

AMENDMENT 1 TO THE DEFENSE INDUSTRIAL COOPERATION AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE HELLENIC REPUBLIC

The Government of the United States of America and the Government of the Hellenic Republic, hereinafter referred to as "the Parties", signed a Defense Industrial Cooperation Agreement (DICA) which entered into force on November 10, 1986. The Governments agree to extend the DICA, together with its related annexes, and to amend the DICA as follows:

Add at the end of Article II of the DICA:

8. The Parties agree to discuss measures to limit any adverse effects of offsets that may have a negative impact on the defense industrial base of each country.

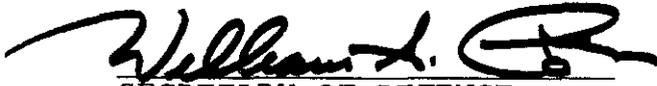
Article XI of the DICA is amended to read as follows:

1. This Agreement shall enter into force upon signature by both Parties and shall remain in force for an initial period of five years. At the end of the initial five year period, the Agreement shall continue in force for another five years, and will automatically renew for successive five year periods unless terminated by either Party on six month's notice. However, notwithstanding the preceding sentence, this agreement shall remain in force only for so long as the 1990 Mutual Defense Cooperation Agreement (the successor to the 1983 Defense and Economic Cooperation Agreement), or any successor Agreement, remains in force.

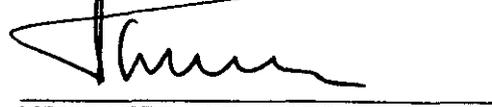
This amendment shall enter into force upon signature by both Parties, with effect from November 10, 1996.

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

FOR THE GOVERNMENT OF THE
OF THE UNITED STATES OF AMERICA:


SECRETARY OF DEFENSE

FOR THE GOVERNMENT OF
THE HELLENIC REPUBLIC:


MINISTER OF DEFENSE

DATE: April 4, 1997

DATE: 17 MAR 1997

DEFENSE INDUSTRIAL COOPERATION AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE HELLENIC REPUBLIC

PREAMBLE

The Government of the United States of America and the Government of the Hellenic Republic (the Parties), adhering to the principles of mutual benefit and full respect for the sovereignty, independence and interests of their countries and taking into account their decision to restructure their defense and economic cooperation, as stipulated in Article 1 of the Defense and Economic Cooperation Agreement (DECA) Between the Government of the United States of America and Government of the Hellenic Republic signed, September 8, 1983;

Taking into consideration both the relationship between defense capability and economic growth and stability, as set forth in Article X of the DECA and their commitment to a timely preparation of a framework agreement as set forth in paragraph 6 of Article IX of that said Agreement; and

Noting the substantial purchase of defense items by the Hellenic Republic from the United States and the purchase of defense items from the Hellenic Republic by the United States;

Have decided to sign this Agreement with the aim to:

a. Enhance their cooperation in the defense industry sector and to cooperate more closely in the fields of research, development, production, coproduction, maintenance, repair, rebuilding, modernization and procurement of defense equipment, as well as in the necessary logistic support;

b. Conclude separate arrangements or agreements concerning the joint promotion of defense projects and the mutual procurement of major systems, equipment and services, as well as, logistic support in the context of this Agreement;

c. Facilitate the mutual flow of defense procurement for their armed forces, through timely and appropriate measures including as many immediate measures as possible, aimed at assuring a long-term equitable balance in their exchanges;

d. Permit suppliers in each country to compete on a reciprocal basis for the procurement of defense products, equipment, materials, and services hereinafter referred to as "defense equipment and services."

ARTICLE I

The Parties will cooperate in order to increase their defense equipment production and maintenance capabilities and to enable their armed forces to acquire more economically and efficiently modern armaments and equipment needed for individual and collective self-defense.

ARTICLE II

1. The Parties will give the fullest consideration to all requests for cooperative research and development, and to all requests for production and procurement intended to enhance the standardization and/or interoperability of equipment and services within the NATO Alliance, and accord to each other terms and conditions as favorable as those extended to any other NATO country.

