

MEMORANDUM FOR DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY (DSCA),
 ATTN: COMPT-RM,
 1111 JEFFERSON DAVIS HIGHWAY, SUITE 303
 ARLINGTON, VA 22202-4306

FROM:

SUBJ: Foreign Military Sales Case *(fill in case designator)*

1. In compliance with provisions of Chapters 5, 7 and 8, Security Assistance Management Manual, the enclosed documents are forwarded for review, countersignature and return to this command for release to the customer. The following information applies to this document as marked:

- a. Does this document satisfy all of the requirements in the LOR? Yes No If not, submit additional documentation/reason, as necessary. Limitations on funding. Items 9, 10 and 13
- b. This LOA contains support equipment that includes MTCR controlled items. Yes No If yes, a list of possible MTCR controlled items was sent to DSCA on _____ and a copy is attached. The equipment has been checked by a qualified reviewer and is MTCR compliant.
- c. Is/are the prime contractor(s) known? Yes No If yes, list all prime contractors:
- d. Is LOA for Taiwan? Yes No If so, please list Significant Military Equipment (SME) values:

This document includes *(check applicable answer)*:

Yes No		Yes No	
<input checked="" type="checkbox"/>	Entered in the 1200 System	<input checked="" type="checkbox"/>	Note that changes the LOA Standard Terms & Conditions included. If Yes, LOA note number is _____
<input checked="" type="checkbox"/>	“Restated Case” (copy of prior baic document is attached)	<input checked="" type="checkbox"/>	Note that is unique and/or peculiar to this FMS Case included. If Yes, LOA note number is _____
<input checked="" type="checkbox"/>	Transmittal Number for 36(b) is entered in appropriate block	<input checked="" type="checkbox"/>	Technical Data Package (TDP) – TDPs DMWRs/TCTOs/ECP-LECP Other: _____
<input checked="" type="checkbox"/>	PCS Personnel assigned in country required	<input checked="" type="checkbox"/>	Cash flow financed
<input checked="" type="checkbox"/>	Offshore procurement	<input checked="" type="checkbox"/>	Program Management
<input checked="" type="checkbox"/>	Controversial items:	<input checked="" type="checkbox"/>	Short Offer Expiration Date (OED)
<input checked="" type="checkbox"/>	___ Police, Counterterrorism, & Military Intell Progs	<input checked="" type="checkbox"/>	Sales commission or agent fee
<input checked="" type="checkbox"/>	___ Depleted Uranium (105mm M774/M833 or 120mm M829/M946)	<input checked="" type="checkbox"/>	Developmental systems, which have not yet completed OT&E
<input checked="" type="checkbox"/>	___ White Phosphorus munitions	<input checked="" type="checkbox"/>	Enhanced International Peacekeeping Capabilities (EIPC) initiative
<input checked="" type="checkbox"/>	___ STINGER missiles or STINGER missile system parts/services	<input checked="" type="checkbox"/>	Note regarding Non-Recurring Cost included
<input checked="" type="checkbox"/>	___ TOW-2B missiles	<input checked="" type="checkbox"/>	Waivers – NRC: _____
<input checked="" type="checkbox"/>	___ Ammunition and other explosives	<input checked="" type="checkbox"/>	Admin: _____
<input checked="" type="checkbox"/>	___ 3 rd Generation Night Vision Goggles	<input checked="" type="checkbox"/>	Other: _____
<input checked="" type="checkbox"/>	___ Other:		
<input checked="" type="checkbox"/>	Excess Defense Articles (EDA) (or EDA support)		
<input checked="" type="checkbox"/>	Associated with Lease - lease designator		
<input checked="" type="checkbox"/>	Offset costs		

2. If additional details concerning this document are needed, please call

Phone: _____ E-mail: _____

PDF Attachments:

- | | |
|---|---|
| <input type="checkbox"/> Response Document | <input type="checkbox"/> Manpower Worksheets |
| <input type="checkbox"/> Letter of Request (LOR) | <input type="checkbox"/> Financial Analysis Worksheet (FAW) (SDAF cases only) |
| <input type="checkbox"/> List of possible MTCR controlled items | <input type="checkbox"/> Other: _____ |

Comments (Click in the Box and type).



