



ECONOMIC SECURITY
(DUTP&IP)

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3300 DEFENSE PENTAGON
WASHINGTON, DC 20301-3300



18 OCT 1994

MEMORANDUM FOR VICE CHAIRMAN, JOINT MIEFS OF STAFF
ASSISTANT SECRETARY OF THE ARMY (RD&A)
ASSISTANT SECRETARY OF THE NAVY (RD&A)
DEPUTY UNDER SECRETARY OF THE AIR FORCE (SAF/IA)
PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
(POLICY)
SENIOR DEPUTY GENERAL COUNSEL (IA&I)
PRINCIPAL DEPUTY COMPTROLLER
DEPUTY DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
DIRECTOR, ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, BALLISTIC MISSILE DEFENSE OFFICE
DIRECTOR, DEFENSE PROCUREMENT
DIRECTOR, STRATEGIC AND SPACE SYSTEMS
ACTING DIRECTOR, TACTICAL WARFARE PROGRAMS
DIRECTOR, TEST AND EVALUATION
DEPUTY UNDER SECRETARY OF DEFENSE (ENVIRONMENTAL
SECURITY)
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)

SUBJECT: Streamlining the Development of International Research
and Development (R&D) Agreements

This memorandum implements the Deputy **Secretary** of Defense memo dated 14 September 1994, subject as above (Tab A). The processes described herein are applicable to international agreements for research, development, testing and evaluation under the cognizance of **USD(A&T)**. We will be consulting with other organizations to see if similar processes can be used for other types of international agreements.

pew **Staffing Procedures**

Each addressee is requested to designate in writing **those** Points of Contact (**POCs**) within your organization for matters related to the processing of international R&D agreements (including stand-alone data/information exchange agreements but not data/information exchange annexes to a Master Data/Information Exchange Agreement) under the cognizance of **USD(A&T)**. Please furnish each **POC's** name, telephone, fax number, Pentagon room number for mail drop, and Internet E-mail address to Mr. Donald P. Stein of my staff (tel. 703-697-1130) at Pentagon Room 33739, FAX number 703-695-1495, Internet address **steindp@acq.osd.mil**. This office will staff requests for coordination to these **POCs**.



This office will staff unclassified documents to your **POCs** using Electronic Mail (E-Mail). You are requested to send all unclassified correspondence related to the processing of international agreements, including Requests for Authority to Develop (**RAD**), staffing action responses, and the text of International Agreements for which you are requesting authority to conclude, to this office by E-Mail, addressed to Donald P. Stein, Those offices not directly connected to the Acquisition Network can transmit documents using the Internet, addressed to **steindp@acq.osd.mil**. If your office does not yet have E-mail capability, then the procedures for classified **documents** may be used as an interim measure (see next paragraph).

This office will staff classified documents to your **POCs** on a **3.5-inch** floppy diskette. You are requested to send all classified correspondence related to the processing of international **agreements** to this office on floppy diskette, addressed to Donald P. Stein.

This office has the capability to convert to and from all popular word processing formats. Unless otherwise requested, this office will send documents to your **POCs** in Word for Windows 2.0 format.

Request for Authority to Develop (RAD)

Requests for Authority to Develop International Agreements (**RADs**) will be sent to this office. The **RAD** must include sufficient information to permit reviewing offices to make an informed judgment as to whether the Agreement should proceed; the outline described at (Tab B) should be used as a guide. Answers to the questions should be direct and concise. The **RAD** document will vary in size according to subject matter, but typically will be about 3-6 pages in length. If **Nunn** funding is requested, the same document will suffice as a nomination for **Nunn** funding. Planned variations from the policy guidance contained in the latest approved version of the International Agreements Generator ("**IA** Generator"), and any resulting variations to the required International Agreement text that are known, will be submitted for review as part of the **RAD**.

After review by this office, **RADs** will be staffed for coordination to cognizant **DoD** offices and the Department of Commerce under a **21-day** silence procedure.

if this office grants approval to develop, the sponsor will negotiate the agreement in accordance with the provisions of the **IA** Generator, keeping this office informed at least quarterly of the progress of the negotiations, including any significant changes from the **RAD** documentation. The goal for this stage is no **longer** than nine months. If deviations from the approved text of **the** **IA** Generator are desired as a result and during the course of negotiations, your office's POC, after appropriate internal Department or agency review and informal consultation **with**

appropriate OSD offices, shall forward the requested deviations with justification to **Donald P. Stein**. Such requests shall be coordinated with responsible OSD offices and a response shall be provided within ten working days unless you are notified that the deviation(s) requested raise policy or legal issues requiring additional time for resolution.

