

ANNEX 1

REGARDING RECIPROCAL GOVERNMENT QUALITY ASSURANCE SERVICES
TO
THE MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF DEFENSE OF JAPAN
CONCERNING
RECIPROCAL DEFENSE PROCUREMENT

SECTION 1
Introduction

- A. This Annex between the Department of Defense of the United States of America (DoD) and the Ministry of Defense of Japan (MOD) (individually referred to as “Participant” and together as “Participants”), entered under the Memorandum of Understanding Between the Department of Defense of the United States of America and the Ministry of Defense of Japan Concerning Reciprocal Defense Procurement (RDP MOU), sets forth the provisions under which each Participant, in its country, will provide the other Participant with Government Quality Assurance (GQA) services in support of defense contracts and subcontracts to which the RDP MOU applies. The services exchanged under the provisions of this Annex are limited to GQA services.
- B. In general, the responsibilities of the Participants under this Annex will be carried out by their respective quality assurance national authorities (hereinafter referred to as the “Authorities”) listed in Section 3 (Definitions), paragraph A.2. of this Annex. The Authorities will accomplish such GQA services without charge in accordance with applicable laws and regulations of their respective countries and directives and procedures of the respective Participants.
- C. A request for GQA services under this Annex will normally be restricted to those cases in which quality cannot be verified satisfactorily after receipt of the deliverables of a contract or where GQA support at the source is essential to reduce or eliminate risk areas which have been identified for the product of the supplier. GQA services should not normally be requested for non-complex, non-critical, or low-risk products or contracts.
- D. The objective of this Annex is to ensure that each of the Authorities is able to employ the most effective and efficient GQA process possible when acting under the provisions of this Annex.

SECTION 2
Scope

- A. Applicability.
 - 1. This Annex applies to contracts entered into after the effective date of the RDP MOU, except as otherwise provided herein. However, a contract awarded by the U.S. DoD after the effective date of this Annex but which supports a Foreign Military Sales (FMS) case that was entered into prior to the effective date of the RDP MOU, will not be covered by this Annex.
 - 2. Notwithstanding any other provisions of this Annex, if special arrangements for GQA support are made under an international cooperative project that the DoD and the MoD participate, those special arrangements will have precedence over this Annex.

- B. The provisions of this Annex apply to the following purchasing methods for defense products and their services:
1. Purchases by the Government of Japan from the U.S. Government under the FMS Program in accordance with the U.S. Arms Export Control Act and associated regulations, policies, and procedures.
 2. Direct commercial procurement contracts made outside of the Government-to-Government channels, whether by the U.S. Government with suppliers located in Japan or by the Government of Japan with suppliers located in the United States.

SECTION 3

Definitions

- A. The following definitions apply to this Annex:
1. Acquirer: A DoD or MOD organization or agency that enters into a contractual relationship with a Supplier and defines the product and quality requirements.
 2. Authorities: Acquisition, Technology & Logistics Agency (ATLA) for MOD, and the Defense Contract Management Agency (DCMA) for the DoD.
 3. Classified Information: Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic, or documentary form or in the form of equipment or technology.
 4. Controlled Unclassified Information: Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include information that has been declassified but remains controlled, also referred to as JMOD CHUI by the MOD
 5. Delegator: The representative authorized by an Authority or purchasing Participant requesting GQA support from the other Authority.
 6. Delegatee: The representative authorized by an Authority ensuring GQA support is performed on behalf of the other Authority or purchasing Participant.
 7. Government Quality Assurance (GQA): The process by which the appropriate Authorities establish confidence that the contractual requirements relating to quality are met by the Supplier.
 8. Government Quality Assurance Representative (GQAR): The Government personnel responsible for performing GQA at the Supplier's plant on behalf of the Delegator in accordance with an RGQA.
 9. Request for Government Quality Assurance (RGQA): The formal written request of the Delegator to the Delegatee to perform GQA on a defense contract.
 10. Supplier: A company that enters into a contract to provide products to the Acquirer.

