

AMENDMENT NUMBER 1

TO THE

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SECRETARY OF DEFENSE ON BEHALF OF

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE OF

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

CONCERNING

COOPERATIVE INITIAL OPERATIONAL TEST AND EVALUATION

OF THE JOINT STRIKE FIGHTER

(Short Title - JSF IOT&E MOU)

INTRODUCTION

1. The purpose of Amendment Number 1 to the JSF IOT&E MOU is to include the Ministry of Defence of the Republic of Italy and the State Secretary of Defence of the Kingdom of the Netherlands as Participants to the MOU.

2. Accordingly, the Ministry of Defence of the Republic of Italy, the State Secretary of Defence of the Kingdom of the Netherlands, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Secretary of Defense on Behalf of the Department of Defense of the United States of America have reached the following understandings:

AMENDMENT

The JSF IOT&E MOU is hereby amended as follows:

1. TITLE PAGE:

a. Replace the current Title Page with the following
Title Page:

MEMORANDUM OF UNDERSTANDING
AMONG THE
MINISTRY OF DEFENCE OF THE REPUBLIC OF ITALY
AND THE
STATE SECRETARY OF DEFENCE OF THE KINGDOM OF THE NETHERLANDS
AND THE
SECRETARY OF STATE FOR DEFENCE OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE
SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
CONCERNING
COOPERATIVE INITIAL OPERATIONAL TEST AND EVALUATION
OF THE JOINT STRIKE FIGHTER
(Short Title - JSF IOT&E MOU)

2. Throughout:

a. The term "National Deputies" is replaced in all instances in the MOU with "lead national representative".

3. INTRODUCTION:

a. The opening paragraph is revised to read as follows: "The Ministry of Defence of the Republic of Italy (IT MOD), the State Secretary of Defence of the Kingdom of the Netherlands (NL MOD), the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (U.K. MOD), and the Secretary of Defense on behalf of the Department of Defense of the United States of America (U.S. DoD), hereinafter referred to as the "Participants":".

b. In the last sentence of the fifth paragraph, after the words, "U.S. DoD-U.K. MOD Supplement", and before the word, "thereto", the following words are inserted: ", the U.S. DoD-IT MOD Supplement, and the U.S. DoD-NL MOD Supplement".

c. Insert the following paragraph after the fifth paragraph: "Recognizing the Participants' cooperation under the Memorandum of Understanding among the Department of Defence of Australia, the Minister of National Defence of Canada, the Ministry of Defence of Denmark, the Ministry of Defence of the Republic of Italy, the State Secretary of Defence of the Kingdom of the Netherlands, the Ministry of Defence of the Kingdom of Norway, the Undersecretariat for Defense Industries on behalf of the Ministry of National Defense of the Republic of Turkey, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Secretary of Defense on behalf of the Department of Defense of the United States of America Concerning the Production, Sustainment, and Follow-on Development of the Joint Strike Fighter (JSF PSFD MOU);"

4. SECTION I (DEFINITIONS)

a. The definition of Cooperative Project Personnel is replaced with "Military members or civilian employees of a Participant assigned to JSF Coalition CONOPS Verification Activities or JSF IOT&E Activities who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of the Project."

b. The definition of Host Participant is replaced with: "The Participant whose nation serves as the location of the JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities."

c. After "JSF Air System" a new definition is inserted as follows: "JSF Coalition CONOPS Verification: The conduct, in an operationally representative environment, of coalition interoperability verification. This includes, but is not limited to, coalition concept of operations verification preparatory activities, operational preparation and training, national training and operational testing, coalition concept of operations verification activities and development of a JSF Coalition CONOPS Verification report."

d. After "JSF Coalition CONOPS Verification" a new definition is inserted as follows: "JSF Coalition CONOPS Verification Activities: The efforts performed under this MOU to conduct, in an operationally representative environment, coalition interoperability verification. This includes, but is not limited to, coalition concept of operations verification preparatory activities, operational preparation and training, national training and operational testing, coalition concept of operations verification activities and development of a JSF Coalition CONOPS Verification report."

e. The definition of "JSF Initial Operational Test and Evaluation (JSF IOT&E)" is revised as follows: "The conduct in an operationally representative environment, of evaluations of the effectiveness and suitability of the JSF Air System. JSF IOT&E includes Operational Assessments and Dedicated OT&E."

f. After the definition of "JSF Initial Operational Test and Evaluation (JSF IOT&E)" is inserted the following definition: "JSF Initial Operational Test and Evaluation Activities (JSF IOT&E Activities): The efforts performed under this MOU to evaluate, in an operationally representative environment, the effectiveness and suitability of the JSF Air System. JSF IOT&E includes Operational Assessments and Dedicated OT&E."

g. The definition of Parent Participant is replaced with: "The Participant that sends its CPP to the JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities facilities in the nation of the Host Participant."

h. The definition of "Project" is replaced with: "The Participants' cooperative efforts in JSF Coalition CONOPS Verification and JSF IOT&E under this MOU to achieve the objectives in Section II (Objectives) and accomplish the work in Section III (Scope of Work.)"

