to serve, under the direct responsibility of the authorities listed in Article II of the Memorandum of Understanding (MOU), as the main body responsible for implementation of the MOU.

2. In particular, the Committee will be responsible for implementing the MOU and its Annexes, which govern mutually beneficial cooperation in conventional defense equipment research and development, procurement and logistic support of conventional defense equipment; to this end the Committee will meet as required pursuant to the request of either Government, but not less than once every year, alternating in each country, to review progress in implementing the MOU. To the extent practical, the agenda for the Committee Meeting and issues to be discussed will be mutually agreed to at least 30 days in advance of the meeting. In this review:

A. They will discuss mutually beneficial cooperation in areas covered by the MOU.

B. They will exchange information as to the way the stipulations of the MOU have been carried out, and, if need be, prepare proposals for amendments of the MOU and/or its Annexes.

C. They will provide an annual financial statement of the current status of procurement under the MOU, give guidance for its yearly preparation, and report on the progress of MOU implementation.

D. They will consider problems which impeded the implementation of this MOU in accordance with the procedures in paragraphs 3 and 4 below.

E. They will meet from time to time with representatives of the industries of each country to foster the objectives of the MOU.

3. The Committee will act as a forum for the consideration of all problems arising in the operation of the MOU, including issues relating to amending and interpreting its Annexes, and make recommendations to the parties for the resolution of such problems. In this context the Committee will:

- Establish procedures for raising and resolving problems involving the implementation of the MOU that are brought to its attention.
- If the Committee is unable to reach a consensus, refer the matter to the Under Secretary of Defense for Acquisition, in the event the United States is the procuring party, or to the Director General, Ministry of Defense, in the event Egypt is the procuring party, in which case the decision of the Under Secretary or the Director General shall be final.

4. The Committee shall not constitute the exclusive forum for the resolution of problems arising in the operation of the MOU; any aggrieved person may pursue whatever legal or administrative remedies are available in either country.

II. PRINCIPLES GOVERNING IMPLEMENTATION

1. MAJOR PRINCIPLES

A. The US Department of Defense (DoD) and the Ministry of Defense of Egypt (MOD) will consider for their defense requirements qualified conventional defense supplies and services developed or produced in the other country.

B. In reviewing an item for possible eligibility for full and open competition, the DoD/MOD will consider for their respective procurements the following:

1. Releasability of Technology. The technology may be released by making available to Egyptian or US industry a government owned Technical Data Package which is provided with an IFB or RFP. The release of technology may also take place through an export license application processed by a US or Egyptian prime contractor for technology to be used by an Egyptian or US contractor. Technology transfer approval will be in accordance with established procedures and guidelines of each nation.

2. Set-Asides. Items that are set aside for Small or Disadvantaged Business or Labor Surplus Areas participation shall be excluded.

3. Mobilization Base. The minimum production rate that will ensure that facilities, producers, manufacturers or other suppliers are available for furnishing supplies or services in case of national emergency or to achieve mobilization shall be excluded.

4. Items Restricted by Law or Regulation.

5. Military Readiness. In order to establish or maintain a repair, maintenance or support capability necessary to ensure military readiness in designated geographical areas, the Governments may restrict certain procurements.

C. In all instances, when a government intends to procure an item for which non-domestic sources may not compete, the procuring Government shall state in its solicitation that the procurement is limited to domestic sources only.

D. It is the responsibility of government owned entities or industry representatives in each country to acquire information concerning the other country's proposed research, development, and purchases for items or services for which its firms are eligible to compete in accordance with procurement procedures and applicable law. However, the responsible government agencies in each country will assist sources in the other country, to the degree possible, to obtain information concerning intended research and development, proposed purchases, and necessary qualifications and appropriate documentation, as provided by law and regulations.

2. ACTION

DoD and MOD will review and, where considered necessary and to the extent provided by law, revise their respective policies, procedures, and regulations and develop implementation procedures to ensure that the principles and objectives of the MOU, which are intended to promote the cost effective and rational use of funds allocated to defense, 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 that may preclude free and full competition for the award of contracts:

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

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

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

D. Ensure wide dissemination of the basic understanding of this MOU to their respective industries producing or developing approved defense items or services.