If the international agreement is subject to Section 27 of the Arms **Export** Control Act (**AECA**), then as soon as the Section 27 issues are finalized the sponsor should forward to this office updated RAD information in the format described at (Tab **C**), so **that** the required Section 27 Congressional notification process can be initiated.

The text of the negotiated agreement will be sent to this office for review and final coordination. Any deviations from **IA** Generator language not previously **approved** are to be highlighted and justified. For **Nunn** projects, a summary of the anticipated funding timing will be included. No additional attachments are required. After review, this office will staff the agreement for final coordination with all cognizant **DoD** functional offices and the Departments of State and Commerce, under a **21-day** silence procedure (recognizing that such **suspenses** strictly speaking cannot be used to obtain by default concurrences that are otherwise legally required to be obtained before signing the agreement).

If consensus is not reached 30 days after staffing the finished agreement, the matter will **be forwarded** to the Departmental MOU Committee (**DMC**) for resolution.

Departmental MOU Committee (DMC)

The Terms of Reference for the Departmental MOU Committee (**DMC**) are at (Tab D).

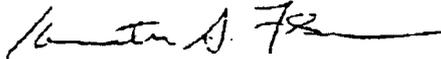
Agreements Notified to This Office

Implementing arrangements to R&D umbrella agreements (such as project **annexes** to umbrella Technology Research and Development Project (**TRDP**) agreements), and Section 65 **Loan** Agreements, which are required to be notified to this office prior to concluding, shall be accompanied by the same documentation as that required for the RAD process.

Effective Date

These procedures are effective for all requests received after the date of this memorandum. Requests will be accepted under the old formats for a period of 60 days after the date of this memorandum, and will be processed insofar as possible according to the new procedures.

We need your help to make this process work. We plan to monitor our experience with these procedures and modify them from time to time as necessary.



Kenneth S. Flamm
PDASD, Dual Use Technology Policy
and International Programs

Attachments

TAB A



THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

14 SEP 1994

MEMORANDUM FOR **SECRETARIES OF THE MILITARY DEPARTMENTS** .
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
COMPTROLLER
GENERAL COUNSEL
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT : Streamlining the Development of International Research and Development (R&D) Agreements

The current process used to develop International R&D Agreements (IA), including Memoranda of Understanding is excessively lengthy and complicated. It is a major contributing factor in preventing DoD from effectively pursuing international cooperation to meet its research and development requirements and significantly impedes realization of a DoD renaissance in armaments cooperation. Pending revision to DoD Directive 553'0.3. "International Agreements," the following reforms provide interim policy to be used to streamline this process:

. The Principal Deputy Assistant Secretary of Defense. for Dual Use **Technology** Policy and International Programs (PDASD(DUTP&IP)) will act as the DoD manager for development of International Research and Development IAs.

. The PDASD(DUTP&IP) will establish new staffing procedures and timelines to **reduce** the total IA development time **by** using, for example, **"silence** procedure. suspenses as appropriate.

. The PDASD(DUTP&IP) will **develop** and require the **use** of an automated IA generator for **development** of such agreements.

. The current duplicative process (Requests for Authority to Negotiate **and** Conclude --RAN/RAC) will be replaced with a new single-product process featuring a **Request for Authority to Develop (RAD)**. This process will consist of three distinct, non-duplicative stages.

**** Initiation:** The IA sponsor will develop and promulgate a **concise summary statement** of intent. This **summary** will contain concise information concerning the partner **nation(s)**, legal authority, technologies involved, potential **industrial** base impact, funding availability and **requirements**, information security issues, benefits to the **U.S.** of developing the proposed **MOU** and negotiation strategy. It will be **submitted** by the sponsor to the **PDASD(DUTP&IP)** for **review** and coordination with cognizant OSD offices using the new staffing procedures. Coordination of the summary will take no longer than 30 days.

Upon completion of this staffing, the PDASD(DUTP&IP) will either give the sponsor approval to develop the MOU or direct termination of the proposal.

•• **Development and Informal Negotiations:** Upon receiving approval of the statement of intent, the sponsor will develop the IA through formal negotiations of the terms of the IA with the proposed international partner nation(s). The sponsor will use the IA generator as a baseline for IA development. During negotiations, the sponsor will inform cognizant DoD functional representatives of the IA's progress. The goal for this stage is no more than nine months. The sponsor will then formally send the finished IA to the PDASD(DUTP&IP) for final review and approval.