- B. Referenced Documents:
1. GQA Administrative Procedure - This procedure will be developed and maintained by the Authorities jointly to define the administrative process used to exchange GQA services. The GQA Administrative Procedure will not extend or revise the GQA provisions of this Annex. The GQA Administrative Procedure will provide administrative guidance only.
- C. Each Authority is responsible for arranging for the performance of the required GQA support by its appropriate national organization. Each Authority will identify a Central Control Point (CCP) for receipt of an RGQA. The CCP contact information (e.g., mailing address, email address, phone numbers) will be maintained and kept current in the GQA Administrative Procedure.
1. Requests by the DoD for GQA services in Japan will be sent electronically via the Defense Contract Management Agency (DCMA), Japan to the ATLA MOD CCP (MOD CCP).
 2. Requests by Japan for GQA services in the United States will be sent electronically to the DoD CCP.
- D. FMS purchases are U.S. (Acquirer) contracts and do not normally require an RGQA to be initiated by the MOD purchaser when GQA services are executed in the United States. FMS purchases will be afforded the same GQA support as the DoD invokes for similar procurements that it makes for its own use. However, when special or specific GQA requirements are necessary for FMS purchases, the requirements will be communicated directly to the U.S. Acquirer (purchase office), which will forward the information to DCMA. If assistance is required by the MOD Delegator, he or she will contact the DoD CCP directly.

Or

For all other defense-related contracts issued by the DoD or MOD, either Authority may request the other Authority to provide GQA services based on the process described in the GQA Administrative Procedure.

- E. Where GQA support on major programs or projects is contemplated, the Authorities will consider conducting a joint GQA requirements review and planning meeting to ensure contractual requirements are thoroughly understood and to plan the GQA surveillance jointly.
- F. The Authorities will keep each other well informed regarding their GQA practices and resources to help ensure that requests for GQA support are reasonable and prudent. Continuous GQA process improvement efforts and opportunities will be shared between the Authorities. Representatives of the Authorities will meet as needed as determined by both Authorities,
- G. Quality Assurance Representatives (QARs) performing GQA services under this Annex are expected to be knowledgeable of the industry practices, techniques, and processes associated with the contract, and they are expected to possess the necessary technical competence and GQA experience to conduct the GQA surveillance required

by an RGQA.

- H. The Authorities may perform other necessary contract administration functions (e.g. government property surveillance) through their own representatives, including GQA functions not delegated in an RGQA. In such cases, the Delegator or purchasing Authority will inform the other Authority in order to avoid duplication of work.
- I. Visits by representatives of the Acquirer's Authority to its Supplier's plant will be coordinated with the Delegatee's Authority, which should be invited to attend meetings with the visiting representatives. The Acquirer's access to its suppliers, subcontractors, and their records, as may be authorized contractually, will not be impaired or affected in any way by the provisions of this Annex.

SECTION 4

GQA Delegation Process

- A. The GQA Administrative Procedure will be used when:
 - 1. Either Authority is requesting GQA services from the other Authority.
 - 2. Either Authority is performing GQA services on behalf of the other Authority.
- B. When GQA services are contemplated, the Delegator will ensure:
 - 1. Authorization (usually by contract or purchase order) is provided for GQAR access to the supplier or subcontractor's facilities and records and the use of supplier or subcontractor assets as necessary, for the performance of GQA services.
 - 2. Appropriate Quality Assurance (QA) standards are imposed by the contract and/or subcontract. These QA standards are not limited to contractual Allied Quality Assurance Publications (AQAPs) and may include QA standards such as the International Organization for Standardization (ISO) 9000, Military QA standards, National QA standards, or other similar standards.
 - 3. When non-military QA standards are used in a contract and/or subcontract, additional GQA requirements will be specified as necessary on the RGQA.
- C. To the greatest extent possible, the RGQA will be risk-based. Each Authority will use its own national practices to identify the specific risks that the Delegator requires to be mitigated by the GQA surveillance or the specific risk-related tasks the Delegator requires to be performed. The risks and/or risk-related tasks will be documented in the RGQA. If the Delegator cannot or does not provide a copy of the risk assessment with an RGQA, the Delegator may either seek the advice of the Delegatee in identifying risks prior to submitting an RGQA or, if necessary, may simply request risk-based GQA. If the latter is requested, the Delegatee will decide the minimum GQA surveillance requirements. RGQAs made in this manner will be on an exception basis.
- D. The Delegator may request the Delegatee to participate in other contractual matters/activities specifically related to GQA. The Delegatee may decline such requests if the Delegatee considers the request outside the scope of normally

acceptable GQA practices.

