

**SUPPORT FOR MILITARY COMMERCIAL DERIVATIVE AIRCRAFT
FEDERAL REIMBURSABLE AGREEMENT**

BETWEEN

**DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

AND

**THE UNITED STATES AIR FORCE,
THE UNITED STATES ARMY, THE UNITED STATES NAVY/MARINE
CORPS, AND THE UNITED STATES COAST GUARD**

WHEREAS, the Federal Aviation Administration (FAA) can furnish directly or by contract, material, supplies, equipment, and services which other agencies of the Federal government, The Department of the Air Force (USAF), The Department of the Army (USA), The Department of the Navy (USN) (including the Marine Corps), and The United States Coast Guard (USCG), hereafter referred to as the Sponsors, require, have funds available for purchase, and have determined should be obtained from the FAA;

WHEREAS, it has been determined that competition with the private sector for provision of such material, supplies, equipment, and services is minimal; the proposed activity will advance the FAA's mission; and the FAA has a unique capability that will be of benefit to the Sponsors while helping to advance the FAA's mission;

NOW THEREFORE, the FAA and the Sponsors mutually agree as follows:

ARTICLE 1. Parties

The Parties to this Agreement are the FAA and **the USAF, the USA, the USN, and the USCG.**

ARTICLE 2. Type of Agreement

This Agreement is an Interagency Agreement authorized as specified in Article 13.

ARTICLE 3. Scope

- A. The purpose of this Agreement between the FAA and the Sponsors is to provide the following services in support of Military Commercial Derivative Aircraft (MCDA) and aircraft modified for Commercial-Air-Services (CAS) supporting our national defense mission: Technical Assistance, Certification Services, and Continued Airworthiness Support. Technical assistance may include acting in an advisory capacity for defining program acquisition requirements and source selection. This

Agreement provides funding for the FAA to establish these services. Therefore, this Agreement is titled:

SUPPORT FOR MILITARY COMMERCIAL DERIVATIVE AIRCRAFT

Activities associated with this Agreement are coordinated with the FAA and the Sponsors’ representatives. Normally those Sponsors’ representatives are members of the Armed Forces Airworthiness Authorities. The FAA and the Armed Forces Airworthiness Authorities will partner to execute MCDA programs.

This Agreement establishes that the FAA will provide the specific deliverables under this baseline program agreement or under separate Program Specific Service Agreement(s) (PSSA).

FAA’s role is to assure that the contractor/applicant has shown compliance with the appropriate civil airworthiness standards. FAA support is primarily provided by two organizations under the FAA Associate Administrator for Aviation Safety. The two organizations are the Aircraft Certification Service (AIR) and the Flight Standards Service (AFS). For the services provided under this Agreement, the primary responsibilities of the two organizations are defined in Table 1.

B. The FAA will perform the following activities

**Table 1
Services Provided by FAA Organizations**

	Aircraft Certification Service (AIR)	Flight Standards Service (AFS)
Technical Assistance		
Airworthiness Standards Certification Consultations	X	-
Maintenance and Safety System Program Consultations	-	X
Logistics/Sustainment Consultations	X	X
Certification Services		
Design Approvals (incl. Type Certification)	X	X (Aircraft Evaluation Group)
Production Approvals	X	-
Airworthiness Certification (including use of FAA Form 8130-31, Statement of Conformity – Military Aircraft)	X	-

Continued Airworthiness Support for:		
Airworthiness Issues	X	X
Repair Data Approval	X	X
Use of FAA Forms 337 and 8130-31 to document alterations and non-conformities.	-	X

For the purpose of defining the deliverables of this Agreement, a MCDA is an aircraft operated, or proposed to be operated, or under the operational control of the Armed Forces within the definition of Public Aircraft in accordance with Title 49 of the United States Code sections 40102 and 40125. (The FAA may provide MCDA deliverables to other government entities, both domestic and foreign, provided the activity is sponsored by the Sponsors of this Agreement.)

1. FAA AIRCRAFT CERTIFICATION SERVICE (AIR) DELIVERABLES.

AIR will provide Technical Assistance, Certification Services, and Continued Airworthiness Support for MCDA as defined in Table 1 and described below. The MCO Branch, also known as the Military Certification Office (MCO), will coordinate all AIR services under this agreement. The MCO will serve as the Sponsors’ single point of contact for administration, program, and funding activities. AIR will support MCDA programs that satisfy either of the following criteria:

Criterion 1: The basic (“green”) aircraft is type certificated by the FAA under Title 14 of the Code of Federal Regulation (14 CFR) 21.21, 21.25 (restricted category), or 21.29 (import products).

Criterion 2: The design is undergoing, or preparing to undergo, type certification under 14 CFR 21.21, 21.25, or 21.29, or parts manufacturer approval, or technical standard order approval, and the MCO manager (AIR-7G0) and the Compliance and Airworthiness Division Manager (AIR-700) concur on supporting the activity.