2. The Parties agree that they will:

a. Remove barriers to their defense industrial cooperation, including those relating to the mutual procurement of defense articles, specifically through:

(1) Evaluating offers without the application of price differentials provided for under "buy national" laws and regulations and without applying the cost of applicable import duties. Provision will be made for duty-free certificates and related documentation;

(2) Giving full consideration to all qualified sources in the other country;

(3) Acquiring items of defense equipment developed or produced by either government on the most economic terms.

b. Permit the importation and exportation free from customs duties and taxes or similar charges of equipment and materials sent to its country for maintenance, repair or overhaul pursuant to this Agreement.

3. Each Party shall normally use competitive contracting procedures in acquiring items of defense services or defense equipment developed or produced in the other country.

4. Each Party shall require that offers satisfy the applicable requirements of the purchasing government for performance, quality, delivery, and costs.

5. Each Party shall from time to time notify the other government of defense items that may not be acquired by the

notifying government from other than domestic sources for national defense purposes, as well as those defense items that may be particularly suitable for acquisition by the other government.

6. At the request of the purchasing Party, arrangements and procedures will be established concerning follow-on logistic support for items of defense equipment purchased pursuant to this Agreement. Both Parties will make their defense logistic systems and resources available for this purpose as mutually agreed.

7. Transfers to third parties of defense articles or technical data made available under this Agreement and of articles produced with such data will be subject to the prior written consent of the Party that made available the defense articles or technical data. Each Party, when evaluating proposals of the other Party for the sale or transfer to a third party of such defense articles or technical data, will base its decisions on its national policies, laws, and regulations. Each Party will use the same criteria it uses for itself and will not reject such requests solely in the pursuit of its own national commercial advantage.

ARTICLE III

1. The Government of the United States will provide to the Government of the Hellenic Republic or will assist the Government of the Hellenic Republic to obtain, whenever possible at no cost, or on terms no less favorable than those extended by the Government of the United States to other NATO countries, the industrial property rights requested by the Government of the Hellenic Republic to develop its own defense production or to promote standardization and interoperability of equipment manufactured in the Hellenic Republic with that of the United States, and with other members of the NATO Alliance.

2. Consistent with their national policies, laws, and regulations, and on a reciprocal basis, the Parties will waive, to the extent possible, their claims for reimbursement with regard to nonrecurring research and development costs and nonrecurring production costs.

3. The Government of the United States agrees:

a. To permit the use by the Government of the Hellenic Republic of FMS credits in order to finance:

(1) The procurement of major defense material and equipment directly from United States companies, on the basis of the terms of contracts concluded with them, as such use is approved by the United States Government;

(2) The purchase of defense articles, as defined in 22 United States Code Section 2794, and services for use by Greek companies, as provided for in co-production arrangements, to the extent that United States goods and services are involved.

b. To utilize, under certain conditions, Greek entities as suppliers/subcontractors for the production of goods and services intended either for the United States Armed Forces or for third countries regardless of whether they receive United States security assistance funds or use their own funds.

ARTICLE IV

1. This Agreement shall be implemented through mutually agreed programs. To this end, the Parties, acting through their competent authorities will enter into implementing arrangements. In this respect, the two governments will seek ways to implement, at the lowest possible cost to each party, the specific programs

and projects which are identified in Annex A to this Agreement and other programs as mutually agreed.

2. Each implementing arrangement for mutually agreed programs will include, inter alia, possibilities for some or all of the following:

a. Joint financing and/or joint investments;

b. Transfer and provision of the necessary Technical Data Packages, technical assistance, training, licenses and, in certain cases, enhancement of infrastructure;

c. Procurement of material and services to cover both common and each Party's needs and for sale or transfer of such goods and services to other countries in accordance with the principles of this Agreement.

ARTICLE V

In furtherance of Article IX (3) of the DECA and paragraph (g) of the DECA Annex, the Parties have jointly determined the counting procedures, set down in Annex B to this Agreement, which will be used to assess the mutual flow of defense procurements. These procedures will apply to defense material and services purchased as specified in Annex B.