Australian Antarctic Division

ABN 564 286 306 76/GST-registered

Kingston, Tasmania, 7050

Telephone: 03 6232 3200

Fax: 03 6232 3215

Email: Tony.Press@aad.gov.au

Dr. Barbara J. Sotirin,
Director
United States Army, Corps of Engineers
Engineer Research and Development Center
Cold Regions Research and Engineering Laboratory
72 Lyme Road, Hanover, New Hampshire, 03755-1290
United States of America

Re: ATP04/02

Dear Dr. Sotirin,

As you may be aware, over the past three years, the Australian Antarctic Division, an arm of the Australian Government's Department of the Environment and Heritage, has been working towards the implementation of an air transport system to link Australia and Antarctica. To date, the AAD has received valuable assistance from a number of international organizations, including CRREL and the National Science Foundation. We have developed an excellent rapport with George Blasidell, who has provided preliminary advice on the construction of snow and ice runways. We have now reached the stage where we wish to conduct construction trials at Casey Station this season and wish to formalize CRREL's offer of assistance, originally made in September 2000.

We request your valuable cooperation and support in developing an air link for Australia's Antarctic Program. I have attached a more detailed brief on the project and scope of work. If there are other details of our request required for full consideration, please contact me at your earliest convenience.

Yours sincerely,
Kim F. Pitt

Kim F. Pitt
Acting Director
Australian Antarctic Division

19 September 2002



Department of the Environment and Heritage

Advancing Australia's Antarctic interests

Australian Antarctic Division – Air Transport Project

The Australian Antarctic Division, (AAD) is the lead agency for Australia's Antarctic Program. The AAD manages Australian government activity in Antarctica, provides transport and logistic support, maintains four permanent Australian research stations, and conducts and manages scientific research programs both on land and in the Southern Ocean.

As part of its overall program of support to scientific research in the Antarctic, the Australian Antarctic Division is moving forward on a plan to install an intercontinental air link between its headquarters and logistics gateway in Hobart, Tasmania (Australia) and one of its three continental stations, Casey. Since this is an entirely new capability for the AAD and for nearly all of East Antarctica, considerable cold regions engineering, logistics and operations experts are being engaged to ensure success. While safety is paramount for this air link, efficiency and cost-effectiveness of construction, maintenance and operation, as well as seasonal availability, are also part of the definition of success.

Australian Government approval currently exists for this project, and an air service provider has been selected. A suitable runway and aircraft support system must now be developed at Casey. The AAD and the CRREL have been in discussion for several years during which time the Australian air link concept has gained support and momentum (including from the US Antarctic Program; managed by the National Science Foundation's Office of Polar Programs). Experience present at CRREL through development of similar runways in the US Antarctic Program is extremely pertinent to the Casey runway project. A collaborative effort between AAD and CRREL is proposed as an ideal mechanism to assure the availability of expertise and experience required for successful runway construction.

The AAD is currently very active in making arrangements for the initial field phases of construction of the Casey runway to begin this austral summer season (December 2002-March 2003). Our plans call for equipment and staff, including at least one expert from CRREL, to embark to Antarctica on our supply vessel on 17 December 2002. Our work plan calls for construction to be completed by the end of the next austral summer season (2003-2004) with flight services to commence early in the 2004-2005 austral summer field season. We anticipate the need for, and desire the participation and expertise of, CRREL personnel during the entire construction and certification of the runway, as well as during start-up of our intercontinental air link. Therefore, the assistance we are requesting would begin around October of this year and extend through about March of 2005.

The Scope of Work below outlines the tasks and responsibilities requested from CRREL in support of the AAD Casey Runway Project.