•• **Formal Review and Approval** The PDASD(DUTP&IP) will perform a review of the document and initiate final coordination with all cognizant DoD functional offices and the Departments of State and Commerce. At the end of this stage, the IA will be formally approved for signature. This stage will normally take no longer than two months to complete. However, if consensus is not reached by the coordinators, the PDASD(DUTP&IP) will forward the IA and attendant issues to the Departmental MOU Committee to attempt to resolve dissenting positions.

. The PDASD(DUTP&IP) will create and chair a Departmental MOU Committee (DMC) to resolve conflicts arising from the IA development process. The PDASD(DUTP&IP) will develop specific Terms of Reference detailing the DMC's operations and procedures. Membership will include cognizant DoD functional offices (Comptroller; General Counsel; Under Secretary of Defense for Policy; Under Secretary of Defense (A&T); Director Defense Procurement and the Services or Defense Agencies sponsoring the IA) along with other interested parties as appropriate. The DMC will meet as required, but not later than 30 days after an issue is submitted. If a consensus cannot be reached on conflicting views, the Chairman will provide dissenting parties an opportunity to raise the issue to the Deputy Secretary of Defense. The Chairman, DMC will ensure that each dissenting party will have a sufficient time period necessary for ^{ADHOC} so, and the IA will not proceed during that time.

These reforms are effective immediately. Appropriate DoD implementing Directives and Instructions should be amended by their sponsors to reflect these changes within 180 days.



John M. Deutch

TABB B.

**SUMMARY STATEMENT OF INTENT FOR INTERNATIONAL RESEARCH AND
DEVELOPMENT AGREEMENT**

1. Overview of International Agreement

- Short Title of Proposed Project
- DoD Proponent
- Briefly describe the project. Be specific as to what the project will deliver. Is this a new or existing US project? Is there currently a Memorandum of Understanding or other international agreement in effect that is applicable to **this** effort?
- Is this proposed for **Nunn** funding? If so, what technological development is to be pursued which is necessary to develop new defense equipment or munitions, or what existing military equipment would be modified to meet US requirements?

2. Operational Requirement

- What US operational requirement would this project satisfy and/or what critical deficiency or shortfall would this project address? If known, cite applicable documents.
- Briefly describe the project's objectives.
- Provide an estimated schedule for the project, and Initial Operational Capability (**IOC**) if applicable.

3. Partner Nation(s)

- Which nations are proposed partners? Which nations have agreed to be partners? What is the assessment (and your basis for it) of foreign interest/commitment?
- Briefly describe the proposed negotiation strategy and negotiation schedule.
- Describe any planned variations from the policy guidance contained in the latest approved version of the International **Agreements** Generator ("**IA** Generator"), and any resulting variations to the required International **Agreement text that are known**.

4. Legal Authority State the legal authority for the proposed agreement. If &CA Section 23 is not **being** used, explain why not.

5. Project Management. Briefly describe how the project will be structured and **managed**.

6. Benefits/Risks to the US

- . List **the** advantages and disadvantages of this cooperative project. Address project timing, developmental and life cycle costs, technology to be shared and obtained, and rationalization, standardization and interoperability (RSI) considerations. Indicate whether there are any risks associated with conducting this project as an international cooperative program, and briefly describe how **these risks are** to be managed. Is a similar project currently in **development** or production in the US or an allied nation? If so, could that project satisfy or be modified in scope to satisfy the US requirement?
- . Describe the key militarily-critical technologies **that** may be used in the program. The Militarily Critical Technologies List (**MCTL**) may be used as a guide. If known, describe **the** foreign availability of like technologies and whether the US technology has been shared through other programs, e.g., **FMS, DEA**, etc.

7. Potential Industrial Base Impact

- . Briefly describe the potential industrial base impact. Do you anticipate workshare arrangements, requests **for** offsets, or offshore production of items restricted to procurement in US? Are you aware of **any** key parts or components with a single source of production? What US Government facilities and/or contractors would be likely to participate in this **cooperative** effort? Will there be any significant effects (pro or **con**) on **any** US companies or US industrial sector(s)?