Design Approval:

The FAA will issue Amended and Supplemental Type Certificates (TC) for MCDA meeting Criterion 1, new TC for MCDA, and articles for installation on MCDA meeting Criterion 2.

For a program with a non-U.S. contractor/applicant, the FAA can issue a type certificate, including an amended TC, or one or more supplemental type certificates (STCs), for a product that is manufactured in another country with which the United States has an agreement for the acceptance of the product type (14 CFR 21.29). Examples of these agreements are a Bilateral Airworthiness Agreement (BAA) or a Bilateral Aviation Safety Agreement (BASA) with Implementation Procedures for Airworthiness (IPA). Prior to purchase of an aircraft of non-U.S. origin, the procuring

Sponsor should contact the FAA MCO Manager to verify that a bilateral agreement of proper scope exists with that government. The FAA will work with the Civil Aviation Authority (CAA) of the State of Design, under the procedures of the bilateral agreement, to provide the requested services; however, the CAA is not party to this Agreement or any PSSAs. The CAA should have the lead responsibilities in certification, continued airworthiness, support of accident investigations, and so on. If a PSSA is issued, it should identify pertinent details of this relationship and should address any limitations that arise.

Production Approval:

The FAA will issue production certificates, technical standard order authorizations, and parts manufacturer approval for MCDA and articles produced for installation on MCDA in accordance with Order 8120.22.

Airworthiness Certification:

The FAA will provide initial airworthiness approvals as required to meet either baseline or PSSA program needs. Airworthiness approvals to be issued include:

- a. FAA Form 8100-2, Standard Airworthiness Certificates,
- b. FAA Form 8130-3, Airworthiness Approval Tags,
- c. FAA Form 8130-7, Special Airworthiness Certificates, and
- d. FAA Form 8130-31, Statement of Conformity - Military Aircraft.

Continued Airworthiness Support:

FAA will provide support for airworthiness issues on Sponsors' MCDA. This includes approval of alternate means of compliance (AMOC) for airworthiness directives and approval of repair data.

The Sponsors may request other services that are within the scope of this Agreement, but are not specifically defined herein. The MCO may provide those services as a part of the baseline program after negotiation between the FAA and the Sponsor, or may require a PSSA for those services to be rendered.

AIR will manage resources to provide baseline program services and PSSA services as defined herein. The MCO will maintain personnel, at agreed to staffing levels, who will perform/manage baseline program services and support PSSAs.

When seeking FAA certification and/or technical assistance, the Sponsor will notify the MCO as early as possible. This is normally done very early in the program planning phase. Informal dialogue is encouraged, followed by a written request from the Sponsor's lead organization describing the program strategy and the FAA support desired. The FAA and the Sponsor will jointly determine whether a PSSA is required to execute the program. In general, the FAA will provide baseline program support to a project without a PSSA when:

- a. The aircraft's primary mission (for example, carriage of passengers and/or cargo) is not altered,

- b. The flight usage spectrum is within the FAA certified flight usage (or can be accommodated by acceptable maintenance concepts),
- c. FAA expertise and/or civil standards exist,
- d. The aircraft are operated and maintained in a manner consistent with the way the aircraft was certified for civil use, or the aircraft is a civil aircraft being operated in commercial air services (public use) in support of the Sponsor, and
- e. The project is performed by the MCO staff without significant additional support from other FAA resources.

A PSSA for FAA certification and/or technical assistance will be provided for a specific platform program when the level of program requirements exceeds the funding limitations for baseline program certification services. (Generally, a PSSA may be required when a program requires more than 500 hours of MCO and/or non-MCO resources in a fiscal year.) A PSSA is between the Sponsor and the FAA. The duration of a PSSA is up to five years. The PSSA should be jointly developed by the MCO and the Sponsor's platform program office with assistance from the Sponsor's Airworthiness Authority. (Baseline program services will be provided to support writing a PSSA.) The format of a PSSA will be similar to this Agreement.

Additionally, a PSSA must include a program statement of work (SOW) developed by the Sponsor's platform program office and approved by the FAA. A PSSA and SOW should be developed sequentially with the program acquisition phases (planning, development, or support) to help clarify program requirements and allow for modifications if the program requirements or schedules change.

The SOW will provide an estimate of program requirements and the schedule for those activities. (It is recommended that the program requirements and schedules are jointly developed by the Sponsor's Airworthiness Authority and Program Office.) The FAA will then provide a cost estimate in response to the stated program requirements. The estimate will include resources, costs, and applicable overhead. A SOW must set the delivery schedule, period of performance, funding, and a description of services to be rendered. A PSSA will remain in effect until it expires, until a party to the agreement gives written notice to the other party that it intends to terminate the agreement at any time before expiration (see Article 11), or the program requirements are completed.

When necessary, the Sponsor will provide a written request for any substantive change and/or modifications to a PSSA program. The Sponsor's airworthiness authority, or authorized party, and a designated FAA representative must accept substantive changes in writing. Modifications will cite the PSSA identification number and describe the exact nature of the changes. No oral statement by any person should be interpreted as modifying or otherwise affecting the terms of a PSSA.