Scope of Work

CRREL support to AAD for Casey Runway Project

It is requested that CRREL will support AAD in all aspects of the development, certification, start-up operations, and documentation of the Casey Runway and intercontinental air link from Hobart. Numerous specific tasks will be involved; it is expected that CRREL will work closely with AAD to determine what tasks and activities best utilize CRREL's unique expertise. As such, it is expected that as work progresses, task definition and assignment will be a dynamic exercise. It is the intention of both parties, however, that a successful result be generated with the minimum of time and cost, while ensuring a robust and safe air service system.

A general list of CRREL activities in support of the project, roughly in the order they are expected to occur, follows:

1. Participation in planning sessions to establish equipment and personnel needs for entire project, with initial emphasis on the 2002-2003 field season.
2. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway.
3. Travel to Casey station to participate in, and lead certain aspects of, runway development. Specifically, CRREL will assume a project manager role for the gambit of development and construction activities. CRREL will work closely with and report to an AAD member who will have overall responsibility for the project.
4. Initial tasks to be directed are associated with site selection, site survey and site analysis. This will be followed by site preparation and finalization of the runway design.
5. Supervise and direct construction of the runway surface using tools provided to arrive at an acceptable ice "pavement" from both structural and geometric considerations.
6. Recommend a winter-over plan for the runway site at the close of the 2002-2003 season.
7. Participation in planning sessions to establish equipment and personnel needs for the 2003-2004 field season.
8. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway to ensure that certification activities will bring no avoidable surprises. Further, recommend a runway certification plan and assist in arranging for necessary inspectors and aircraft to complete certification.
9. Travel to Casey station to resume project manager role in completion of development and construction activities on the runway and for an apron and taxiway. Critical activities to be managed by CRREL during the 2003-2004 season will include a subsurface structural evaluation of the runway site, construction of a compacted snow wearing surface over the glacial ice, and oversight of runway certification. CRREL will again be working closely with and reporting to an AAD member who will have overall responsibility for the project.
10. Recommend a winter-over plan for the runway site at the close of the 2003-2004 season.
11. Participation in planning sessions to establish equipment and personnel needs for the 2004-2005 field season. Additionally, assist with flight operations planning to ensure that runway availability and runway maintenance needs properly coordinate with planned flight missions.

12. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway to ensure that flight operations are clearly defined and understood by all participating agencies.
13. Travel to Casey station to resume project manager role in runway set-up and preparation for flight operations. Critical activities to be managed by CRREL during the 2004-2005 season will include tests to re-certify the runway and to make observations and recommendations during initial flight operations. CRREL will again be working closely with and reporting to an AAD member who will have overall responsibility for the project.
14. Participate in, and lead in some aspects of, documentation of all portions of the Casey runway siting, construction, certification, and operation.

United States of America
Letter of Offer and Acceptance (LOA)

DRAFT/
12-04-2002
14:52:18

S6-B-E04

Under Foreign Assistance Act, Section 607

Based on the Government of Australia, Australian Antarctic (continued on page 2)

Pursuant to the Arms Export Control Act, the Government of the United States (USG) offers to sell to the Government of Australia Australian Antarctic Division Kingston, Tasmania 7050, c/o American Embassy Canberra 2600, the defense articles or defense services (which may include defense design and construction services) collectively referred to as "items," set forth herein, subject to the provisions, terms, and conditions in this LOA.

This LOA is for services of the U.S. Army Corps of Engineers to begin provision of the requested support. The scope of work is enclosed. The work will be (continued on page 2)

Estimated Cost: \$257,000

Initial Deposit: \$100,000

Terms of Sale:

Cash with Acceptance \$257,000.00

This offer expires on 1 March 2003. Unless a request for extension is made by the Purchaser and granted by the USG, the offer will terminate on the expiration date.

This LOA consists of page 1 through page 7.