8. Funding Availability and Requirements

- . What is the **applicable** Program Element/Project Number? Is the project included in the proponent's POM?
- . For **the** current **Fiscal** Year and each of **the following** five Fiscal Years, provide funding estimates in millions of US dollars for: **POM/FYDP** (PE# **xxxxxxxxxxxx**); **Nunn** funds, if applicable (PE 06037901); and estimated partner-nation share (by country). **Describe any non-monetary** contributions by the parties and estimate the dollar value if possible.
- . If applicable, what is the likelihood of **follow-on** acquisition by the US and other nations? Is the **DoD** proponent prepared to commit procurement funds?

9. Information Security Issues Is an exception **required** to the National Disclosure Policy? If so, provide date of approval or date that a request will be submitted to the National Disclosure Policy Committee (**NDPC**). Briefly describe the risk of compromise of classified and export controlled technology

and describe potential damage to the US operational capability or technology base in the event of such compromise. Briefly describe your technology control plan, including any phased release of information, restrictions on release of specific information, release of specific components or information in modified form, and special security procedures that can be adopted to minimize or avoid risks.

10. Proponent's Points of Contact. Include organization, name, telephone, fax, and Internet address.

TAB C

PROJECT CERTIFICATION

1. PROJECT DESCRIPTION:

("a detailed description of the cooperative project with respect to which the certification is made")

2. ESTIMATED QUANTITIES:

("an estimate of the quantity of the defense articles expected to be produced in furtherance of such a cooperative project")

3. ESTIMATED COST:

("an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government, including an estimate of the costs as a result of waivers of section 21(e) (1) (A) and 43(b) of this Act. for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants")

4. FINANCIAL CONTRIBUTIONS FOR THE COOPERATIVE EFFORT:

("an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project")

5. DEFENSE ARTICLES AND SERVICES CONTRIBUTIONS:

("a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project")

6. POLICY AND NATIONAL SECURITY BENEFITS:

("a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project")

7. PRIME CONTRACTORS AND SUBCONTRACTORS:

("to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular subcontractors to comply with the proposed agreement")

TAB D

**DEPARTMENTAL MOU COMMITTEE
TERMS OF REFERENCE**

Purpose.

The Departmental **MOU** Committee (**DMC**) will resolve conflicts arising from the **development** of International Agreements whose authority to negotiate and conclude has been delegated to the **USD(A&T)**.

Membership.

The Departmental **MOU** Committee will include as members the following **DoD** functional offices:

under Secretary of Defense for Acquisition and Technology
Under Secretary of Defense for Policy
Comptroller
General Counsel
The **DoD** Component sponsoring the International Agreement
Director Defense Procurement

Other participants will be designated as deemed necessary by the Chairman.

Chairman.

The Principal Deputy Assistant Secretary of Defense for Dual Use Technology Policy and International Programs will serve as Chairman of the Committee. The Chairman is responsible for the executive direction of all Committee activities.

Committee Operations.

a. Within five working days from the time an **International Agreement** is **submitted** to the Committee for resolution, the Chairman will provide an issue(s) paper to all appropriate **DMC** members. The Chairman will consult with and/or convene the **DMC** in an attempt to resolve the issues. If after **15** working days from distribution of the issue(s) paper, the Chairman finds that a consensus cannot be reached, he will proceed to Step b.

b. Within five additional working days, the Chairman will provide an issue(s) paper to appropriate Armaments Cooperation Steering committee (**ACSC**) principals and principals of **DMC** members who are not ACSC members, for their consideration and consultation. At the discretion of the **USD(A&T)**, the ACSC may be convened to address the matter. If after five working days from distribution of the

issue(s) paper, the **USD(A&T)** determines that the ACSC has been unable to resolve the matter, he will proceed to Step c.

c. Within five additional working days, the **USD(A&T)** will propose a solution of the matter and forward it to the other principals. At the request of any such principal, the **USD(A&T)** will forward the matter to the Deputy Secretary of Defense for his decision. In the absence of any such request within ten working days after the **USD(A&T)**'s **proposed** solution is notified, the **USD(A&T)**'s solution will stand.

MOU Working Groups

The **Chairman** may convene individual, task oriented working groups as necessary to address specific issues or subjects before the DMC. The working groups may be used to formulate alternative proposals for consideration by the **DMC** or for other purposes as deemed necessary by the Chairman. Working groups will be constituted as directed by the DMC. The **DMC** Chairman will designate a chairman of the working group who will represent the Office of the Under Secretary of Defense for Acquisition and Technology.