E. Ensure that, consistent with national laws, regulations, and this MOU, offers of conventional defense supplies produced and services performed 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 import duties, to the extent that existing laws and regulations permit the waiver of such import duties. Full consideration will be given to qualified industrial or governmental sources in each other's country. Provisions will be made for duty-free entry certificates and related documentation to the extent that existing laws and regulations permit.

F. 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 for industrial participation.

G. 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 have an opportunity to participate in the research, development, production and procurement processes.

H. Publish in a publicly available publication a summary of the notice of proposed purchase containing at least the following:

1. subject matter of the contract;
2. time-limits set for the submission of offers or an application for solicitation; and
3. addresses from which solicitation documents and related data may be requested.

I. Provide on request copies of solicitations for proposed purchases. A solicitation shall constitute an invitation to participate in the competition, and shall contain the following information:

1. the nature and quantity of the products to be supplied,
2. whether the procedure is by sealed bids or negotiation;
3. any delivery date;
4. the address and final date for submitting offers as well as the language or languages in which they must be submitted;
5. the address of the agency awarding the contract and providing any information required from suppliers;
6. any economic and technical requirements, financial guarantees and information required from suppliers;
7. the amount and terms of payment of any sum payable for solicitation documentation.

J. Publish conditions for participation in procurements in adequate time to enable interested suppliers to initiate and, to the extent that it is compatible with efficient operation of the procurement process, complete the bidding process.

K. Provide, upon request by any supplier, pertinent information concerning the reason why that supplier's application to qualify for the suppliers' list was rejected, or why that supplier was not invited or admitted to tender.

L. Establish a contact point to provide additional information to any unsuccessful offeror dissatisfied with the explanation for rejection of his offer or who may have further questions about the award of the contract.

M. Provide, upon request by an unsuccessful tenderer, pertinent information concerning the reasons why the offeror was not selected, including information on the characteristics and the relative advantages of the offer tender selected, as well as the name of the winning offeror.

N. Use best efforts to assist in negotiating licenses, royalties, and technical information exchanges among their respective industries, and research and development institutes when appropriate.

III. MEMBERSHIP AND POINTS OF CONTACT

A. MEMBERSHIP

The Governments will appoint the members of this committee and points of contact under separate cover and will update these appointments as necessary.

FOR THE GOVERNMENT OF EGYPT

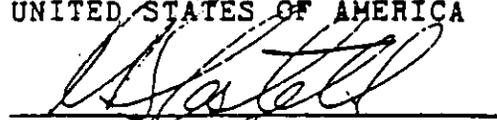
A. EL Tawil

Maj. Gen. / A. EL TAWIL

DATE: 22/3/1988

Major General
Abdel-Moneim EL-TAWIL
Deputy Chief Armament Authority

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



March 23, 1988

Under Secretary of Defense
(Acquisition)

TERMS OF REFERENCE
RECIPROCAL PROCUREMENT SUBCOMMITTEE
US-EGYPT MEMORANDUM OF UNDERSTANDING STEERING COMMITTEE

- References:
- (a) Memorandum of Understanding Between the Government of Egypt and the Government of the United States of America Concerning the Principles Governing Scientist and Engineer Exchange and Mutual Cooperation in Research, Development, Procurement and Logistic Support of Defense Equipment," dated 23 March 1988
 - (b) US-Egyptian MOU Steering Committee Meeting Minutes dated 1 June 1989

A. PURPOSE:

This implements references (a) and (b) and establishes a Reciprocal Procurement Subcommittee to support the US-Egyptian MOU Steering Committee.

B. GENERAL:

The Reciprocal Procurement Subcommittee will support and report to the US-Egyptian MOU Steering Committee, as required, consistent with the provisions of applicable regulations of both nations, the MOU, and its implementing annexes. The Reciprocal Procurement Subcommittee shall discuss procurement policy, regulations, procedures, industrial cooperation, training, competition, and other relevant areas.

C. MEMBERSHIP:

1. The Reciprocal Procurement Subcommittee shall be composed of members selected by the governments of their respective nations.