The undersigned are authorized representatives of their Governments and hereby offer and accept, respectively, this LOA:

04 Dec 2002

US Signature	Date	Purchaser Signature	Date
Dale O. Jackson			
Chief, International Services Branch			
Typed Name and Title		Typed Name and Title	
Headquarters, U.S. Army Corps of Engineers			
Implementing Agency		Agency	

DSCA

Date

Information to be provided by the Purchaser:
Mark For Code ___, Freight Forwarder Code ___, Purchaser Procuring Agency Code ___, Name and Address of the Purchaser's Paying Office: _____

Customer reference continued: Division (AAD), letter of 19 September 2002, requests a LOA with the U.S. Army Corps of Engineers, Engineer Research and Development Center for engineering assistance to design and construct snow and ice runways in Antarctica.

Case description continued: accomplished in phases as described. This LOA may be amended as required to provide for additional support to AAD.

Items to be Supplied (costs and months for delivery are estimates):

(1) Itm Nbr	(2) Description/Condition	(3) Qty, Unit of Issue	(4) Costs (a)Unit (b) Total	(5) SC/MOS/ TA	(6) Ofr Rel Cde	(7) Del Trm Cde
001	M1E 0205000TAUSGP (N)	xx	\$250,731	S(36) TA3	A	2
2	OTHER TECHNICAL ASSISTANCE - US GOVERNMENT PERSONNEL (NOT TECHNICAL ASSISTANCE TEAMS)					

Services of the U.S. Army Corps of Engineers, to develop snow/ice runway and aircraft support systems for the Australian Antarctic Division (AAD) at Casey Station, Antarctica.

Estimated Cost Summary:

(8) Net Estimated Cost	\$250,731
(9) Packing, Crating, and Handling	0
(10) Administrative Charge	6,269
(11) Transportation	0
(12) Other	0
(13) Total Estimated Cost	\$257,000

To assist in fiscal planning, the USG provides the following anticipated costs of this LOA:

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Quarterly</u>	<u>Cumulative</u>
Initial Deposit	\$100,000	\$100,000
01 Apr 2003	\$100,000	\$200,000
01 Aug 2003	\$57,000	\$257,000

Explanation for acronyms and codes, and financial information, may be found in the "Letter of Offer and Acceptance Information."

Signed Copy Distribution:

1. Upon acceptance, the Purchaser should return one signed copy of this LOA to Defense Finance and Accounting Service - Denver, ATTN: DFAS-AY/DE, 6760 E. Irvington Place, Denver, CO 80279-2000 . Simultaneously, wire transfer of the initial deposit or amount due with acceptance of this LOA document (if required) should be made to financial institution identifier 021030004 TREAS NYC, Agency Location Code 00003801, showing "Payment from FAA, 607 Sales -Pay In Advance for S6-B-E04"; or a check for the initial deposit, made payable to the US Treasury, mailed to DFAS-ADCTA/DE, P.O.Box 173659, Denver, CO 80217-3659, showing "Payment from FAA, 607 Sales -Pay In Advance for S6-B-E04". Wire transfer is preferred.
2. One signed copy should be returned to Department of the Army, U.S Army Corps of Engineers, 441 G Street, N.W., ATTN: CEMP-MD, Washington, DC 20314-1000.

Note 1.

The costs of this Letter of Offer and Acceptance include all known charges. If for any reason, the U.S. Army Corps of Engineers personnel or contract personnel is made to pay any national or local taxes, tariffs, levies, or charges, these charges will be added to the costs of the Letter of Offer and Acceptance and the AAD will reimburse the U.S. Army Corps of Engineers the full amount of these charges.

Note 2.

Offset Administrative Costs - The Department of Defense is not a party to any offset agreement/arrangements which may be required by the Purchaser in relation to the sales made in this LOA and assumes no obligation to administer or satisfy any offset requirements or bear any other associated costs.

Note 3. Section 607 (1).

This sale is made under the authority of Section 607 of the U.S. Foreign Assistance Act of 1961 (22 U.S.C. 2357) and the Determination thereunder, a copy of which is attached to this Letter of Offer and Acceptance. Any reference in this Letter of Offer and Acceptance to the U.S. Arms Export Control Act, to defense articles, and to defense services shall be construed instead to be a reference to Section 607, of the U.S. Foreign Assistance Act of 1961 (22 U.S.C. 2357), and the Determination thereunder to commodities and to services, respectively. This agreement is subject to U.S. law.