- E. Where the Acquirer has identified and/or imposed mandatory GQA requirements, these requirements will be identified as such in the RGQA.
- F. Critical product characteristics or processes (such as Aircraft Critical Inspections) that may require a more intensive GQA approach (other than risk-based) will be coordinated with the Delegatee. When both Participants delegate critical product characteristics, it is the Delegator's responsibility to identify in the RGQA the critical characteristics or processes requiring GQA surveillance. The Delegatee may propose an alternative GQA approach, or reject the request completely.
- G. RGQAs should be sent electronically to the CCP email address provided in the GQA Administrative Procedure.
- H. Normally, the Delegatee will acknowledge receipt of an RGQA within 5 working days of receipt, and will either accept or reject the RGQA within 20 days of receipt. Immediately upon acceptance of a RGQA, the Delegatee will plan and implement the necessary GQA surveillance to mitigate the identified risks and/or to accomplish the requested tasks, in accordance with established national practices.
- I. Each Authority will cooperate to the maximum extent possible in providing mutual Government Quality Assurance; however, rejection of an RGQA will be on an exception basis only and will be limited to unusual circumstances. Should it be necessary to reject an RGQA, the Delegator will be notified and provided the rationale, in writing, as to why the RGQA was rejected. Whenever possible, the Delegatee should propose an alternative GQA approach in lieu of rejecting the RGQA.
- J. The Delegator may modify an RGQA during contract performance after consultation with the Delegatee. Based on knowledge of the supplier's current or past performance, the Delegatee will advise the Delegator when the risks or tasks identified on the RGQA are considered unwarranted, excessive, or insufficient. The Delegator is the final authority for defining the GQA requirements. The Delegatee may reject a modified RGQA in accordance with paragraph I of this Section.
- K. If the requirements imposed by an RGQA include functions beyond the current technical capabilities or resource capacities of the Delegatee, the Delegatee will immediately notify the Delegator. In such cases, the Delegatee will not procure technical experts or additional resources needed to perform the functions without the written consent of the Delegator.
- L. The Acquirer will retain final authority over contract interpretations and enforcement actions, and it will advise the assigned GQA support office in a timely fashion on such matters.
- M. If at any time during the course of the GQA performance the Delegatee cannot proceed with the GQA surveillance, the Delegatee will so inform the Delegator of the facts as expediently as possible. The format and procedure for the notification of unsatisfactory conditions will be described in the GQA Administrative Procedure. Situations warranting notification will include, but are not limited to:

1. Deficiencies in the Supplier's quality management system, processes, or product.
 2. Deficiencies expected to be a cause of excessive contract delivery delay
- N. The Delegatee will maintain records of all GQA surveillance activity performed in support of an RGQA. Unless otherwise stated in the RGQA, record retention periods will be in accordance with national practices. GQA surveillance records will be made available to the Delegator upon request.
- O. The Delegatee will inform the Delegator when the requested GQA is complete in the format described in the GQA Administrative Procedure, or if special arrangements are required, they will be clearly identified on the RGQA. The Delegatee will provide an affirmation that the contractually required supplies or products have been subject to GQA. This process will be defined in the GQA Administrative Procedure.

SECTION 5

Responsibility and Liability

- A. Nothing in this Annex will relieve the Supplier of any responsibilities under a contract. No liability will attach to the Participant (including its Authority), its officers, or its representatives acting under this Annex on behalf of the other Participant.
- B. Should defective materials or services be detected subsequent to delivery, the Delegatee will assist the Delegator in the investigation of such defects.