Membership

Dod

MOD

Co-Chair

Director, Office of Foreign
Contracting OUSD(A)
Procurement

Assistant Chief for Acquisition,
Armament Authority

Members

Senior Negotiator, Office of
Foreign Contracting, OUSD(A)
Procurement

Chief, Egyptian Industrial
Cooperation Office

Representative,
Department of the Army

Deputy Chief, Contracting Branch
Armament Authority

Representative,
Department of the Navy

Representative, Export
Development Bank

Representative,
Department of the Air Force

Director, Export Department,
MISR Foreign Trade Company,
Ministry of Economy

Representative,
Defense Logistics Agency

Representative, Arab
Organization for
Industrialization

Representative, Defense
Security Assistance Agency

Representative,
Ministry of Industry

Representative, National
Organization for Military
Production

Representative, Egyptian/
American Business Council

Representative, CAPMAS
(Counter-Trade Database)

Coordinators

Chief, Defense Industrial
Cooperation Office,
U.S. Embassy, Cairo

Staff Officer, Egyptian
Industrial Cooperation
Office

2. Representatives of other governmental organizations not identified above may participate in Subcommittee efforts at the invitation of their respective Co-Chairman, subject to agreement of both Co-Chairmen and in accordance with other relevant regulations.

D. RESPONSIBILITIES AND AUTHORITIES: The Co-Chairmen of the Reciprocal Procurement Subcommittee shall:

1. Direct and supervise the operations of the Subcommittee.

2. Schedule and preside at Subcommittee meetings.

3. Designate an Acting Co-Chairman to act for, and exercise the powers of, their respective Co-Chairmen in his absence.

4. Ensure that agendas and supporting documents to be considered by the Subcommittee are prepared and distributed well in advance of scheduled meetings.

E. SUBCOMMITTEE ACTIONS:

1. The Subcommittee will hold periodic meetings and will address matters related to reciprocal procurement, including the following:

a. Discuss problems encountered by the industries of both nations in competing in the defense market of the other.

b. Identify training that may help either nation in understanding the procurement system, policy, and procedures of the other.

c. Identify published guidance on procurement procedures, regulations, and policies.

d. Provide advice on other procurement related matters as required.

2. Problem areas or urgent matters need not wait for resolution at the next scheduled meeting. Such matters may be discussed by the two Co-Chairmen at any time.

3. The Subcommittee will periodically review the Implementing Procedures, Annex I of the MOU, and recommend to the MOU Steering Committee amendments and changes to the Annex as appropriate.

4. The Subcommittee will recommend and pursue the establishment of U.S. and Egyptian government organizations based in Cairo and Washington to facilitate achieving the principles of reciprocal procurement and defense industrial cooperation.

F. MEETING FREQUENCY: The Subcommittee will meet annually or as otherwise agreed by the two Co-Chairmen. The meeting place will alternate between Washington and Cairo. Proceedings of each meeting will be documented in meeting minutes.

G. EFFECTIVE DATE: This Terms of Reference is effective upon approval by the US-Egyptian MOU Steering Committee and shall be terminated by the same.

FOR THE MINISTRY OF DEFENSE
OF THE ARAB REPUBLIC OF EGYPT

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

Samir Abdelwahab
Signature

Al Volkman
Signature

Samir Abdel Wahab
Typed Name

Al Volkman
Typed Name

Major General
Chief, Requirements Branch
Armament Authority
Title

Director Foreign Contracting
Office of the Under Secretary
of Defense (Acquisition)
Title

15 May 1991
Date

15 May 1991
Date

Cairo, Arab Republic of Egypt
Place

Cairo, Arab Republic of Egypt
Place

ANNEX II TO THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE GOVERNMENT OF
THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF EGYPT RELATING TO THE
PRODUCTION IN EGYPT OF U.S. DESIGNED DEFENSE EQUIPMENT

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF DEFENSE
OF
THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF DEFENSE
OF
THE ARAB REPUBLIC OF EGYPT
CONCERNING
THE EXCHANGE OF SCIENTISTS AND ENGINEERS

EFFECTIVE DATE 15 May 1991

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA AND THE MINISTRY OF DEFENSE OF THE ARAB REPUBLIC OF EGYPT CONCERNING THE EXCHANGE OF SCIENTISTS AND ENGINEERS

1. PURPOSE AND SCOPE

1.1 The Ministry of Defense of Egypt and the Department of Defense of the United States (hereinafter referred to as "The Parties") agree to provide on-site working assignments to selected scientists and engineers from the other Party in defense research, development and logistics facilities. The work assignments shall provide the scientists and engineers knowledge of the organization and management of host government research and development activities related to conventional military systems. The program shall not include technical training nor is it to be used as a mechanism for obtaining technical data related to the design, development and manufacture of military systems. Exchanges of scientists and engineers under this Memorandum of Understanding (MOU) will be conducted on a reciprocal basis so that value to each Party will be essentially equal and is subject to the availability of funds for such purpose.