Note 4. Section 607 (2).

The Purchaser shall, except as may otherwise be mutually agreed in writing by the U.S. Army Corps of Engineers, use the items sold under this Letter of Offer and Acceptance, or direct their use by personnel and organizations under its auspices only for purposes authorized by this LOA.

Note 5. PRIVILEGES AND IMMUNITIES.

Privileges and immunities for U.S. Army Corps of Engineers and contractor personnel entering Australia pursuant to this Agreement shall be the same as those provided to "members of the civilian component" in the Agreement Between the Government of the United States of America and the Government of Australia Concerning the Status of United States Forces in Australia with protocol, May 9, 1963.

Note 6. TAXES, DUTIES, AND CHARGES FOR DOING BUSINESS.

The contract(s) implementing this LOA will include the clause entitled "Taxes-Foreign Fixed-Price Contracts (Jan 1991)" set forth in Federal Acquisition Section 52.229-6; therefore, price and delivery estimates within this LOA anticipate the following:

a. Property, material, equipment, household furniture, appliances, and supplies imported into Australia by contractor exclusively for use in support of the Contractor and its personnel and consigned and marked as required or approved by the US Government (USG) will be exempt from import and export duties, taxes, licenses, excises, imposts, and any other identifiable charges. The Contractor will maintain any inventory control and accounting system adequate to reflect the usage and disposition of all contractor owned property which has entered Australia duty-free under this LOA.

b. The Government of Australia (GOA), its agencies, and political subdivisions will levy no taxes or fees (including taxes on individual or corporate income or property, customs and import duties, or other taxes on employee personal household goods, supplies and personal effects imported into Australia for personal use) on the Contractor, its employees, or the dependents of such employees. Such tax exclusion shall not apply to Australian taxes levied on the purchase in Australia of household goods, automobiles and other items for personal use by the employees of the contractor or subcontractors. Such tax exclusion shall not apply to the income of Australian individuals [persons] contractors, or subcontractors.

c. Within the framework of the laws of the GOA, the Purchaser will provide to the Contractor such tax exemption certificates or other documents needed to assist the Contractor in obtaining relief from GOA taxes, duties, and charges which are excludable under this Note (paragraph 6a or 6b).

d. If any charges under this Note (paragraph 6a or 6b) are imposed by the GOA, in contradiction of this agreement, such costs incurred by the Contractor may be reimbursed to the Contractor in whole or in part, including applicable overhead and General and Administrative costs, but excluding profit. The decision as to whether circumstances warrant reimbursement will be taken by the US Government in accordance with the terms of the contract, and applicable U.S. laws and regulations. Any such reimbursement will be made from funds to be provided by the AAD under this LOA.

Note 7. ADMINISTRATIVE CHARGES.

An administrative surcharge of 2.5% has been applied to line 1.

Note 8. UNAUTHORIZED USE OF DEFENSE ARTICLES.

Defense articles furnished under this LOA may be used only for those authorized purposes set forth in section 2.2 of the Standard Terms and Conditions, unless the written consent of the USG has been obtained for a different use. The USG retains the right to verify reports that such defense articles have been used for purposes not authorized or for uses not consented to by the USG. (U1)

Note 9. TRANSLATION.

Publications/documents supplied on this LOA are in the English language. The responsibility for the translation of any document rests with the purchaser. However, when information is translated, the English text is still the officially binding document.