2. FAA FLIGHT STANDARDS SERVICE (AFS) DELIVERABLES.

AFS will deliver the following deliverables under this baseline program agreement or under a PSSA for programs that satisfy either Criterion 1 or 2 listed in B1 above:

AFS will provide Technical Assistance, Certification Support, and Continued Airworthiness Support as defined in Table 1 and described below. AFS will manage the necessary resources to support baseline program activities and/or a PSSA as defined herein.

Technical Assistance:

AFS will provide technical support/consultations, but not certification, for MCDA programs on maintenance, safety system, and logistics/sustainment, and guidance on other unique military functions.

Certification Support:

The Aircraft Evaluation Group (AEG) will support type, amended type and supplemental type certification projects for MCDA programs.

Continued Airworthiness Support:

Statement of Conformity (FAA Form 8130-31): AFS aviation safety inspectors and/or FAA designees provide support for major repair/alteration performed on MCDA products by identifying on Form 8130-31 any repair/alteration not conducted in accordance with FAA approved data.

AFS will also provide support on the Sponsor's N-registered aircraft operated under civil rule (i.e., USAF Academy) requiring major repair/alteration.

The Sponsors may request other services that are within the scope of this agreement, but are not specifically defined herein. After negotiation between the FAA and the Sponsor, the FAA may provide those services under baseline program support or a PSSA.

The Sponsor will notify AFS, and the MCO, as early as possible when it intends to seek technical assistance or continued airworthiness support as described above. This should be done very early in the program planning phase. Informal dialogue is encouraged, followed by a written request from the program Sponsor, describing the program strategy and the FAA support desired. The FAA and the Sponsor will jointly determine whether a PSSA is required to execute the program. In general, maintenance program support can be provided under a baseline program without a PSSA when all the following criteria are met:

- a. The aircraft's primary mission (for example, carriage of passengers and/or cargo) is not altered,
- b. The flight usage spectrum is within the FAA certified flight usage (or can be accommodated by an acceptable maintenance program),
- c. FAA expertise and/or civil standards exist,
- d. The aircraft are operated to the design limitations and civil flight spectrum, and are maintained in a manner consistent with the way the aircraft was certified for civil use, and

- e. The AFS support is within the baseline program hours without significant additional support from other FAA resources.

A PSSA will be recommended, along with a SOW if a sponsor exceeds the baseline program hour limitation for AFS services. The PSSA and SOW can be written concurrently and jointly developed by the Sponsor’s Airworthiness Authority and FAA Headquarters utilizing baseline program hours. A PSSA may be developed sequentially with the program acquisition phases (planning, development, or support) to help clarify program requirements and allow for modifications if the program requirements or schedules change. AFS services and AIR services can be in one comprehensive PSSA, or accomplished separately.

C. Sponsors Funding Deliverables:

1. The Sponsors will provide funding for FAA baseline program services based on an annual period of performance (POP). The baseline program annual POP will not exceed 12 months and will be from October 1 through September 30. The POP for a PSSA will not exceed 12 months, and, unless otherwise negotiated, the POP will be from October 1 through September 30.
2. Baseline Program Funding. The Sponsors will provide funding for FAA baseline programs as defined in the baseline program budget that the FAA provides in September prior to the start of each fiscal year. The baseline program budget will include the costs of doing business (CDB) as well as the direct program costs (DPC). The Sponsors will contribute funds to the total baseline program budget based on an averaging of the individual Sponsor’s Direct Program Costs for the previous three years, as shown in Table 2. The Sponsors’ funding is provided by a Military Interdepartmental Purchase Request (MIPR) (DoD Form 448). The baseline program budget and MIPRs may be adjusted, and should be coordinated among Sponsors, during the year based on baseline program expense changes as agreed to by both the FAA and the Sponsors.

Representatives of the FAA and the Sponsors will support baseline program meetings requested by the FAA as resources allow. This includes a mid-year program review, normally held in April, and the end-of-year program review, normally held in August.

Table 2
Determination of Sponsor’s Share of Baseline Program Funding

FY18	= (FY15 Actual DPC% + FY16 Actual DPC% + FY17 Actual DPC%)/3
FY19	= (FY16 Actual DPC% + FY17 Actual DPC% + FY18 Actual DPC%)/3
FY20	= (FY17 Actual DPC% + FY18 Actual DPC% + FY19 Actual DPC%)/3
FY21	= (FY18 Actual DPC% + FY19 Actual DPC% + FY20 Actual DPC%)/3
FY22	= (FY19 Actual DPC% + FY20 Actual DPC% + FY21 Actual DPC%)/3

Note: Under this reimbursable agreement, a Sponsor's share of baseline program funding will transition as depicted above using a three-year moving average of a Sponsor's actual DPC%. A Sponsor's actual DPC% for each year will be presented at the end-of-year program review.