5. SECTION II (OBJECTIVES):

a. Paragraph 2.1. is deleted and replaced with: "The overall objectives of the JSF IOT&E MOU are the cooperative conduct of JSF Coalition CONOPS Verification and JSF Initial Operational Test and Evaluation (IOT&E). Whilst the U.S. DoD and the U.K. MOD initially entered into this MOU, this MOU was intended by them to be the vehicle of multilateral cooperation; it is now such a vehicle as a result of the accession of IT MOD and NL MOD."

b. A new subparagraph 2.3.5. is inserted as follows: "2.3.5. Plan and conduct JSF Coalition CONOPS Verification Activities."

6. SECTION III (SCOPE OF WORK):

a. In paragraph 3.1. the first sentence is revised as follows: "The overall work to be carried out under this MOU includes JSF Coalition CONOPS Verification and JSF IOT&E, which includes the planning, execution, and reporting of multiple Operational Assessments (OAs) and Dedicated Operational Test and Evaluation (OT&E), as specified in the operational test and evaluation provisions (excluding Follow-on Operational Test and Evaluation (FOT&E)) of the approved Test and Evaluation Master Plan (TEMP)."

b. Subparagraph 3.1.4. is revised as follows: "Develop and implement streamlined management and control processes to promote efficiency, effectiveness, and best value in the conduct of JSF Coalition CONOPS Verification and JSF IOT&E".

c. Insert a new subparagraph 3.1.5. "Plan and conduct of JSF Coalition CONOPS Verification Activities."

7. SECTION IV (MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)):

a. This Section is deleted in its entirety and replaced with the following:

"SECTION IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. This Project will be directed and administered on behalf of the Participants by an organization consisting of a JSF Coalition CONOPS Verification Steering Board (SB), an IOT&E Executive Committee (EC), and a IOT&E JSF Operational Test Team (IOT&E JOTT) headed by a Combined Test Director (CTD). The JSF Coalition CONOPS Verification SB will have responsibility for general oversight of performance of the Project in accordance with this MOU. The IOT&E EC will exercise executive oversight of the JSF IOT&E Activities. The IOT&E EC will have overall authority over the CTD, in accordance with this MOU. The CTD will have primary responsibility for the effective implementation, efficient management, and direction of the JSF IOT&E in accordance with this MOU.

4.2. The JSF Coalition CONOPS Verification SB will exercise executive oversight of the JSF Coalition CONOPS Verification Activities. The JSF Coalition CONOPS Verification SB will provide a forum for discussions; consultations; and making recommendations to the Participants on Project matters. The Participants will each designate one representative to the JSF Coalition CONOPS Verification SB. The U.S. JSF Coalition CONOPS Verification SB member will serve as the Chairman of the JSF Coalition CONOPS Verification SB. The JSF Coalition CONOPS Verification SB will reach decisions by consensus, and will meet annually with additional meetings held at the request of any representative.

4.3. The JSF Coalition CONOPS Verification SB will be specifically responsible for:

4.3.1. Reviewing progress towards accomplishing Section II (Objectives) and Section III (Scope of Work), except as to those matters that are within the IOT&E EC's responsibility described in paragraph 4.5.1. of this Section.

4.3.2. Reviewing compliance with the provisions of Section V (Financial Provisions) other than with regard to the JSF IOT&E Activities.

4.3.3. Reviewing and approving the JSF PEO-recommended Project Financial Management Procedures Document (FMPD), with the exception of bilateral annexes, and any changes thereto, in accordance with Section V (Financial Provisions).

4.3.4. Resolving issues brought forth by the JSF IOT&E EC as described in paragraphs 4.5.2. and 4.5.3. of this Section.

4.3.5. Reviewing and forwarding to the Participants for approval amendments to this MOU in accordance with Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration).