1.2 The exchange program shall be administered by Executive Agents. The Executive Agent for the United States is the U.S. Army; for EGYPT, the Executive Agent is the Egyptian Armament Authority. The program shall be administered in accordance with annex A.

2. SELECTION AND ASSIGNMENT OF CANDIDATES

2.1 Participation in the scientist and engineer exchange program is restricted to military officers and civilian employees of the Egyptian Ministry of Defense (MOD) and the U.S. Department of Defense (DOD). Specific procedures for their nomination and placement are contained in appendix A.

2.2 The placement of each candidate nominated under this program is conditional upon the ability of the host government to provide work assignments commensurate with the purpose and scope of the program for a mutually agreed period.

2.3 Candidates should hold at least a baccalaureate degree in a scientific field and should have at least four years practical experience in the technical area related to the position to which they are to be assigned. Some exchanges, however, may require higher academic requirements.

2.4 To assist in the evaluation and selection of candidates, the MOD and the DOD will provide background resumes, areas of interest, and assignment objectives, for each candidate, following the format of enclosure 1 of annex A at least 12 months prior to the desired date of assignment. It shall be the responsibility of the host government Executive Agent to provide, within six months of the desired date of assignment, a position description for available positions. The position descriptions shall follow the outline at enclosure 2 of annex A. Final selection of candidates, and their assignment to a position nominated by the host government, will be by mutual agreement between the MOD and the DOD.

2.5 Selected candidates from the MOD must be proficient in English and have a working knowledge of U.S. technical terms. Candidates from the DOD may be required to be proficient in the Arabic language and have a working knowledge of Egyptian technical terms (as may be necessary on case-by-case basis).

2.6 The scientists and engineers shall not act in a liaison capacity or otherwise act as representatives of their government while assigned to an exchange position, nor shall they act as representatives of the host government at the facility to which they are assigned. They shall perform functions only as described in the Position Description of the position to which assigned.

3. COSTS

3.1 Costs incurred on account of participation of a government in assigning scientists and engineers under this program will be borne by the government of which that engineer or scientist is a national ("government of origin").

3.2 Costs to be borne by the government of origin will include but are not limited to, salary, per diem allowance, housing allowance, differential relocation pay, family allowance, cost of movement of dependents and household effects, cost of shipment of remains and funeral expenses in event of death, travel to and from the host country, medical, dental and any other associated personnel costs occasioned by assignment of its nationals under this program. Travel and per diem costs for travel performed in connection with assigned duties within the host country will be paid by the government requesting or directing such travel.

3.3 The government of origin will make arrangements to defray costs of this program directly through its personnel rather than by reimbursement to the host government.

3.4 Costs to be borne by the government of origin will not include charges for the use of host government owned facilities, tooling, and plant or laboratory equipment that are necessary for performance of a participant's assigned tasks.

4. SECURITY

4.1 During the selection process, each government will inform the other of the level of security clearance required, if any, to permit candidates access to classified information. Access to classified information will be kept to the minimum required to accomplish the work assignment as determined by the host government based on the position description.

4.2 Each government will cause to be filed, through the Egyptian Embassy in Washington, D.C., in the case of Egypt, and through the U.S. Embassy in Egypt, in the case of the U.S., the appropriate security assurances for each selected candidate. The security assurances will be prepared and forwarded through prescribed channels in compliance with established host government visit and accreditation procedures.

4.3 The scientists and engineers will, at all times, be required to comply with security laws, regulations and procedures of the host nation. Any violation of security procedures by a participant during his/her assignment will be reported to the government of origin for appropriate action.

4.4 All classified items, plans, specifications, or other information to which personnel participating in this program may have access will be subject to all provisions and safeguards provided for under the U.S.- Egypt General Security of Military Information Agreement, dated 10 February 1982.

4.5 The host government and government of origin will ensure that each assigned participant is fully cognizant of applicable security laws and regulations concerning the protection of proprietary information (such as patents, copyrights, and trade secrets), classified information and other information to be disclosed under this program, both during and after termination of a participant's assignment.