3. **PSSA Funding.** PSSA funding is provided by the program sponsor. From the PSSA SOW, the FAA will develop a work plan and budget for each year of PSSA. That plan and budget will be approved by the program Sponsor and funding will be provided to the FAA before the program is initiated. This agreement allows for multiple PSSAs. Each PSSA will have a unique program account and funding. A PSSA may be prepared for a program that was initiated under the baseline program account. In that case, funding will be provided as soon as possible to open a PSSA account. Previously incurred expenses will be transferred from the baseline program account to the PSSA account as necessary.

ARTICLE 4. Points of Contact

A. FAA:

1. The MCO will perform the scope of work included in this Agreement. The following individuals serve as FAA points of contact and liaisons with the Sponsors and can be reached as follows. These liaisons are not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.

FAA Program POC and MCO Manager:

Derek Morgan
AIR-7G0
Phone: 316-350-1581
derek.morgan@faa.gov

FAA MCO Budget/Finance POC:

Joyce Lombard
AIR-7G0
Phone: 316-350-1582
joyce.lombard@faa.gov

2. **FAA Contracting Officer:** The execution, modification, and administration of this Agreement must be authorized and accomplished by the Contracting Officer.

FAA Contracts POC:

Bradley K. Logan
AAQ-570
Phone: 817-222-4395
brad.logan@faa.gov

B. Sponsors:

	Technical	Financial
USAF	Lisa Glover AFLCMC/EZSA, Airworthiness Branch Phone: 937-656-9442 lisa.glover@us.af.mil	Shelley Herndon SAF/AQX 1060 Air Force Pentagon Washington, DC 20330 Phone: 571-256-0380 shelley.f.herndon.civ@mail.mil
USA	Fred Banks AED AMRDEC Phone: 256-313-9073 fred.d.banks2.civ@mail.mil	Lisa Lowry RDMR-CSD Redstone Arsenal, AL 35898 Phone: 256-876-7086 lisa.e.lowry.civ@mail.mil
USN	Susan DeGuzman NAVAIR 4.0P Phone: 301-342-5454 susan.deguzman@navy.mil	Judy Kellam Naval Air Systems Command 47123 Buse Rd Unit IPT Ste 539 Patuxent, River, MD 20670-1547 Phone 301-757-2471 judy.kellam@navy.mil
USCG	CDR Benjamin Schluckebier ALC ESD Phone: 252-335-6943 benjamin.j.schluckebeir@uscg.mil	Stacey M. Riggs, Contractor ESD Admin Assistant WorkForce Resources Inc. USCG Aviation Logistics Center 1664 Weeksville Rd, Bldg 78 Elizabeth City, NC 27909-5001 Phone: (252)335-6240 stacey.m.riggs@uscg.mil

ARTICLE 5. Non-Interference with Operations

The Sponsor understands and hereby agrees that any relocation, replacement, or modification of any existing or future FAA facility, system, and/or equipment covered by this Agreement during its term or any renewal thereof made necessary by Sponsor improvements, changes, or other actions which in the FAA’s opinion interfere with the technical and/or operations characteristics of an FAA facility, system, and/or piece of equipment will be at the expense of the Sponsor, except when such improvements or changes are made at the written request of the FAA. In the event such relocations, replacements, or modifications are necessitated due to causes not attributable to either the Sponsor or the FAA, the parties will determine funding responsibility.

ARTICLE 6. Property Transfer

- A. To the extent that the Sponsor provides any material associated with the Project, and to the extent that performance of the requirements of this Project results in the creation of assets constructed, emplaced, or installed by the Sponsor, all such material (buildings, equipment, systems, components, cable enclosures, etc.) and assets will become the property of the FAA upon project completion. For purposes of this Article 6, "project completion" means that FAA has inspected the specific equipment or construction, and has accepted it as substantially complete and ready for use. The creation of an additional agreement will not be required, unless such other agreement is required by the laws of the state in which the subject property is located. The Sponsor and FAA acknowledge that the FAA has accepted the fundamental responsibilities of ownership by assuming all operations and maintenance requirements for all property transferred to the FAA, and that the subject transfer to FAA is in the best interest of both the Sponsor and FAA.

In order to ensure that both FAA and the Sponsor have complete and accurate documentation of all property transferred to FAA and subject to this Agreement, the transfer of ownership of such real and personal property to the FAA shall be supported and memorialized by FAA's and the Sponsor's execution of Attachment A (Sponsor Cost and Transfer Certification Form) within ninety (90) calendar days from the date of project completion. The Sponsor will provide a line item property listing in tabular format including costs, as set forth in Attachment A, consisting of all real and personal property that is included in the Project. The cost data for each item will be supported by documentary evidence of reasonable cost and ownership, including, for example, the original invoice or billing statement, bill of lading, a copy of the construction contract, and verification of the contract acceptance date. At FAA's request, all supporting cost documentation shall be made available by the Sponsor within 5 workdays of the request. The FAA shall retain the original copy of Attachment A. A complete copy of Attachment A will be provided to the sponsor upon request.