ARTICLE VI

The Parties will negotiate mutually acceptable procedures for quality assurances, inspection services and auditing as annexes to this agreement. Such procedures will provide the basis for the reciprocal waiver of costs related to quality assurance, inspection services and auditing.

ARTICLE VII

1. The Parties agree to create a joint United States-Greek Committee for Defense Industrial Cooperation to which they will appoint representatives who will develop terms of reference for this committee and establish procedures for implementing this Agreement.
2. The Under Secretary of Defense for Acquisition or his designee will be the representative for the United States Department of Defense.
3. The Under Secretary of Defense for Procurement, Defense Industries and Research and Development or his designee will be the representative for the Government of the Hellenic Republic.
4. The Committee will be co-chaired by the authorities referred to above or their designated representatives. The Committee will meet as mutually agreed at the request of either government, but at least once a year, to review progress in implementing this Agreement. It will discuss the research, development, production, procurement, and logistic support needs of each country and the likely areas of cooperation and consider any other matters relevant to the implementation of this Agreement.
5. Each Party will designate points of contact at the Ministry and Department of Defense level, in each purchasing service/agency under the Ministry or Department of Defense, and in other government departments and agencies, as appropriate.

ARTICLE VIII

1. Implementation of this agreement will involve maximum industrial participation. In addition to the governmental procedures to implement this Agreement, the industries in each

country will be encouraged to identify and market their respective capabilities and to carry out the actions necessary to bring about industrial participation.

2. Each Party will bring this Agreement to the attention of the relevant organizations, enterprises and services within its territory, and will provide appropriate implementing guidance.

3. In order to encourage the exchange of information which will facilitate the implementation of this Agreement, each Party shall, in accordance with its national laws, regulations and procedures, take appropriate action to facilitate participation by properly cleared officials and representatives of the other country in informational symposia, program briefings and prebid conferences, as well as access to publications and visits to relevant installations as required to implement mutually agreed programs.

ARTICLE IX

The Parties agree that documents, information and material that are exchanged under the present Agreement will be protected according to the provisions of the United States-Greece General Security of Military Information Agreement (GSOMIA) of 7 January 1986.

ARTICLE X

This Agreement will be implemented in accordance with national policies, laws, and regulations of the Parties.

ARTICLE XI

1. This Agreement shall enter into force upon signature by both Parties and shall remain in force for an initial period of five

years. At the end of the initial five year period the Agreement shall continue in force for another five years. Thereafter this Agreement may be continued in force by mutual agreement.

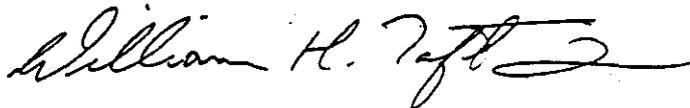
However, as soon as notice of termination for the 1983 DECA Agreement is given by either Party, after twenty two months from the date of such notice, this Agreement may be terminated by either Party upon 30 days written notification.

2. Notwithstanding the expiration or termination of this Agreement, any contract entered into consistent with the terms of this Agreement will continue in effect in accordance with its terms, unless the contract is terminated in accordance with such terms.

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

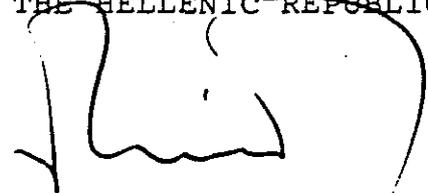
Done at Athens, Greece, this 10th day of November, 1986, in duplicate, in the English and Greek languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



WILLIAM H. TAFT, IV
Deputy Secretary of Defense

FOR THE GOVERNMENT OF
THE HELLENIC REPUBLIC



THEODOROS STATHIS
Under Secretary of Defense
for Procurement, Defense
Industries and Research
and Development

DEFENSE INDUSTRIAL COOPERATION AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE HELLENIC REPUBLIC

COOPERATION PROGRAMS

Programs presently under consideration include, but are not limited to, the following:

1. Ship Repair

Ship repair by the Hellenic Shipyards limited to the work as described by the U.S. Navy Master Ship Repair Agreement with Greece and as required by the Fleet Commander.