4.3.6. Approving plans to manage and control the transfer and storage of Project Equipment provided by a Participant to support the execution of the JSF Coalition CONOPS Verification Activities in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.3.7. Approving plans for the disposal of Jointly Acquired Equipment acquired to support the JSF Coalition CONOPS Verification Activities under this MOU in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.3.8. Maintaining oversight of the security for the JSF Coalition CONOPS Verification Activities, and reviewing and obtaining approval from the appropriate National Security Authority (NSA)/Designated Security Authority (DSA) of a Project Security Instruction (PSI) and a Security Classification Guide (SCG) for the Project prior to the transfer of Classified Information or Controlled Unclassified Information.

4.3.9. Providing recommendations to the Participants for the addition of new Participants in accordance with Section XIV (Participation of Additional Nations).

4.3.10. Monitoring Third Party sales and transfers authorized in accordance with Section XII (Third Party Sales and Transfers).

4.3.11. Reviewing annual progress toward achievement of the JSF Coalition CONOPS Verification objectives of the Project.

4.3.12. Approving JSF Coalition CONOPS Verification Activities Cooperative Project Personnel (CPP) Position Description Documents (PDDs), which are described in subparagraph 4.8. of this Section, needed to implement the JSF Coalition CONOPS Verification Activities.

4.3.13. Employing its best efforts to resolve, in consultations with the export control authorities of the Participants concerned, any export control issues raised by the IOT&E EC in accordance with subparagraph 4.5.13. of this Section.

4.3.14. Referring to the Participants issues that cannot be resolved by the JSF Coalition CONOPS Verification SB.

4.4. The IOT&E EC will consist of three U.S. DoD representatives, one U.K. MOD representative, one delegate from the IT MOD, and one delegate from the NL MOD. Two of the U.S. DoD IOT&E EC representatives will be the Commander, U.S. Air Force Operational Test and Evaluation Center (AFOTEC), and the Commander, Operational Test and Evaluation Force (COMOPTEVFOR), or their successors in the event of reorganization. The third U.S. IOT&E EC representative, the U.S. DoD Director, Operational Test and Evaluation (or successor in the event of reorganization), will be a non-voting member in an advisory capacity of the IOT&E EC. The U.K. MOD IOT&E EC representative will be the Commandant of the Air Warfare Centre (or successor in the event of reorganization). The IT MOD and NL MOD delegates will be identified by the IT and NL Participants and will serve in a non-voting capacity. The IOT&E EC will meet annually with additional meetings held at the request of any representative. The Commander, AFOTEC, will chair the IOT&E EC. In the event that the IOT&E EC is unable to reach a timely decision on an issue, the JSF IOT&E Activities will continue to be implemented without interruption under the direction of the CTD while the issue is being resolved.

4.5. The IOT&E EC will be responsible for exercising executive level oversight of the JSF IOT&E Activities, specifically:

4.5.1. Reviewing progress towards accomplishing JSF IOT&E objectives described in Section II (Objectives) and the work described in Section III (Scope of Work), excluding the

work described in paragraph 3.1.5 of Section III (Scope of Work).

4.5.2. Reviewing progress in meeting JSF IOT&E requirements as specified in the TEMP and providing reports of significant issues to the JSF Coalition CONOPS Verification SB.

4.5.3. Reviewing any CTD-recommended changes to the TEMP pertaining to the Participants' IOT&E testing requirements and providing reports of significant issues to the JSF Coalition CONOPS Verification SB.

4.5.4. Providing financial oversight of the JSF IOT&E Activities to ensure compliance with the provisions of Section V (Financial Provisions).

4.5.5. Reviewing and approving the JSF PEO-recommended Financial Management Procedures Document (FMPD) portions pertaining to the JSF IOT&E Activities, with the exception of bilateral annexes, and any changes thereto, in accordance with Section V (Financial Provisions) and providing the JSF IOT&E Activities portion of the FMPD to the JSF Coalition CONOPS Verification SB for incorporation into the Project FMPD.

4.5.6. Resolving JSF IOT&E Activities issues brought forth by the CTD.

4.5.7. Reviewing and forwarding to the JSF Coalition CONOPS Verification SB CTD-recommended amendments to this MOU in accordance with Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration).

4.5.8. Approving CTD-recommended plans to manage and control the transfer and storage of Project Equipment provided by a Participant to support the execution of the JSF IOT&E Activities in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.5.9. Approving the CTD-recommended plans for the disposal of Jointly Acquired Equipment acquired to support the JSF IOT&E Activities under this MOU in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.5.10. Maintaining oversight of security for the JSF IOT&E Activities in accordance with the PSI and the Access Management Control Plan.

4.5.11. Reviewing the annual progress report provided by the CTD.

4.5.12. As needed to implement the JSF IOT&E Activities, approving the CTD-recommended CPP PDDs described in subparagraph 4.7.16. of this Section.

4.5.13. Employing its best efforts to resolve, in consultations with the export control authorities of the Participants concerns, any bilateral export control issues and forwarding to the JSF Coalition CONOPS Verification SB for resolution any multilateral export control issues the IOT&E EC is unable to resolve.

4.6. The IOT&E JOTT will be established in the United States to manage the JSF IOT&E Activities. The AFOTEC JSF Test Director (or successor in the event of reorganization) will be the CTD, who, as head of the IOT&E JOTT, will be responsible for implementing this MOU and for day-to-day management of the JSF IOT&E Activities. The COMOPTEVFOR JSF Operational Test Coordinator (or successor in the event of reorganization) will be the Deputy CTD (DCTD). The DCTDs' responsibilities will be to assist the CTD in his responsibilities.

4.7. The CTD will be responsible for the following as they pertain to the JSF IOT&E Activities:

4.7.1. Monitoring progress towards accomplishing Section II (Objectives) and Section III (Scope of Work).

4.7.2. Managing the cost, schedule, performance requirements, technical, security, and financial aspects of the Project described in this MOU.

4.7.3. Managing the execution of the IOT&E requirements set forth in the TEMP and recommending to the IOT&E EC any changes to the TEMP pertaining to the Participants' IOT&E testing requirements.

4.7.4. Executing the financial aspects of the Project in accordance with Section V (Financial Provisions).

4.7.5. Recommending to the JSF PEO the FMPD, and any changes thereto, in accordance with Section V (Financial Provisions).

4.7.6. Referring issues to the IOT&E EC that cannot be resolved by the CTD.

4.7.7. Developing and implementing a management plan, to be submitted to the IOT&E EC for approval within 120 days of the entry into effect of this MOU.

4.7.8. Developing and implementing IOT&E EC-approved plans to manage and control the transfer of Project Equipment provided by a Participant in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.7.9. Developing and implementing approved plans for the disposal of Jointly Acquired Equipment acquired under this MOU in accordance with Section VII (Project Equipment and Jointly Acquired Equipment).

4.7.10. Implementing the PSI and CG approved by the NSAs/DSAs of the Participants for this Project.

4.7.11. Forwarding recommendations to the IOT&E EC for the addition of new Participants in accordance with Section XIV (Participation of Additional Nations).

4.7.12. Recommending to the IOT&E EC amendments to this MOU in accordance with Section XVIII (Amendment, Withdrawal, Termination, Entry Into Effect, and Duration).

4.7.13. Providing an annual status report to the IOT&E EC.

4.7.14. Developing a mishap plan for incorporation in the TEMP.

4.7.15. Appointing a Project security officer.

4.7.16. As needed to implement the JSF IOT&E Activities, preparing and submitting to the IOT&E EC for approval the CPP PDDs.

4.7.17. Monitoring export control arrangements required to implement this MOU and, if applicable, referring immediately to the IOT&E EC any export control issues that could adversely affect the implementation of this MOU.

4.8 No later than twelve months after the entry into effect of this MOU as amended, the JSF Program Office (until such time as a JSF Coalition CONOPS Verification JSF Coalition CONOPS Verification lead agency is identified) will prepare and submit for approval by the JSF Coalition CONOPS Verification SB a management plan for the execution of the JSF Coalition CONOPS Verification objectives and, as appropriate, related JSF IOT&E Activities.

4.9. The JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is identified), as needed to implement the JSF Coalition CONOPS Verification, and in consultation with the CTD as appropriate, will prepare and submit to the JSF Coalition CONOPS Verification SB relevant CPP PDDs.

4.10. Each non-U.S. DoD Participant will provide a lead national representative and other CPP, who will be assigned to the JSF Program Office or the IOT&E JOTT. Each lead national representative's primary responsibility will be to serve as the national representative of the respective Participant. Specific responsibilities of the CPP, including the lead national representatives, will be identified in the CPP PDD. Additional lead national representative responsibilities are identified in paragraph 4.11. of this Section.

4.11. Each lead national representative will be responsible for:

4.11.1. Supporting the JSF Program Office or the CTD in the day-to-day administrative management of this MOU, including oversight of the CPP of the cognizant Participant, as described in the PDD.

4.11.2. Providing day-to-day representation of the lead national representative's respective Participant within the JSF Program Office or IOT&E JOTT, as described in the PDD, on all matters related to the Project.

4.11.3. Assisting the JSF Program Office or the CTD in developing the FMPD, PSI, CG, and CPP PDDs, as appropriate.

4.11.4. Performing other tasks as may be assigned by the JSF Program Office or the CTD within scope of the PDD.

4.12. Annex A (Cooperative Project Personnel) establishes provisions for the general conduct of all personnel who will serve as CPP.

4.13. The JSF Program Executive Office (JSF PEO), which directs the overall JSF Program, is responsible for the following regarding the FMPD:

4.13.1. Recommending for JSF Coalition CONOPS Verification SB approval the FMPD, with the exception of bilateral annexes, and any changes thereto, in accordance with Section V (Financial Provisions), and implementing the JSF Coalition CONOPS Verification SB-approved FMPD for the Project.

4.13.2. Recommending for approval by the U.S. DoD JSF Coalition CONOPS Verification SB representative and each of the other Participant's JSF Coalition CONOPS Verification SB representatives, bilateral FMPD annexes, and any changes thereto, in accordance with Section V (Financial Provisions).

4.13.3. Recommending for JSF IOT&E EC approval FMPD portions pertaining to JSF IOT&E Activities, with the exception of bilateral annexes, and any changes thereto, in accordance with Section V (Financial Provisions)."

8. SECTION V (FINANCIAL PROVISIONS):

a. Paragraph 5.1. is revised to read as follows: "The Participants estimate that the performance of the responsibilities under this MOU will not cost more than a Financial Cost Ceiling of 455.67 million (M) Then Year (TY) U.S. dollars. The U.S. dollar will be the reference currency for the Project and the Project fiscal year will be the U.S. fiscal year. The Financial Cost Ceiling and the Participants' contributions identified in paragraph 5.2. of this Section may be changed only upon the mutual written consent of the Participants and amendment of this MOU."

b. The following new subparagraph 5.2.3. is added as follows: "5.2.3. The IT MOD share of the Financial Cost Ceiling is 30M TY U.S. dollars. The IT MOD Non-financial Cost contribution includes, but is not limited to, munitions, use of

two (2) JSF Air Systems, and the services of trained personnel for IOT&E efforts."

c. The following new subparagraph 5.2.4. is added as follows: "5.2.4. The NL MOD share of the Financial Cost Ceiling is 30M TY U.S. dollars. The NL MOD Non-financial Cost contribution includes, but is not limited to, munitions, use of two (2) JSF Air Systems, and the services of trained personnel for IOT&E efforts."

d. Paragraph 5.3. is revised to read as follows: "Participation in the Project will also include a Non-financial Cost contribution of the Participants' personnel assigned to the IOT&E JOTT. In addition to the Non-financial Cost contribution identified in subparagraph 5.2.1. of this Section, the U.S. DoD Non-financial Cost contribution includes the CTD. In addition to the Non-financial Cost contributions identified in subparagraphs 5.2.2., 5.2.3., and 5.2.4. of this Section, the U.K. MOD, IT MOD, and the NL MOD Non-financial Cost contributions include their respective lead national representatives and other CPP assigned to the IOT&E JOTT."

e. In paragraph 5.4. "in the IOT&E JOTT" is replaced with "supporting the JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities".

f. In paragraph 5.4.2.1. "the IOT&E JOTT" is replaced with "support JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities".

g. Paragraph 5.4.2.2., is replaced with "Transportation of CPP, CPP dependents, and their personal property to JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities locations prior to commencement of the CPP assignment to JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities, and return transportation of the foregoing from the JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities locations upon completion or termination of the CPP assignment."

h. In paragraph 5.5.1. "non-IOT&E JOTT members" is replaced with "non-CPP".

i. Paragraph 5.6. the first and second sentences are deleted and replaced as follows: "The CTD will be responsible for recommending to the JSF PEO the detailed financial management procedures under which the JSF IOT&E Activities will

be conducted. These procedures, which must accord with the national accounting and audit requirements of the Participants, will be detailed in an FMPD prepared by the JSF PEO and subject, with the exception of bilateral annexes, to the approval of the JSF IOT&E EC (for JSF IOT&E Activities) and the JSF Coalition CONOPS Verification SB (for JSF Coalition CONOPS Verification Activities)."

j. The following paragraph is added and subsequent paragraphs re-numbered accordingly: "5.7. The JSF PEO will prepare a bilateral annex to the FMPD for each of the non-U.S. DoD Participants, which will be submitted for approval by the JSF Coalition CONOPS Verification SB representative of the U.S. DoD and the applicable non-U.S. DoD Participant. Each annex will include an estimated financial schedule and those provisions necessary to satisfy the unique financial management procedures requirements of the applicable non-U.S. DoD Participant."

k. In renumbered paragraph 5.11., "IOT&E EC" is replaced with "JSF Coalition CONOPS Verification SB".

9. SECTION VI (CONTRACTING PROVISIONS):

a. In paragraph 6.1., second sentence, "CTD" is replaced with "the JSF PEO (until such time as a JSF Coalition CONOPS Verification lead agency is identified) or the CTD, as appropriate,"

b. A paragraph 6.2. is replaced as follows "The JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is designated) will be responsible for the coordination of JSF Coalition CONOPS Verification Activities and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award pertaining to Coalition CONOPS Verification Activities. The JSF Program office (until such time as a JSF Coalition CONOPS Verification lead agency is designated) will review statements of work prior to the development of solicitations to ensure that they are in accordance with the JSF Coalition CONOPS Verification Activities of this MOU. In addition, the Contracting Officer will keep the JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is designated) advised of all financial arrangements with the prime Contractor that relate to JSF Coalition CONOPS Verification Activities."

c. A new paragraph 6.3. is inserted (and subsequent paragraphs renumbered) as follows: "CTD will be responsible for the coordination of JSF IOT&E Activities and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award pertaining to JSF IOT&E Activities. The CTD will review statements of work prior to the development of solicitations to ensure that they are in accordance with the JSF IOT&E Activities of this MOU. In addition, the Contracting Officer will keep the JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is designated) advised of all financial arrangements with the prime Contractor that relate to JSF IOT&E Activities."

d. In (renumbered) paragraph 6.5. after "IOT&E EC" insert "for JSF IOT&E Contracts, and the JSF Coalition CONOPS Verification SB for JSF Coalition CONOPS Verification Contracts".

e. In (renumbered) paragraph 6.9. "CTD" is replaced with "CTD and JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is designated), as appropriate,"

10. SECTION VII (PROJECT EQUIPMENT AND JOINTLY ACQUIRED EQUIPMENT):

a. In paragraph 7.1. "the IOT&E JOTT" is replaced with "the JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agency is identified) for JSF Coalition CONOPS Verification Activities Project Equipment and the IOT&E JOTT for JSF IOT&E Activities Project Equipment."

b. In paragraph 7.7. after "IOT&E EC" insert "for equipment acquired to support JSF IOT&E Activities, and the JSF Coalition CONOPS Verification SB for equipment acquired to support JSF Coalition CONOPS Verification Activities".

11. SECTION VIII (DISCLOSURE AND USE OF PROJECT INFORMATION):

a. In subparagraph 8.1.1., "IOT&E of the JSF Air System" is replaced with "conducting JSF Coalition CONOPS Verification Activities and JSF IOT&E Activities."

b. In subparagraph 8.1.2. "6.6. and 6.7." is replaced with "6.7. and 6.8".

c. In subparagraph 8.1.3. the last sentence is replaced with "If a restriction is then exercised and an affected Participant objects, that Participant's JSF Coalition CONOPS Verification SB or JSF IOT&E EC representative will notify the other Participants' representatives and they will immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects."

d. Subparagraph 8.3.1.1., after the word "determining", the following words are inserted: ", after consultation with the requesting Participant,".

e. Subparagraph 8.5.1.1., after the word "determining", the following words are inserted: ", after consultation with the requesting Participant,".

12. SECTION XI (SECURITY):

a. Paragraph 11.2., in the first sentence, "DSAs" is changed to "NSAs/DSAs".

b. The following sentence is added at the end of Paragraph 11.2.: "Each Participant will take steps to facilitate the transfer of such Classified Information in a timely manner."

c. Paragraph 11.5. is replaced with "The CTD will prepare a PSI and a CG for the JSF IOT&E Activities. The JSF Program Office (until such time as a JSF Coalition CONOPS Verification lead agent is designated) will prepare a PSI and a CG for the JSF Coalition CONOPS Verification Activities. The PSI and the CG will describe the methods by which Project Information will be classified, marked, used, transmitted, and safeguarded and will require that markings for all export-controlled Classified Information also included the applicable export control markings identified in the PSI in accordance with paragraph 9.2 of Section IX (Controlled Unclassified Information). The PSIs and CGs will be developed by the JSF Program Office or the CTD, as appropriate, within three months after this MOU enters into effect. They will be reviewed and forwarded to the Participants' NSAs/DSAs for approval and will be applicable to all Government and Contractor personnel participating in the Project. The CGs will be subject to regular review and revision with the aim of downgrading the classification whenever is

appropriate. The PSIs and the CGs will be approved by the appropriate NSAs/DSAs prior to the transfer of any Classified Information or Controlled Unclassified Information."

13. SECTION XIV (PARTICIPATION OF ADDITIONAL NATIONS):

a. Paragraph 14.1. is replaced with "It is recognized that other signatories of the JSF PSFD MOU may wish to join the Project."

14. SECTION XVIII (AMENDMENT, WITHDRAWAL, TERMINATION, ENTRY INTO EFFECT, AND DURATION):

a. In paragraph 18.6., "the IOT&E EC" is replaced with "the JSF Coalition CONOPS Verification SB and JSF IOT&E EC."

b. In paragraph 18.7. the term "JSF SDD Framework MOU" is replaced with "JSF PSFD MOU" in both instances.

13. ANNEX A (COOPERATIVE PROJECT PERSONNEL):

a. Annex A is replaced in its entirety with the following:

"ANNEX A
(COOPERATIVE PROJECT PERSONNEL)

1.0. Purpose and Scope

1.1. This Annex establishes the provisions that will govern the conduct of Cooperative Project Personnel (CPP). Each Parent Participant will assign military members or civilian employees to the JSF Program Office (until such time as a JSF Coalition CONOPS lead agency is identified) or the IOT&E JOTT in accordance with Section IV (Management (Organization and Responsibility)) and this Annex. CPP must be able to perform all the responsibilities assigned to them under this MOU. Commencement of assignments will be subject to any requirements that may be imposed by the Host Participant or its Government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. For CPP supporting the JSF Coalition CONOPS Verification Activities, the JSF Coalition CONOPS

Verification SB will determine the length of tour for the positions at the time of initial assignment. For CPP supporting JSF IOT&E Activities, the IOT&E EC will determine the length of tour for the positions at the time of initial assignment.

- 1.2. CPP may be assigned to the IOT&E JOTT or the JSF Program Office, in accordance with the PDD, for Project work and will report to their designated JSF Program office or IOT&E JOTT supervisor regarding that work. The JSF Program Office, in consultation with the CTD, will be responsible for the creation of a document describing the duties of each CPP position, which will be subject to approval by the JSF Coalition CONOPS Verification SB or IOT&E EC, as appropriate. CPP will not act as liaison officers on behalf of the Parent Participant. CPP may act from time to time on behalf of their respective IOT&E EC member if the latter so authorizes in writing.
- 1.3. CPP will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant's Government.

2.0. Security

- 2.1. The JSF Coalition CONOPS Verification SB or IOT&E EC, as appropriate, will establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the PSI and CG. Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) of this MOU and will be kept to the minimum required to accomplish the work assignments.
- 2.2. Each Parent Participant will cause security assurances to be filed, through its embassy, specifying the security clearances for the CPP being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established Host Participant procedures.

- 2.3. The Host Participant and Parent Participants will use their best efforts to ensure that assigned CPP are aware of, and comply with, applicable laws and regulations as well as the requirements of Section IX (Controlled Unclassified Information), Section X (Visits to Establishments), Section XI (Security), and paragraph 18.8. of Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) of this MOU and the provisions of the PSI and CG. Prior to commencing assigned duties, CPP will, if required by the Host Participant's Government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.
- 2.4. CPP will at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Participant's Government. Any violation of security procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action. CPP committing significant violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent Participant.
- 2.5. All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all provisions and safeguards provided for in Section XI (Security), the PSI, and the CG.
- 2.6. CPP will not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Participant and as authorized by the Parent Participant. They will be granted access to such Information in accordance with Section IX (Controlled Unclassified Information), Section XI (Security), and the PSI during normal duty hours and when access is necessary to perform Project work.
- 2.7. CPP will not serve as a conduit between the Host Participant and Parent Participant for requests and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PSI.

3.0. Technical and Administrative Matters

3.1. Consistent with Host Participant's Government laws and regulations, CPP will be subject to the same restrictions, conditions, and privileges as Host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by Host Participant's Government laws and regulations, CPP and their authorized dependents will be accorded:

3.1.1. Exemption from any Host Participant's government tax upon income received from the Parent Participant.

3.1.2. Exemption from any Host Participant's Government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. Upon or shortly after arrival, CPP and their dependents will be provided briefings arranged by the Host Participant about applicable laws, orders, regulations, and customs and the need to comply with them. CPP will also be provided briefings arranged by the Host Participant regarding entitlements, privileges, and obligations such as:

3.2.1. Any medical and dental care that may be provided to CPP and their dependents at Host Participant medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement requirements.

3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to the requirements of applicable laws and regulations.

3.2.3. The Host Participant will provide, if available, housing and messing facilities for CPP and their dependents on the same basis and priority as for its own personnel. CPP will pay messing and housing charges to the same extent as Host Participant personnel. At locations where facilities are not provided by the Host Participant for its own

personnel, the Parent Participant will make suitable arrangements for its CPP.

- 3.2.4. Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP, the recourse will be against such insurance.
- 3.3. The JSF Program Office and the CTD, as appropriate, in consultation with the lead national representative, will establish standard operating procedures for CPP in the following areas:
 - 3.3.1. Working hours, including holiday schedules.
 - 3.3.2. Leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant.
 - 3.3.3. Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant.
 - 3.3.4. Performance evaluations, recognizing that such evaluations will be rendered in accordance with the Parent Participant's military or civilian personnel regulations and practices.
 - 3.4. CPP committing an offense under the laws of the Government of the Host Participant or Parent Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action, however, will not be taken by the Host Participant against CPP, nor will the CPP exercise disciplinary powers over the Host Participant's personnel. In accordance with Host Participant's Government laws and regulations, the Host Participant will assist the Parent Participant in carrying out investigations of offenses involving CPP.

3.5. The Participants whose countries are NATO member countries recognize the following: the military and civilian employees of a Participant whose country is a NATO member country, assigned to duty with its Defense Department or Ministry for the purpose of working under this MOU, while present in the territory of another Participant whose country is a NATO member country, will, to the extent that they are so qualified, be members of a "Force" and "civilian component" respectively within the meaning of Article I of the NATO Status of Forces Agreement (NATO SOFA), signed on June 19, 1951. Employees and agents of Contractors do not constitute a civilian component, and the NATO SOFA will not apply to them.

ENTRY INTO EFFECT

This Amendment Number 1 to the JSF IOT&E MOU will enter into effect upon the signature of the U.S. DoD, UK MOD and at least one other Participant. As to any Participant that signs the MOU ("subsequent Participant") after it enters into effect, the Participants who have previously signed the MOU will have no responsibilities with regard to that subsequent Participant, and that subsequent Participant will have no responsibilities or benefits under this MOU, until such time as the subsequent Participant has signed the MOU. If within six months after the MOU has entered into effect, all four Participants have not signed the MOU, the Participants who have joined the MOU will immediately consult in order to negotiate an amendment to make those changes necessitated by the reduction in Participants. This Amendment will remain in effect for the same period as the MOU that it amends, and will expire upon termination or expiration of that MOU. Unless specifically amended herein, all other provisions of the JSF IOT&E MOU remain unchanged.

The foregoing represents the understandings reached among the Ministry of Defence of the Republic of Italy, the State Secretary of Defence of the Kingdom of the Netherlands, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Secretary of Defense on Behalf of the Department of Defense of the United States of America.

Signed, in four (4) copies, in the English language, by authorized representatives of the Participants.

FOR THE MINISTRY OF DEFENCE
OF THE REPUBLIC OF ITALY

FOR THE STATE SECRETARY OF
DEFENCE OF THE KINGDOM OF THE
NETHERLANDS

Signature

Signature

Name

Name

Title

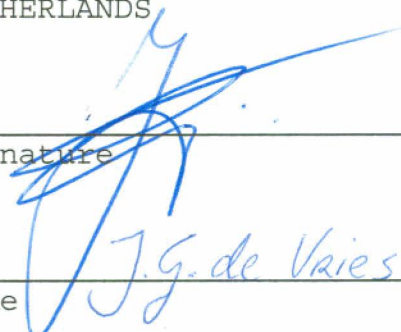
Title

Date

Date

Location

Location



J.G. de Vries

State Secretary of Defence

30 May 2008

The Hague.

The Netherlands

FOR THE SECRETARY OF STATE
FOR DEFENCE OF THE UNITED
KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND

Iain McNicoll

Signature

IAIN W. McNicoll

Name

*AIR MARSHAL
DEPUTY COMMANDER-IN-CHIEF
OPERATIONS, AIR COMMAND*

Title

1 MAY 2008

Date

*HICK NYCOMBE
U.K.*

Location

FOR THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT
OF DEFENSE OF THE UNITED
STATES OF AMERICA

Charles E. McQueary

Signature

Charles E. McQueary

Name

Director, Operational Test & Evaluation

Title

18 April 2008

Date

Washington, DC, USA

Location