- B. In order to ensure that the assets and materials subject to this Article remain fully accounted-for and operational, the Sponsor will provide the FAA any additional documents and publications that will enhance the FAA's ability to manage, maintain and track the assets being transferred. Examples may include, but are not limited to, operator manuals, maintenance publications, warranties, inspection reports, etc. These documents will be considered required hand-off items upon Project completion.

ARTICLE 7. Estimated Costs

The estimated FAA costs associated with this Agreement are as follows (totals are inclusive of a 21% overhead rate):

DESCRIPTION OF REIMBURSABLE ITEM	ESTIMATED COST
Labor	
FY18-22 Estimated Baseline Labor Cost	\$12,757,611.00
Total Labor	
\$12,757,611.00	
Non-Labor	
FY18-22 Estimated Baseline Non-Labor Cost	\$1,169,305.00
Total Non-Labor	
\$1,169,305.00	
TOTAL ESTIMATED COST	
\$13,926,916.00	

All work covered by this agreement will be performed and funded within the appropriate fiscal year funds. Program schedules and deliverables will be established between the cognizant FAA office and the cognizant Sponsors’ offices. All program schedules and deliverables will be coordinated between the MCO Manager and the respective Sponsors’ Airworthiness Authorities. As the focal point for all Armed Forces programs, the MCO will be apprised of program schedules and deliverables. Prior to the start of each fiscal year, the MCO Manager will inform the Sponsors of the baseline program budget and PSSA budgets for that year. Throughout the year, the MCO Manager will continue to monitor expenses and notify the Sponsors of any necessary changes in baseline program or PSSA expenses.

ARTICLE 8. Period of Agreement and Effective Date

This Agreement replaces the last one from 2012 to 2017. The effective date of this Agreement is the date of the last signature or October 1, 2017, whichever is later, and expires on September 30, 2022. This Agreement is considered complete when the final invoice is provided to the Sponsors and a refund is sent or payment is received as provided for in Article 9, Section A of this Agreement. A PSSA executed under this agreement has a maximum duration of five years.

ARTICLE 9. Reimbursement and Accounting Arrangements

- A. The Sponsors will reimburse the FAA upon receipt of billing for all actual costs allowable and allocable to this Agreement. The FAA will collect payment via the Federal IPAC system. Estimated costs associated with this agreement are defined in Article 7.

B. Upon completion of the project, a final invoice will be submitted by the FAA. The Sponsors will promptly pay any balance of allowable costs.

C. The Accounting Division is identified by the FAA as the billing office for this Agreement.

The mailing address is:

FAA Mike Monroney Aeronautical Center
Attn: AMK-322, Reimbursable Receipt Team
P.O. Box 25770
Oklahoma City, OK 73125

The overnight mailing address is:

FAA Mike Monroney Aeronautical Center
Attn: AMK-322, Reimbursable Receipt Team
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169

The Project Sponsors hereby identify the financial office to which the FAA will render the final bill or refund for the project costs incurred as:

USAF	USA	USN	USCG
DFAS-Limestone P.O. Box 369020 Columbus, OH 43236-9020	DFAS-INDY VP GFEBs 8899 E 56 th St Indianapolis, IN 46249-3800	ATTN: Judy Kellam Naval Air Systems Command HQ 47123 Buse Rd Unit IPT St 539 Patuxent River, MD 20670-1547	ATTN: CDR David Hatchett USCG ALC Chief ALD BLDG 63 Finance Dept Elizabeth City, NC 27909-5001

D. The cost estimates contained in Article 7 are expected to be the maximum costs associated with this Agreement, but may be modified to recover the FAA’s actual costs. If during the course of this Agreement actual costs are expected to exceed the estimated costs, the FAA will notify the Sponsors immediately. The FAA will also provide the Sponsors a modification to the Agreement which includes the FAA’s additional costs. Work identified in the modification cannot start until receipt of a fully executed modified agreement and funding document. In addition, in the event that a contractor performing work pursuant to the scope of this Agreement brings a claim against the FAA and the FAA incurs additional costs as a result of the claim, the Sponsors agree to reimburse the FAA for the additional costs incurred whether or not a final bill or a refund has been sent.

ARTICLE 10. Changes and Modifications

Changes and/or modifications to this Agreement will be formalized by an appropriate written modification that will outline in detail the exact nature of the change. Any modification to this Agreement will be executed in writing and signed by the authorized

representative of each party. The parties signing this Agreement and any subsequent modification(s) represent that each has the authority to execute the same on behalf of their respective organizations. No oral statement by any person will be interpreted as modifying or otherwise affecting the terms of the Agreement. Any party to this Agreement may request that it be modified, whereupon the parties will consult to consider such modifications. Changes to the Sponsors' names, addresses, and contact information contained in Article 4, Points of Contact and Article 9, Reimbursement and Accounting Arrangements, should be submitted to the FAA MCO.