2. Tank Modernization

Modernization through FMS of the Fire Control System of the M48A5 tanks of the Hellenic Army. Greek industry would participate in this work.

3. A-7 Replacement of losses-Modernization

Replacement of attrition A-7 aircraft through FMS procedures; modernization of such aircraft through FMS and/or commercial arrangements. Greek industry would participate in the modernization work.

4. Upgrading Missile System Maintenance

Expansion of Greek maintenance on the Harpoon and Sparrow missiles to intermediate level. _____

5. T-34 Production

Provision of technical data package and tooling and machining equipment for Greece to produce the T-34. This program could be accomplished either through FMS and/or on a commercial basis with Beech Aircraft.

6. Remotely Piloted Vehicle (RPV)

Leasing by U.S. Navy of BQM-74C (CHUKAR III) RPV and support systems to a U.S. contractor. This contractor would apply for an export license to co-develop with Greece and export a reconnaissance version of the BQM-74C.

Apart from the programs explicitly stated above, there are other programs under consideration in the spirit of Article IV of this Agreement. Such programs will be reviewed by the Joint United States-Greek Committee for Defense Industrial Cooperation established by Article VII of this Agreement.

ANNEX "B" TO THE
DEFENSE INDUSTRIAL COOPERATION AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE HELLENIC REPUBLIC

COUNTING PROCEDURE

1. Article VI of the DIC Agreement provides for the determination of counting procedure that will be used to count the purchases and transactions against the goals of the Agreement. For counting purposes all defense items and services purchased by the Department of Defense or the Ministry of Defense including their respective agencies and/or industries from either country will be considered as eligible except for petroleum, subsistence, construction and support services.
2. The categories of Greek purchase from the US will include those through Foreign Military Sales transactions and those directly from US industry for which export licenses are issued.
3. The categories of US purchases from Greece will include DOD prime contracts where the principal place of performance is in Greece and subcontracts placed in Greece by US prime contractors.

4. Operational expenses of either government to achieve the goals of the Agreement will not be counted.

5. Transactions listed in paragraphs 2 and 3 will be credited at the value of the contract on its effective date.

6. Transactions will be credited at the value of the respective currencies on the effective date of the transaction.

7. Each government will prepare an annual counting report. Supporting data for each category will also be included in the summary in a format and content to be mutually agreed. Both governments will exchange the summary reports and supporting data sufficiently in advance of the meetings 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 Committee established pursuant to Article VII of DICA.

ANNEX "C" TO THE
DEFENSE INDUSTRIAL COOPERATION AGREEMENT (DICA)
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE HELLENIC REPUBLIC
REGARDING RECIPROCAL QUALITY ASSURANCE SERVICES

In implementation of Articles IV and VI of the DICA, the governments of the United States of America and the Hellenic Republic have agreed as follows:

This agreement sets the following terms, conditions, and procedures with regard to quality assurance services in support of defense contracts and subcontracts contemplated or executed under the DICA.

The procedures of NATO Standardization Agreement Number 4107 (STANAG 4107) and Allied Quality Assurance Publication Number 10 (AQAP-10) shall apply as supplemented by this agreement to the extent consistent with the laws of both governments.

If special quality assurance arrangements are made for international cooperative projects in which the United States and the Hellenic Republic participate, those special arrangements shall have precedence over this agreement. Purchases by the Hellenic Republic under the Foreign Military Sales (FMS) Program will be handled under United States FMS procedures. Normally, FMS purchases will be afforded the same quality assurance services that are provided for similar Department of Defense procurements.

The objective of this agreement is to ensure each participating government is able to employ the most effective and efficient quality assurance support possible when acting under the DICA. Nothing in this agreement is to be construed as impairing a purchasing government's access to its contractors and their records as may be contractually authorized.