Note 10. PASSPORTS, VISAS, LICENSES, AND PERMITS.

a. Cost and delivery estimates herein anticipate the Government of Australia (GOA) will, within the framework of the laws of GOA, ensure the timely issuance of work, entry, or exit visas; work, vehicle operator, residence, or in country travel permits; and any other appropriate licenses or permits required of the personnel,

including dependents, to carry out this effort.

b. The U.S. contractor shall be responsible for timely and complete submittal of the necessary information and forms directly to the appropriate GOA agency for the required passports, visas, licenses, or permits. The contractor shall be responsible for the sponsorship of its employees and their dependents and shall process said permits directly with the appropriate GOA agency.

c. The Purchaser will receive, without regard to race, religion, sex, or ethnic or national origin, persons of other than Australian nationality imported into Australia, under proper authority, to work exclusively on efforts covered by the provisions of this contract, who have USG issued passports, provided they are technically qualified for the work and meet the security requirements of the Purchaser, and will impose on such person no fee or charges for entry, exit, quarantine, nor will they require work or residence permits for personnel working under this contract.

Note 11. ACCESS.

Cost and delivery schedules herein anticipate that U.S. personnel in Australia will be authorized, at no cost, reasonable access to all data, plans, reports, or other information and all existing and proposed offices, sites, and areas within Australia as required to accomplish this effort.

Note 12. SECURITY.

Price and delivery estimates anticipate that the Purchaser will provide adequate security to protect personnel and property associated with this LOA and located on Purchaser military bases, installations, or other designated work sites. Personnel and property associated with this LOA and located in the territory of the Purchaser shall be covered under all existing security agreements with the USG.

Note 13. Limitation of Contractor(s) Liability.

13.0 WAIVER OF CLAIMS:

a. In addition and without prejudice to General Condition 3, the Purchaser agrees, with respect to the Contractor:

(1) To waive any or all claims which it has or may have against the Contractor, its agents, officers, and employees, for damage, loss or destruction of property of third persons, or for injury to or death of third persons, arising out of the Contractor's participation in this program in the absence of gross negligence or willful misconduct on the part of the Contractor, its agents or employees.

(2) To indemnify and hold harmless the Contractor(s), its agents, officers, and employees against all claims arising directly or indirectly by reason of injury to or death of persons or loss of or damage to property of third persons, out of the Contractor's participation in this program, in the absence of gross negligence or willful misconduct on the part of the Contractor, its agents or employees.

(3) In the event any other Contractor or party asserts any claim or commences any action in the Australian courts or elsewhere against the Contractor(s) because of program efforts, the Purchaser agrees to cooperate fully in the defense of such claim or action including the furnishing of witnesses and evidence at Purchaser's expense. Except for claims or losses arising out of any breach of this contract or subcontracts thereunder or violations of any statute of the U.S. by the Contractor(s), the Purchaser agrees to indemnify the Contractor(s) against any judgments or losses which may result from claims or litigation and to reimburse the Contractor(s) for the expense resulting from any such action out of funds provided by the Purchaser under this LOA.

(4) To accept full responsibility for the security and safekeeping of Purchaser real and personal property located on its military bases or installations. The Contractor(s), its/their agents, officers, or employees shall not be liable for any damage arising directly out of a breach or failure of Purchaser security procedures, however caused.

(5) The term "agents" as used in this paragraph includes subcontractors.

b. If, notwithstanding the above agreements, the Contractor(s) incurs costs arising out of any of the conditions described above, the price of the contract implementing this LOA shall be increased accordingly and the costs reimbursed to the Contractor(s) out of funds which will be provided by the Purchaser under this LOA. Reimbursement shall be limited to those costs incurred, including applicable overhead and General and Administrative costs, but excluding profit.

13.1 SPECIAL CONTINGENCIES PROVISION:

a. It is understood that no contingency pricing has been included in this LOA for items (1) through (4) set forth in paragraph b, below.

b. The Purchaser agrees, with respect to the Contractor(s), that in the event of the following situation(s) occurring as a result of effort performed in support of this LOA in Australia, an adjustment to the resulting contract(s) will be made for:

(1) Cost incurred due to actions brought against the Contractor(s) or subcontractor under Australian Labor or Social Insurance Laws, provided such actions were not caused by conduct prohibited by other laws or willful contravention of Australian Labor or Social Laws.

(2) Additional costs incurred resulting from Purchaser's prevention of shipment of Contractor(s) or employee property in or out of Australia within 120 days of the date such property is made available for shipment where transportation is otherwise reasonably available.