ARTICLE 11. Termination

- A. The parties to this agreement are the FAA, the USAF, the USA, the USN, and the USCG. All parties may jointly terminate this agreement only when it is determined that termination is in the best interest of all the parties. The Sponsors shall present the justification for termination to the signatories of this agreement. The decision to terminate this agreement in-total can only be made jointly by the signatories of this agreement. They will also set the date for the termination, (not less than 180 days from the date of notification). Once the notification of termination is made, the FAA and the Sponsors shall take immediate steps to stop the accrual of any additional obligations which might require payment. Such steps must not negatively impact National Defense. Neither the FAA nor the Sponsors will incur any liability or obligation other than payment of amounts due and performance of obligations accrued, on, or prior to, the established termination date. The termination payments will include all costs (including shutdown cost) for up to 180 days.

- B. An individual Sponsor may terminate involvement in this agreement at any time with or without cause; and the FAA may also terminate the support provided under this agreement to an individual Sponsor any time with or without cause. The party terminating this relationship will inform the other party in writing with a date of termination no less than 180 days from the date of notification. Once the notification of termination is made, the FAA and the Sponsor will take immediate steps to stop the accrual of any additional obligations which might require payment. The termination payments will include the Sponsor's share of all the fixed costs for 180 days.

- C. The two parties to a PSSA are the FAA and the program sponsor. Either party may terminate a PSSA at any time prior to its expiration date, with or without cause. The party terminating the PSSA will inform the other party in writing with a date of termination no less than 180 days from the date of notification. Once the notification of termination is made, the FAA and the program sponsor shall take immediate steps to stop the accrual of any additional obligations which might require payment. If a PSSA program has a major delay, the program sponsor and the FAA will negotiate the cost of continuing the program under a new schedule, as long as the five year duration of the PSSA is not exceeded.

ARTICLE 12. Order of Precedence

If attachments are included in this Agreement and in the event of any inconsistency between the attachment and the terms of this Agreement, the inconsistency will be resolved by giving preference in the following order:

- A. This Agreement
- B. The Attachments

ARTICLE 13. Legal Authority

This Agreement is entered into under the authority of the Federal Aviation Act of 1958, 49 U.S.C. § 106(l) and 106(m), and 31 U.S.C. § 1535. If this Agreement is a joint activity with Department of Defense, 49 U.S.C. § 40121(c)(2) also applies.

ARTICLE 14. Disputes

Should disagreements arise on the interpretation of the provisions of this agreement or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement or interpretation is not reached within 30 days, the parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

If a dispute related to funding remains unresolved for more than 30 calendar days after the parties have engaged in an escalation of the dispute, disputes will be resolved in accordance with instructions provided in the Treasury Financial Manual (TFM) Volume I, Part 2, Chapter 4700, Appendix 10.

ARTICLE 15. Warranties

The FAA makes no express or implied warranties as to any matter arising under this Agreement, or as to the ownership, merchantability, or fitness for a particular purpose of any property, including any equipment, device, or software that may be provided under this Agreement.

ARTICLE 16. Reporting Requirement

- A. For Baseline Program Services:
 - 1. Thirty days prior to the beginning of each fiscal year, the FAA will provide annual cost estimates, covering a five year period, to the Sponsors. Those estimates will include resources, costs, and applicable overhead needed to support the Armed Forces projected activities.

2. The FAA will provide the Sponsors a semi-annual accounting of actual costs incurred for baseline program services. This accounting should identify the resources spent and type and location of services provided, in the format as collected by the FAA. At the mid-year and end-of-year reviews, if actual cost data indicates that an adjustment in funding may be required, the FAA shall effect timely renegotiations for revisions to the original annual funded amounts.
3. Within 120 days following the end of a fiscal year, the FAA will provide the Sponsors an annual report for that fiscal year. That report will include highlights of the year and an accounting of actual costs incurred for aircraft certification services and flight standards services for the fiscal year.
4. The FAA will provide monthly expense reports for program activities to all points of contact listed in Appendix 2.

B. For each PSSA:

1. The FAA will provide monthly expense reports for program activities to the lead Sponsor.
2. The FAA will provide a semi-annual accounting of actual costs incurred and program status to the lead Sponsor at mid-year and at the end of each fiscal year.

ARTICLE 17. Reserved

ARTICLE 18. Reserved

ARTICLE 19. Protection of Information

The parties agree that they will take appropriate measures to identify and protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

No information, oral or written, concerning the results or conclusions made pursuant to this agreement shall be published or released to the public without the prior written approval of the FAA and the Sponsors' points of contact. Release of technical data is subject to the provisions of the Freedom of Information Act, Title 5 USC §552 and other pertinent statutes and regulations.

Classified and special access programs are administered by the Federal Aviation Administration under FAA Order 1650.20A, Support for Sensitive National Defense and

Sensitive Law Enforcement Operations. All requests for services pertaining to classified or special access programs will be directed to the FAA's Office of Security and Hazardous Materials Safety, Special Activities and Law Enforcement Division (AEO-300). The Sponsors will help the FAA justify the need, and funding, for security clearances that support specific programs.