4.6 The data and information to be exchanged under this program as well as access to facilities, equipment and sites shall not extend to the release of RESTRICTED DATA or FORMERLY RESTRICTED DATA as defined in the U.S. Atomic Energy Act of 1954 as amended; to communications security information; to information for which foreign dissemination has been prohibited in whole or in part; to information for which a special access authorization is required; and to information which has not been specifically authorized for release to the government of origin of the exchange participant under applicable disclosure policies of the originating government.

4.7 To insure the protection of proprietary, classified, and other information disclosed under this program, both during and after termination of a participant's assignment, each participant will be advised of applicable security regulations and statutes and will be required to sign the applicable certifications at annexes B and C.

5. TECHNICAL AND ADMINISTRATIVE MATTERS

5.1 Consistent with its laws and regulations, the host government will provide, at no cost to the government of origin, such technical and administrative support as is deemed necessary for the efficient performance of a participant's assigned tasks.

5.2 To the extent permitted by law and regulations, participants assigned under this program will be subject to the same restrictions, conditions, and privileges as host government MOD/DOD personnel of comparable rank in the area of assignment. Further, to the extent permitted by the laws and regulations of the host government, participants and their authorized dependents will be accorded on a reciprocal basis:

- a. Exemption from any tax by the host government upon income received from the government of origin.
- b. Exemption from any customs and import duties or similar charges levied on articles entering the host country for their official or personal use, including, inter alia, their baggage, household effects, and private motor vehicles. The foregoing does not in any way limit privileges granted by the laws and regulations of the host government.

5.3 Participants and their authorized dependents shall be briefed regarding their specific entitlements, privileges, and obligations prior to or immediately following their arrival in the host country. The briefing shall include the subjects described at enclosure 3 to annex A.

5.4 As a general rule, except for religious holidays, participants will observe holidays of the host government rather than their own national holidays. Exception to this rule may be made by the facility to which participants are assigned.

5.5 All participants will work under the guidance and control of a host supervisor who will, after three months and upon completion of a participant's tour of duty, submit an evaluation report through the Executive Agent to the participant's government of origin.

5.6 Supervisors will ensure daily observation of each participant's performance in order to provide a basis for counseling and reporting.

6. INVENTIONS AND TECHNICAL INFORMATION

6.1 The respective rights of the exchange scientist or engineer and the two governments to inventions (whether patentable or nonpatentable) made (either conceived or reduced to practice) and to technical information developed by an exchange scientist or engineer during the period of and as a result of his/her participation in the program shall be governed by the laws and regulations of the respective government of origin.

6.2 To the extent that the right, title and/or interest to an invention and/or to technical information is assigned to the government of origin under the provision of paragraph 6.1 above, the government of origin grants free of charge to the host government for its own governmental purposes a non-transferable, world-wide, irrevocable, non-exclusive, royalty-free license to practice (make, use and sell) such inventions and to have unlimited use and reproduction rights in such technical information.

6.3 Additional rights to inventions and technical information, such as transfer of patents, may be negotiated between the parties involved.

6.4 Notwithstanding the rights delineated in 6.1 and 6.2 above, the government of origin shall obtain from each exchange scientist and engineer, as a condition for participating in the program, a written commitment regarding inventions and technical information in the form prescribed in annex B and shall promptly deliver the signed original to the host government.

6.5 The government of origin of a scientist or engineer who makes an invention will have first priority to prosecute or to have prosecuted on its behalf patent applications to secure rights granted under this section. The government of origin shall, within a reasonable time, notify the host government of the countries in which it or the scientist or engineer inventor elects to file patent applications. For all other countries, the host government may prosecute or have prosecuted on its behalf patent applications to secure such rights.

6.6 Any additional compensation or award under an incentive award program or similar program due to the participant scientist or engineer for the work performed under this program shall be the responsibility of the government of origin.

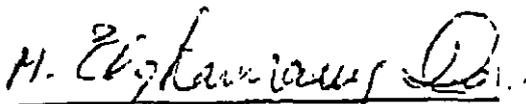
7. DURATION AND TERMINATION

7.1 This MOU will remain in force for a period of ten years. It may be amended or extended by mutual written agreement between the Parties. In the event either Party contemplates termination of its participation in the program, it will promptly consult the other Party by giving six months written notification to the other Party.

7.2 In the event of termination or expiration of this MOU, the commitments regarding security, the protection of technical and other information against unauthorized use, disclosure, or transfer, and industrial property rights that accrued prior to termination will continue without the limit of time.

7.3 IN WITNESS WHEREOF, the duly authorized officials of the two Parties have executed this MOU as of the date(s) below indicated. This MOU consists of Sections 1 through 7 and annexes A through C, inclusive, and is executed in the English language. This MOU will enter into force upon the date on which the last signature is affixed below, which date will be entered on the cover page as the date of this MOU.

FOR THE MINISTRY OF DEFENSE
OF THE ARAB REPUBLIC OF EGYPT


SIGNATURE

MOHAMED EL-GHAMRAWY DAWOOD
Major General
Chief, Armament Authority
Ministry of Defense

TYPED NAME

15 May 1991

DATE

Egyptian Armament Authority
Ministry of Defense
Cairo, Arab Republic of Egypt

LOCATION

FOR THE DEPARTMENT OF DEFENSE OF
THE UNITED STATES OF AMERICA


SIGNATURE

BILLY M. THOMAS
Lieutenant General, USA
Deputy Commanding General
for International Coop Prgrams

TYPED NAME

3 May 91

DATE

HQ Army Materiel Command
5001 Eisenhower Ave
Alexandria, VA 22333-0001

LOCATION

ANNEX A

PROCEDURES FOR ADMINISTERING THE EXCHANGE OF SCIENTISTS AND ENGINEERS

- A.1 This Annex to the Memorandum of Understanding (MOU) between the U.S. and EGYPT regarding the Exchange of Scientists and Engineers provides the procedures for nominating and assigning exchanged scientists and engineers from one country to research and development facilities in the other country.
- A.2 The exchange of personnel as outlined under the MOU need not be on a one-for-one basis, need not be for equal duration, nor must the technical disciplines of the personnel be the same. However, the exchange will be conducted on a reciprocal basis so that, overall, the value to each government will be essentially equal.
- A.3 Exchange of personnel between the U.S. and EGYPT will be administered by a designated National Executive Agent. The Executive Agent for the U.S. is the Department of the Army. The Executive Agent for EGYPT is the Egyptian Armament Authority. The Executive Agent will be the single point of contact with the other Government for the administration of the Exchange Program.
- A.4 Each Executive Agent will obtain from its Government's defense components and submit to the other Executive Agent applications of individuals for consideration as exchange participants. The personnel application shall include a resume in the format of enclosure 1. The selection and placement of five or more participants in one country during a calendar year period will be administered and coordinated on a group basis to facilitate administrative processing.

ANNEX A-CONTINUED

A.5 Candidate applications will be submitted by the nominating Government to its Embassy for forwarding to the Executive Agent in the host government. The submission of the applications will occur at least twelve months prior to the desired assignment start date.

A.6. The host government Executive Agent will distribute the candidate resumes it receives to its defense components for review and placement selection.

A.7 After review and coordination of the resumes and identification of applicable assignments, the host government Executive Agent will submit through prescribed channels proposed Position Description in the format of enclosure 2 at least six months prior to the expected assignment date to the nominating government.

A.8 Upon acceptance of the Position Description, the nominating government will submit appropriate documentation, to include accreditation requests, thru its embassy channels to the host government at least 60 days in advance of the proposed date of assignment.

A.9 Upon receipt of the information specified in A.8, above, the host government Executive Agent will notify the receiving defense component of the individual's arrival date(s). The receiving defense component will, in turn, notify the exchange participant's supervisor and encourage personal contact between the supervisor and the participant prior to arrival. A sponsor,

ANNEX A-CONTINUED

usually the supervisor, will be assigned to meet the participant on arrival and help make the necessary living arrangements for the participant and family.

A.10 The Executive Agent should arrange for an in-briefing for all new participants, normally to be held at the exchange participant's embassy. The embassy and sponsor or supervisor shall, as a minimum, brief the participant on the items contained in enclosure 3. The Executive Agent and security manager of the host defense component will provide the overall welcome to the program and emphasize security system requirements. The sponsor or supervisor will familiarize the participant with the sponsoring organization's research and development mission, as well as the specific assignment location and duties.

A.11 The Executive Agent, along with embassy point of contact, will be the interface with all supervisors and/or participants in administering the program.