(3) An increase or decrease in costs incurred by the Contractor(s) resulting from war, armed conflict, insurrection, nationalization, civil or military strife, or other adverse conditions, or acts of God where the safety of the Contractor(s) and subcontractors personnel is threatened, and where retention or replacement of such personnel is required and damage or loss as a result of conditions listed above to property owned by the Contractor(s), subcontractors, or employees. Whether to retain or replace such personnel shall be within the sole discretion of the USG.

(4) An increase or decrease in costs incurred by the Contractor(s) or its subcontractors resulting from the Purchaser changing any laws, regulations, or policy in effect on the acceptance date of this LOA.

c. It is understood that no adjustment shall be made due to the below situations:

(1) To the extent that performance would have been delayed or interrupted or that costs would have been incurred due to any circumstances not set forth in b, above; or

(2) to the extent that performance would have been delayed or interrupted or that costs would have been incurred due to the fault or negligence of the Contractor(s); or

(3) for which an adjustment is otherwise provided or excluded under any other provision of the resulting contract, such other provision shall be enforced in accordance with its terms.

d. The adjustments provided for in this provision may be made in the delivery or performance dates and any other provision of the contract implementing this LOA, affected by the above conditions. Upward or downward adjustments may also be made in the contract price, but shall be limited to actual costs, including overhead and General and Administrative costs, but excluding profit. Federal Acquisition Regulation, Section XV, Cost Principles, shall be used in determining the amount of any price adjustment, and is not superseded by any provision herein. Costs reimbursed to the Contractor(s) under this provision shall be paid out of funds which will be provided by the Purchaser under this LOA.

Note 14. EMERGENCY LEAVE.

Funds from this LOA will be used to pay the costs of emergency leave travel, if required by USG military and civilian personnel. Such costs will be charged only to pay for travel from the team location to the nearest international airport in the continental United States and return. If replacement team member is required, the travel cost from the new member's duty station to the team location will be charged. Commercial travel of USG personnel to this duty station or emergency leave address will be charged only where the expense is less than travel to the nearest Air Mobility Command terminal. If there is not enough money in the LOA to cover the expenses, LOA will be modified/amended to include these costs.

Note 15. MEDICAL/DENTAL CARE.

In the event that USG Military or Civilian personnel present in the territory of the Purchaser must be evacuated for medical/dental care due to a lack of adequate facilities in-country, the Purchaser will be responsible for transportation cost to the nearest U.S. military installation that can perform medical/dental treatment and for transportation costs incurred for return to customer country duty station after treatment. If individual is determined to be medically unfit for return to customer country, the Purchaser will be responsible for travel costs to home location. Should in-country facilities be used to facilitate required routine medical care, costs will be the responsibility of the Purchaser. If a personnel replacement is required, the travel costs from the new member's duty station to the team location in customer country will be charged to the LOA. If there are not sufficient funds in the LOA to cover the expenses, LOA will be modified to include these costs."

Note 16. EMBASSY ENDORSEMENT.

By message dated 23 September 2002, the Embassy of the United States of America, Canberra, endorses AAD's request for the services of the US Army Corps of Engineers.

DSCA LOA Manpower and Travel Data Sheet: Gov of Australia, Dept. of Env. and Heritage, Australian Antarctic Division

a. Personnel:

Position	Grade	Location	Line item in LOA	Manyears	Duration	Salary
Research Civil Engineer	GS-14	Hanover, Casey Station, Antarctica	M1E	0.71 (37 weeks)	Dec 02 –Sept 03	\$136,875

b Travel

Purpose of Trip	CONUS or In-Country	LOA	# of Trips	Trip Duration	# of Persons	Total Cost
Field Construction	In Antarctica	M1E	1	14 weeks	1	\$12,500

c. Personnel Support Costs

None (included in overhead rate cost for other district and division staff typical for all Corps of Engineers project labor cost)

d. Narrative Description

Engineer Research and Development Center, Cold Regions Research and Engineering Laboratory (ERDC-CRREL) providing snow/ice construction expertise to Australian Antarctic Division as requested by the Australian government through the US Embassy in Canberra

e. Additional Comments:

f. Point of Contact

George Blaisdell, Research Civil Engineer, ERDC-CRREL; phone: 603-646-4474; FAX 603-646-4820; email: George.L.Blaisdell@erdc.usace.army.mil