The FAA may only obtain applicant data in pursuance of a safety or compliance finding, and will not release data that is proprietary to an applicant/certificate holder without written permission of the applicant/certificate holder. The FAA has authority to review certain data of a certificate holder for purposes defined in Title 14 Code of Federal Regulations. In order to support technical assistance, certification services, and continued airworthiness support to the Sponsors, the FAA will review design and compliance data as required by Title 14 Code of Federal Regulations.

ARTICLE 20. Security

In the event that the security office determines that the security requirements under FAA Order 1600.72A applies to work under this Agreement, the FAA is responsible for ensuring that security requirements, including compliance with AMS clause 3.14-2, Contractor Personnel Suitability Requirements are met.

ARTICLE 21. Entire Agreement and Program Specific Service Agreements

- A. This document is the overarching Agreement of the parties, who accept the terms of this Agreement as shown by their signatures. Each party acknowledges participation in the negotiations and drafting of this Agreement. Any later modifications to this Agreement will not be construed more stringently against one party than against the other. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this agreement. All requests for interpretation or modification shall be made in writing to the MCO manager.
- B. A PSSA is an agreement for services beyond those provided as baseline program services of this Agreement. For a PSSA, FAA signature will be the Associate Administrator for Aviation Safety (AVS-1) unless delegated to the Service Executive Director Level (AIR-1 and/or AFS-1). Signature authority for the Armed Force will be a person authorized to obligate funds for that particular program.
- C. The FAA Financial Manual states that *"any [reimbursable agreement] that is not executed within 120 days of receiving all concurrences and AFO-1 preliminary approval will be cancelled and required to be renegotiated."* An agreement is executed when both parties (FAA and Sponsor) sign the agreement and the funding for the agreement has been received by the FAA. After the 120-day period, if the sponsor wants to execute the agreement, the FAA agreement


coordinator (AC) and AFO-1 will need to examine the following items and determine if renegotiation of the agreement is required:

1. Is the cost estimate still valid? Are the labor rates, estimated hours, and costs accurate and current?
2. Is the scope of work still applicable and accurate?
3. Is the estimated agreement schedule still accurate?
4. Are resources still available to conduct the work (this may require re-coordination with the implementing organizations)?
5. Does the FAA have budget authority available to cover the agreement funding within this FY?

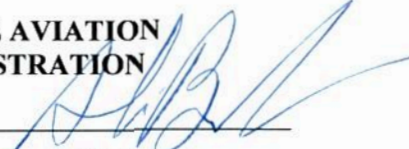
Because this agreement is funded annually (no full advance payment), AFO-1 will work with the AC on a case-by-case basis to determine if/when this agreement is subject to the 120-day requirement. Together, the AC and AFO-1 will determine the best approach to evaluating the agreement.

AGREED:

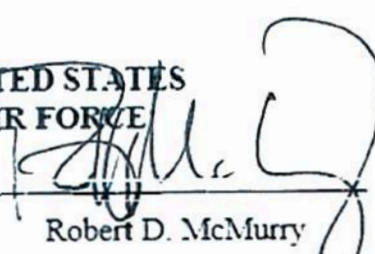
**FEDERAL AVIATION
ADMINISTRATION**

SIGNATURE 
NAME Lawrence Ayers
TITLE Contracting Officer
DATE 28 Dec 2017

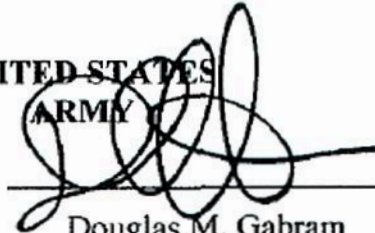
**FEDERAL AVIATION
ADMINISTRATION**

SIGNATURE 
NAME Ali Bahrami
TITLE Associate Administrator
for Aviation Safety
DATE 19 DEC 17


**UNITED STATES
AIR FORCE**

SIGNATURE 
NAME Robert D. McMurry
Lieutenant General, USAF
TITLE Commander, Air Force
Life Cycle Management
Center
DATE 13 Dec 2017


**UNITED STATES
ARMY**

SIGNATURE 
NAME Douglas M. Gabram
Major General, USA
Commanding
TITLE Commander U.S. Army
Aviation and Missile
Command
DATE 14 Sept 2017

**UNITED STATES
NAVY**

SIGNATURE 
NAME VADM Paul Grosklags
TITLE Commander, Naval Air
Systems Command AIR-00
DATE 9/12/17

**UNITED STATES
COAST GUARD**

SIGNATURE 
NAME CAPT Thomas MacDonald
TITLE Chief, USCG Office of
Aeronautical Engineering
DATE 29 SEP 2017

APPENDIX 1. DEFINITIONS

For this agreement, the following definitions are identified.

Airworthiness Authority: The organization within an Armed Service that is responsible for issuing documentation as to the proof of airworthiness for their aircraft.