I. General

A flexible arrangement is envisioned under which a purchasing government may, on a case-by-case basis, request full quality assurance support as described in AQAP-10 or, alternatively, request specific services listed in AQAP-10 as it considers appropriate to the circumstances. The purchasing government may elect to perform other necessary services through its own on-site representative and will inform the host government in such cases, in order to avoid duplication of the work performed by the host government. The purchasing government may modify a request for support during contract performance after consultation with the host government.

The participating governments shall accept all reasonable requests for quality assurance services and shall increase resources, to the extent necessary, to perform the services requested. Quality assurance services shall be carried out according to the procedures in STANAG 4107 and AQAP-10, or the equivalent procedures each 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; shall authorize access to contractor facilities and records and use of contractor assets as necessary for the performance of quality assurance service; and shall include the appropriate contractual quality requirement imposed on the contractor, if applicable.

Where representatives of both participating governments deal with a contractor at the same location in support of the same or separate contracts, they shall operate in full concert according to agreed upon terms of reference.

The participating governments shall designate a single office to receive requests for quality assurance services. This office shall arrange for the required services to be performed by the appropriate national organization. In addition, each participating government may elect to designate an office in or near the other participating country to act as focal point through which requests for quality assurance will be forwarded. The host government will endeavor to keep the purchasing government's focal point apprised of current quality assurance practices and resources to help ensure that 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.

II. Procedures

Requests for government quality assurance in the Hellenic Republic shall be directed to:

Ministry of National Defence
Defence Industry Directorate
Quality Assurance Branch
Holargos
Athens, Greece

Requests for government quality assurance in the United States shall be directed to:

Defense Logistics Agency
Defense Contract Management Command - International
International Logistics Office
201 Varick Street
New York, NY 10014-4811

The format for requests for quality assurance shall be as described in Annex A to STANAG 4107, with the following additional information:

In block 7, include the type of equipment to which the material or spare parts pertain, and the Armed Forces (Army, Navy, and Air Force) that employ the equipment;

In block 10, state the desired services, if less than comprehensive support is needed.

The requests shall reference STANAG 4107 and this agreement to the DICA, and shall be processed according to the procedures in the STANAG. Acceptance or rejection shall be made within 45 calendar days of receipt by the performing government. The STANAG procedures shall be followed in regard to notifying the purchasing office of unsatisfactory conditions, processing deviations and waivers, and issuing certificates of conformity.

Direct communication between the purchasing office and the assigned quality assurance office is authorized and encouraged in resolving contract problems. The purchasing government shall retain final authority over contract interpretations and enforcement actions, and shall advise the quality assurance office in a timely fashion on such matters as needed.

In the event the purchasing government envisions the assignment of on-site 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.

III. Responsibility and Liability

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

IV. Protection of Information

Classified information obtained through implementation of this agreement shall be protected according to the provisions of the United States-Greece General Security of Military Information Agreement (GSOMIA) of January 7, 1986, with annex on Industrial Procurement Procedures.

Controlled unclassified information shall be protected in accordance with Document Number 8, as approved June 15, 1989, by the senior security officials of NATO member nations for application to multi-national armaments cooperation programs.

V. Charges

Services shall be provided under this agreement free of charge for all contracts, subcontracts, and FMS Letters of Offer and Acceptance entered into on or after the effectivity date of this agreement. If either government determines that charges will be necessary, they may be imposed for future services following three months advance notice. Should charges by the United States become necessary, FMS procedures shall apply.

VI. Duration and Interpretation

This agreement shall remain in effect for a period as set forth in Article XI of the DICA, and may be terminated under the conditions as set forth in that Article and paragraph VII, below. In the case of conflict between provisions of this agreement and the DICA, the latter shall control.

VII. Review Of Agreement

This agreement shall be reviewed every two years to determine if implementation has been as intended and to modify the agreement as necessary. Either government may terminate this agreement in accordance with Article XI of the DICA, if as a result of these

reviews, that government believes that the terms of this agreement have not been, or cannot be, fulfilled.

VIII. Effective Date

This agreement shall come into effect on the date of the last signature.

Done at Athens this 23rd day of September¹⁹⁹² in duplicate in English.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
HELLENIC REPUBLIC:
