

IMPLEMENTING ARRANGEMENT (EC-LH-01)

BETWEEN

THE UNITED STATES SECRETARY OF DEFENSE

AND

THE REPUBLIC OF LITHUANIA MINISTER OF NATIONAL DEFENSE

CONCERNING

MUTUAL LOGISTIC SUPPORT

INTRODUCTION

The United States Secretary of Defense and the Republic of Lithuania Ministry of National Defense, hereinafter referred to as the parties, desiring further rationalization, standardization, interoperability, and readiness of their respective forces through increased logistic cooperation, agree to the mutual exchange of logistic support, supplies, and services, pursuant to the "Agreement Between the Ministry of National Defense of the Republic of Lithuania " dated 30 Apr 96 , [with amendments], and for the United States, U.S. Public Law 96-323, the NATO Mutual Support Act of 1979, as amended (10 U.S. Code Sections 2341-2350), which serves as U.S. authority to conclude this implementing arrangement.

ARTICLE I

TERMS, CONDITIONS, AND DEFINITIONS

1.1 The parties understand that under this implementing arrangement, the United States Department of Defense agrees to transfer logistics support, supplies, and services to the Military Forces of the Republic of Lithuania in return for the reciprocal provision of logistic support, supplies, and services by the Republic of Lithuania Ministry of National Defense to the United States Armed Forces.

1.2 The parties agree not to retransfer logistic support, supplies, and services obtained through this implementing arrangement to any third party without the prior written consent of the supplying party.

1.3 The parties will use their best endeavors, consistent with their national priorities, to satisfy the requests of the other party for logistic support, supplies, and services not only in peacetime, but also in periods of crisis, contingency operations or , war.

1.4 The parties agree to use reciprocal pricing principles to implement the provisions of the basic US-Lithuanian Acquisition and Cross-Servicing Agreement of 30 Apr 96 1996 [and amendments thereto].

1.5 The term "logistic support, supplies, and services" means food, billeting, transportation (including airlift), petroleum, oils, lubricants, clothing, communications services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and port services. (Such term includes temporary use of general purpose vehicles and other items of military equipment not designated as part of the United States Munitions List pursuant to section 38(a)(1) of the Arms Export Control Act (22 U.S. Code Section 2778(a)(1)).)

1.6 The term "transfer" means selling (whether for payment in currency, replacement-in-kind or exchange of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing logistics support, supplies, and services under the terms of a cross-servicing agreement.

## ARTICLE II

### ORDERING RESPONSIBILITIES

2.1 The points of contact (POCS) for the parties are contained in the Annexes to this implementing arrangement. The Republic of Lithuania Ministry of National Defense may request logistics support, supplies, and services directly from Headquarters United States European Command (HQ USEUCOM) Service components or from Headquarters United States European Command (HQ USEUCOM). HQ USEUCOM and its Service components may request support directly from the Republic of Lithuania Ministry of National Defense or any other organization or agency authorized by the Republic of Lithuania Ministry of National Defense.

2.2 The Implementing Arrangement Number is EC-LH-01 and will appear on all orders placed by the parties as a result of this implementing arrangement. It will also appear in the subject of all correspondence between the parties regarding this implementing arrangement.

2.3 The ordering party will initially contact the supplying service/organization by telephone or message to determine availability, price, and desired method of repayment for required materiel or services prior to placing an order under this implementing arrangement. The supplying party will inform the ordering party of availability, price, desired method of repayment, location, and other appropriate data by message or fax. The methods of payment include:

- (1) Payment-in-cash (PIC).

(2) Replacement-in-kind (RIK). When RIK is used as the method of payment, the ordering party will replace or return supplies in the same condition and conforming to the same configuration as the supplies provided by the supplying party, or if so agreed, the latest configuration within one year of receipt. The ordering party is responsible for arranging return transportation and delivery to the location designated by the supplying party. If the ordering party does not replace or return supplies within one year, the supplying party will convert the RIK transaction to PIC.

(3) Equal-value-exchange (EVE). To the extent possible, when EVE is the desired method of payment, prior to the provision of the requested support both parties will agree on the goods and services that will be accepted for payment. The dollar value for EVE will be determined by the supplying party, and in general, will be based on costs that would have been incurred if the goods or services were purchased by the supplying party. This method converts to PIC if not completed within one year.

2.4 A reasonable attempt be made by both parties to obtain the logistics support through normal channels prior to use of this implementing arrangement; e.g., local purchases, foreign military sales channels, party's local supply system, etc.

2.5 The Standard Order/Receipt Form (STANAG 3381, Annex B) at Annex H will be used to place orders, accept orders, and collect payments for logistics support, supplies, and services provided under this implementing arrangement. The ordering party will prepare the Standard Order/Receipt Form in six copies, retaining two copies for internal control and forwarding four copies to the supplying party. The parties will develop their own internal procedures for use of the Standard Order/Receipt Form.. Instructions for completing the Standard Order/Receipt Form are at Annex H.

2.6 The ordering party is responsible for:

(1) Arranging pickup and onward transportation of supplies acquired under this implementing arrangement. This does not preclude the supplying party from assisting with loading supplies acquired under this implementing arrangement onto the transportation conveyance. The supplying party will notify the ordering party when and where supplies are available to be picked up.

(2) Obtaining the applicable custom clearance and arranging other official actions needed in relation to national custom regulations.

2.7 The individual picking up the supplies or receiving the services on behalf of the ordering Party will sign the Standard Order/Receipt Form in Block 20 as evidence of receipt. If the Standard Order/Receipt Form is not available at the supplying party's point of issue, the individual collecting the supplies will sign issue, shipment, or receipt documents provided by the supplying party's issue point as a substitute. However, both the supplying party's issue point and the individual picking up supplies must ensure the Implementing Arrangement Number EC-LH-01 1 appears on the face of any receipt documents evidencing transfer of supplies. The supplying party's issue point will forward the signed receipt documents to the activity authorized to accept orders under this implementing arrangement in order that the signed receipt documents may be attached to the Standard Order/Receipt Form received from the ordering party.

## ARTICLE III

### FINANCIAL RESPONSIBILITIES

3.1 The Parties agree to price materiel and services provided to the other party using reciprocal pricing, which is the price charged their own forces. The price established for inventory stock materiel will be the supplying party's stock list price. The price for new procurement will be the same price paid to the contractor or vendor by the supplying party. The price for in-shop repair or technical assistance services rendered will be based on only those direct costs associated with providing the services, for example, supply stocklist prices and actual labor charges. The price for services rendered in a temporary duty (TDY) status will be based on the individual's actual per them and transportation costs. Prices charged will exclude all taxes and duties which the receiving party is exempted from paying, under other agreements which the parties have concluded.

3.2 The basis for reimbursement shall be determined by the supplying activity's computation of all relevant costs in accordance with the terms of this implementing arrangement as well as relevant national laws, regulations and procedures and as agreed to by previous consultations between the parties. Payment will be made in the currency of the supplying nation.

3.3 The receiving party will verify and approve all costs set forth in this implementing arrangement.

3.4 The supplying party will submit invoices to the receiving party after delivery or performance of the logistics support, supplies, or services. Both parties will pay outstanding balances not less frequently than quarterly.

3.5 The supplying party's finance agency will forward a completed Standard Order/Receipt Form (Annex H), with supporting receipt documents, if applicable, to the ordering party's designated finance agency no later than three months from the date the materiel or services were provided to the ordering party under the PIC method. All billing will be in the currency of the billing country (or payment will be in US dollars) and will reference the Implementing Agreement Number EC-LH-01. Bills will be paid within 30 days of receipt of the invoice. Instructions for completing the Standard Order/Receipt Form are at Annex H.

3.6 The funding by either party of its undertakings provided for in this implementing arrangement shall be subject to the availability of appropriated funds authorized for this purpose. If nonavailability of funds prevents either party from performing its obligations, the other party reserves the right to discontinue its provision of any support that, under the terms of this implementing arrangement or implementing documents, was to be paid with such funds.

3.7 POCs for financial responsibilities of each supplying agency are in their respective annexes (A-G).

## ARTICLE IV

### PROTECTION OF CLASSIFIED MATERIAL

4.1 Any classified information or material exchanged under the terms of this implementing arrangement will be protected in accordance with the 21 November 1995 Security Arrangement Between the Government of the Republic of Lithuania and the Government of the United States of America Concerning Security Measures for the Protection of Classified Military Information.

4.2 Each party will take all lawful steps available to it to keep information exchanged in confidence under this implementing arrangement free from disclosure under any legislative provision, unless the other party consents to such disclosure.

4.3 To assist in providing the desired protection, each party will mark such information furnished to the other with a legend indicating the country of origin, the security classification, the conditions of release, and the fact that the information relates to this implementing arrangement and that it is furnished in confidence.

4.4 Information provided by either party to the other party in confidence and information produced by either party pursuant to this implementing arrangement requiring confidentiality will be safeguarded in a manner that ensures its proper protection from unauthorized disclosures.

## ARTICLE V

### SETTLEMENT OF DISPUTES

Both parties agree to make a good faith effort to resolve disagreements with respect to the interpretation or application of this implementing arrangement. Disputes will not be referred to an international tribunal or a third party for arbitration, litigation, or other resolution. Disputes will be resolved by negotiations between the parties at the lowest possible level. Disputes that cannot be resolved at lower levels will be referred to Headquarters United States European Command and the Lithuanian Ministry of National Defense for resolution.

## ARTICLE VI

### MODIFICATION OF IMPLEMENTING ARRANGEMENT

This implementing arrangement may be amended at any time in writing by the mutual consent of the parties. Amendments must be in writing and will include full title and date of conclusion of this implementing arrangement. Notification of changes to POC annexes do not constitute modification of this implementing arrangement; however, written notice of changes of this nature is required and must originate from the POC or higher authority.

## ARTICLE VII

### INCEPTION, DURATION AND TERMINATION

7.1 This implementing arrangement will become effective upon the date of the last signature. It will remain in effect until terminated.

7.2 This implementing arrangement may be terminated immediately if both parties consent in writing to immediate termination or by either party upon giving 180 days written notice to the other party.

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7.3 This implementing arrangement is signed in four (4) originals; two (2) each in the English and Lithuanian languages.

FOR THE LITHUANIAN  
MINISTRY OF NATIONAL DEFENSE

ARVYDAS LEKAVICIUS, COLONEL  
DEPUTY COMMANDER OF LITHUANIAN  
ARMED FORCES  
at: Vilnius  
on: 29 MARCH, 1996

FOR THE UNITED STATES  
SECRETARY OF DEFENSE

PAUL J. VANDERPLOOG, Major General, USA  
Director of Logistics and Security Assistance,  
Headquarters U.S. European Command  
at: Patch Barracks, Germany  
on: 30 April 1996

## ANNEX A

### LITHUANIAN POINTS OF CONTACT

#### ORDERING AND FINANCIAL RESPONSIBILITIES

The Lithuanian agency responsible for approving, placing and accepting orders is:

- (a) Unit: Lithuanian Army Supply Department
- (b) Commercial Telephone: 370-2-236 472

- (c) Commercial Fax: 370-2-651 422
- (d) Message Address: N/A
- (e) Mailing Address: Lithuanian Army Supply Department

The Lithuanian agency responsible for collecting and making payments for support, supplies, and services is:

- (a) Unit: The Republic of Lithuania Ministry of National Defense Finance and Accounting Department
- (b) Commercial Telephone: 370-2-222 967
- (c) Commercial Fax: 370-2-226 082
- (d) Message Address: N/A
- (e) Mailing Address: Finance and Accounting Department  
Ministry of National Defense  
Totoriu 25/3  
2001 Vilnius  
Lithuania