SECTION 6

Security and Protection of information

- A. Any Classified Information, data, or material exchanged under this Annex will be protected in accordance with the Agreement Between the Government of the United States of America and the Government of Japan Concerning Security Measures for the Protection of Classified Military Information, signed at Tokyo on August 10, 2007 ("GSA").
- B. The highest level of Classified Information that will be disclosed under this Annex will be consistent with (1) the terms of the RGQA and the contract under which QA services will be performed, and (2) the GSA.
- C. Each Participant will take all lawful steps available to it to keep information exchanged in confidence under this Annex free from disclosure under any legislative provision, unless the other Participant consents to such disclosure.
- D. To assist in providing the desired protection, each Participant will mark such information furnished to the other with a legend indicating the country of origin, the

security classification, the condition of release, and, if unclassified, the fact that the information relates to this Annex and that it is furnished in confidence.

- E. Unclassified information provided by either Participant to the other in confidence and information produced by either Participant pursuant to this Annex requiring confidentiality will be safeguarded in a manner that ensures its proper protection from unauthorized disclosure.
- F.
 - 1. If the Delegatee requires access to Controlled Unclassified Information (CUI) (e.g., export controlled drawings and specifications) in order to perform the required GQA surveillance at a Supplier's plant, the CUI will be provided, controlled, and protected in accordance with the Participant's national laws and regulations, including the Participant's export control laws and regulations.
 - 2. Both Participants recognize that it is the Supplier's responsibility to comply with export control laws and regulations. Host nation GQA personnel are not responsible for performing oversight or surveillance of a Supplier's compliance with export controls or export licenses.
- G. In the event of discontinuation or expiration of this Annex, the provisions of this Section will continue to apply.

SECTION 7

Charges

- A. GQA services provided under this Annex will be provided free of charge, subject to a joint review under Section 8 (Review and Revision) of this Annex of the services being exchanged. If, as a result of a joint review, either Authority determines that charges will be necessary, charges may be imposed after not less than twelve months advance notice.
- B. In the event of unusually heavy resource effects being incurred by either Participant where high levels of risk to the program requires extensive GQA surveillance, or as a result of the RGQA being rejected for support normally determined as reasonable and prudent under the terms of this Annex, appropriate charges will be negotiated on a fee for service basis of actual costs incurred.
- C. MoD FMS procurements receiving a Quality Assurance Contract Administration Services waiver requiring GQA services to be executed in Japan will be provided by ATLA. If ATLA requests DoD to support the required GQA services, appropriate charges will be billed for actual costs under the applicable Letter of Acceptance and Offer.

SECTION 8
Review and Revision

- A. This Annex will be jointly reviewed by the Authorities every three years to ensure that the provisions of this Annex are being implemented effectively, that the quality of services being provided continue to meet the needs of the Authorities, and that general reciprocity is being maintained. However, if considered necessary by either Authority, a joint review may be initiated at any time during the intervening years.
- B. If, as a result of such a review, either Authority determines that this Annex needs to be modified, the Authorities will consult regarding the need for a modification. If the Authorities determine that a modification is needed, they will undertake the necessary procedures to revise the Annex.
- C. The Authorities are responsible for managing and continuously improving their implementation of the reciprocal GQA process.

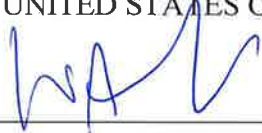
SECTION 9
Duration and Discontinuation

- A. This Annex commences upon signatures of both Participants and remains operative for the duration of the term of the RDP MOU unless discontinued by the Participants.
- B. Either Participant may discontinue this Annex by providing written notification of its intention to the other Participant six months in advance of the effective date of discontinuation.
- C. Unless otherwise determined, if either Participant discontinues this Annex, GQA services will continue to be provided until contract completion for those contracts for which GQA support is being provided under this Annex.
- D. Any misunderstanding regarding the interpretation or application of this Annex will be resolved by consultation between the Authorities or the Participants and will not be referred to any international tribunal or third party for settlement.

The duly authorized representatives of the Participant have signed this Annex.

Signed in duplicate, in the English language.

FOR THE DEPARTMENT OF
DEFENSE OF THE
UNITED STATES OF AMERICA



Date: 17 April 23

Place: Wash DC

FOR THE MINISTRY OF
DEFENSE OF THE
GOVERNMENT OF JAPAN



Date: 10 March, 2023

Place: Tokyo