ANNEX A
ENCLOSURE 1

Professional Background

I. Personal Data:

Name:

Rank or Title:

Scientific or Technical Specialty:

Passport No:

Marital Status: (if children, how many, ages and sex)

Address:

Office:

Telephone:

Home:

Telephone:

II. Education:

Name of college/university
Degree received/subject

III. Professional Employment:

List military and civilian employment

IV. Name of Present Organization

V. Language Proficiency:

- a. Recent aptitude/proficiency scores, if applicable
- b. Academic Language Training or Language Experience
- c. Spouse's Proficiency.

ANNEX A
ENCLOSURE 1-CONTINUED

PROFESSIONAL BACKGROUND
AND AREA OF INTEREST

VI. Career Areas of Interest

A. Primary

- 1.
- 2.
- 3.

B. Secondary

- 1.
- 2.
- 3.

ANNEX A
ENCLOSURE 2

POSITION DESCRIPTION

1. Title of Position:
2. Position Location:
3. Qualifications/Skills Required for Position:
4. Description of Specific Duties:
5. General Categories of Information to Which Access Will be Required:
6. Supervisor: (Name, Title/Grade, Address)

ANNEX A
ENCLOSURE 3

SUGGESTED TOPICS TO BE COVERED BY EMBASSY DURING IN-BRIEF OF EXCHANGE
SCIENTISTS OR ENGINEERS

- Peculiarities of status during stay in US or EGYPT
- Import and registration of private vehicle
- Driver's license and automobile insurance
- Treatment of Customs in bringing in goods for personal use (e.g., suitcases, household goods, etc.).
- Taxes
- Employee inventions
- Receipt of paychecks
- Opening a private bank account
- Necessary correspondence relative to personal affairs
- Passports and visas
- Holidays, annual leave, sick and emergency leave and home vacation privileges
- Authorizations for business travel (TDY)
- Visit requests (to visit installations other than place assigned)
- Procedures to book flights for TDY
- Returning to home country
- Regulations and allowances relative to moving costs (household goods, per diem, weight allowances, etc.)
- Instructions for obtaining assistance (financial, credit, verification of employment, etc.)
- Housing rental allowance
- Procedure for settling travel vouchers
- School assistance
- End of assignment and periodic written reports
- Suggested books and literature about the US and EGYPT for background information
- Provide list of important organizations, persons, addresses, telephone numbers (e.g., Embassy, Armed Forces Administrative Office, etc)
- Medical care entitlements
- Security procedures and contacts

ANNEX B
COMMITMENT REGARDING INVENTIONS MADE
AND TECHNICAL INFORMATION DEVELOPED
BY VISITING SCIENTISTS AND ENGINEERS

COMMITMENT TO HOST GOVERNMENT

In consideration for being selected to participate in the US/EGYPT Scientist and Engineer Exchange program, I hereby grant to the host government a worldwide, nontransferable, irrevocable, non-exclusive, royalty-free license to practice (make, use or sell) inventions (whether patentable or not patentable) and unlimited use and reproduction rights in technical information, which inventions are made (either conceived or reduced to practice) by me or which technical information is developed by me during of and as a result of my participation in the program.

Signature of Scientist/Engineer

ANNEX C

CERTIFICATION OF CONDITIONS
AND RESPONSIBILITIES

I understand and acknowledge that I have been accepted for assignment to (name and location of organization to which assigned) pursuant to an agreement between The Ministry of Defense of the ARAB REPUBLIC OF EGYPT and the United States Department of Defense. In connection with this assignment, I further understand, acknowledge, and certify that I shall comply with the following conditions and responsibilities:

1. The purpose of the assignment is to gain knowledge of the organization and management of host nation research and development activities related to conventional military systems. There shall be no access to technical data or other information except for that which is required to perform the duties of the position to which I am assigned.

2. I shall perform only functions as described in the Position Description for my work assignment, and will not act in any other capacity on behalf of my government.

3. Access to information shall be limited to that information determined by my designated supervisor to be necessary to fulfill the functions described in the Position Description for my work assignment.

4. All information to which I may have access in the course of this assignment shall be treated as information provided to my government in confidence and shall not be further released or disclosed by me to any other person, firm, organization or government without the prior written authorization of the host government.

5. I have been briefed on, understand, and shall comply with all applicable security regulations of the host government.

(Signature)

(Typed Name)

(Grade/Title)

(Date _____)