Airworthiness Directive (AD): An Airworthiness Directive is issued when the FAA finds that an unsafe condition exists in a product (aircraft, aircraft engines, propellers, or appliances). The FAA has determined that the condition is likely to exist or develop in other products of the same type design. An Airworthiness Directive is a legally enforceable civil regulation issued by the FAA, and will specify inspections, conditions and limitations, or actions that must be taken to resolve the unsafe condition. (*Reference: Code of Federal Regulations Title 14 part 39*)

Bilateral Airworthiness Agreement (BAA): A reciprocal executive agreement providing for technical cooperation between the FAA and another civil aviation authority. These were concluded by the U.S. Department of State through 1995. This is not a trade agreement. (*Reference: FAA Advisory Circular 21-23*)

Bilateral Aviation Safety Agreement (BASA) Implementation Procedures for Airworthiness (IPA): A reciprocal executive agreement providing for technical cooperation between the FAA and another civil aviation authority for type certification of the other signatory country's products. These have been concluded by the U.S. Department of State and the FAA since 1996. (*Reference: FAA Advisory Circular 21-23*)

Civil Aviation Authority (CAA): A governmental entity (or entities) that is directly responsible for the regulation of all aspects of civil air transport, including navigation, aviation safety, and commercial aspects of air transportation. (*Reference: International Civil Aviation Organization (ICAO), Doc 9713*)

Commercial Air Services (CAS): Commercial Air Services are operations using civilly owned aircraft operated under contract to one or more of the US Armed Forces.

Conformity: A process, performed using necessary inspections and tests, to ascertain whether an article manufactured using FAA approved type design complies with the requirements of the type design data. (*Reference: Code of Federal Regulations Title 14 §21.33*)

Direct Program Cost (DPC): The Direct Program Cost is the cost for all baseline program activities that directly support technical assistance, program activities, travel and organizational activities done on behalf of a specific Sponsor in support of programs eligible for service under this agreement.

Military Certification Office (MCO): Established by this Agreement, the MCO falls under the FAA Aircraft Certification Service and serves as the single point of contact for

all FAA technical, airworthiness, administrative and funding activities provided under this Agreement. On July 23, 2017, as part of an Aircraft Certification Service reorganization, the MCO was realigned to the Compliance and Airworthiness Division (AIR-700) and was retitled MCO Branch (AIR-7G0).

Military Commercial Derivative Aircraft (MCDA): A military commercial derivative aircraft is an aircraft operated, or proposed to be operated, by the Armed Forces within the definition of Public Aircraft in accordance with Title 49 of the USC sections 40102 and 40125.

Program Specific Service Agreement (PSSA): An agreement between the FAA and an Armed Force Airworthiness Authority that adds program specific services to the Agreement that fall outside of the baseline program funding limitations of this Agreement. PSSA expenses are separately funded from the baseline program services. A PSSA has a maximum duration of five years.

Special Airworthiness Certificate: An airworthiness certificate issued by the FAA for operation of a single aircraft in the: primary, restricted, multiple, limited, light-sport, provisional, or experimental category. Special airworthiness certificates may also be issued for special flight permits. Depending upon the category and purpose, special airworthiness certificates have different airworthiness criteria and may be issued with limited duration. (*Reference: Code of Federal Regulations Title 14 part 21 subpart H and FAA Order 8130.2*)

Standard Airworthiness Certificate: An airworthiness certificate issued by the FAA for operation of a single type certificated aircraft. The standard airworthiness certificate indicates the aircraft has been examined and the FAA has found the aircraft to be in conformance with the FAA approved type design and is in condition for safe operation. Standard airworthiness certificates may be issued in the Normal, Utility, Acrobatic, Commuter, Transport, for Manned Free Balloons, and for Special Classes of aircraft designated by the Administrator. (*Reference: Code of Federal Regulations Title 14 part 21 subpart H and FAA Order 8130.2*)

Supplemental Type Certificate (STC): A Supplemental Type Certificate is issued by the FAA signifying that a major change or alteration, not so extensive as to require a new TC, is approved for a type certificated product (aircraft, engine, or propeller). The major change to the product has been found to comply with the applicable civil airworthiness standards defined in the Code of Federal Regulations Title 14 "Aeronautics and Space." The airworthiness standards are defined by parts 23 and 25 for fixed wing airplanes, parts 27 and 29 for rotorcraft, part 33 for aircraft engines, and part 35 for propellers. (*Reference: Code of Federal Regulations Title 14 part 21 subpart E, and FAA Order 8110.4*)

Type Certificate (TC): A type certificate issued by the FAA for the design of an aircraft, engine, or propeller, indicating the product has been examined by the FAA and has been found to comply with the applicable civil airworthiness standards. The airworthiness

standards are defined in the Code of Federal Regulations Title 14, "Aeronautics and Space", under parts 23 and 25 for fixed wing airplanes, parts 27 and 29 for rotorcraft, part 33 for engines, and part 35 for propellers. The Type Certificate identifies the type design data, limitations, type certificate data sheet, and applicable regulations. (*Reference: Code of Federal Regulations Title 14 part 21 subpart B, and FAA Order 8110.4*)