-----Original Message-----

From: Charlton Clark [mailto:Charlton.Clark@aad.gov.au]

Sent: Friday, October 25, 2002 7:15 AM

To: Borland, Sharon L ERDC-CRREL-NH

Cc: Blaisdell, George L ERDC-CRREL-NH

Subject: 'Air Transport AAD-CRREL Agreement'

Hi Sharon,

The AAD has reviewed the Draft LOA agreement. I have changed the scope of the work to reflect this seasons activities (and costs). I'm not sure of the break down of costs/admin charges incurred by CRREL and have made no changes to them, other than putting in the costs George proposed in his recent email for this season's work.

The document is not written in language the AAD would normally use for contracts, but we understand that the agreement is based on documentation already used by the Australian Department of Defence for Foreign Military Sales with the US Government (Thank you for the example documents).

I realise that time is short, and that the signing of this agreement may not be completed prior to the commencement of George's work this summer. Can you advise if CRREL is able to provide assistance prior this agreement being completed; as has been the case to date. (Obviously we are keen for this to occur).

Could you please make the necessary changes to the pricing structure etc. A representative of the AAD will then sign the document.

Best Regards,

Charlton

Australian Antarctic Division - Commonwealth of Australia

IMPORTANT: This transmission is intended for the addressee only. If you are not the intended recipient, you are notified that use or dissemination of this communication is strictly prohibited by Commonwealth law. If you have received this transmission in error, please notify the sender immediately by e-mail or by telephoning +61 3 6232 3209 and DELETE the message.

Visit our web site at <http://www.aad.gov.au/>

LETTER OF OFFER AND ACCEPTANCE
STANDARD TERMS AND CONDITIONS

Section

- 1 Conditions - United States Government Obligations
- 2 Conditions - General Purchaser Agreements
- 3 Indemnification and Assumption of Risks
- 4 Financial Terms and Conditions
- 5 Transportation and Discrepancy Provisions
- 6 Warranties
- 7 Dispute Resolution

1 Conditions - United States Government (USG) Obligations

1.1 Unless otherwise specified, items will be those which are standard to the U.S. Department of Defense (DoD), without regard to make or model.

1.2 The USG will furnish the items from its stocks and resources, or will procure them under terms and conditions consistent with DoD regulations and procedures. When procuring for the Purchaser, DoD will, in general, employ the same contract clauses, the same contract administration, and the same quality and audit inspection procedures as would be used in procuring for itself, except as otherwise requested by the Purchaser and as agreed to by DoD and set forth in this LOA. Unless the Purchaser has requested, in writing, that a sole source contractor be designated, and this LOA reflects acceptance of such designation by DoD, the Purchaser understands that selection of the contractor source to fill requirements is the responsibility of the USG, which will select the contractor on the same basis used to select contractors for USG requirements. Further, the Purchaser agrees that the U.S. DoD is solely responsible for negotiating the terms and conditions of contracts necessary to fulfill the requirements in this LOA.

1.3 The USG will use its best efforts to provide the items for the dollar amount and within the availability cited.

1.4 Under unusual and compelling circumstances, when the national interest of the U.S. requires, the USG reserves the right to cancel or suspend all or part of this LOA at any time prior to the delivery of defense articles or performance of defense services. The USG shall be responsible for termination costs of its suppliers resulting from cancellation or suspension under this section. Termination by the USG of its contracts with its suppliers, other actions pertaining to such contracts, or cessation of deliveries or performance of defense services is not to be construed as cancellation or suspension of this LOA itself under this section.

1.5 U.S. personnel performing defense services under this LOA will not perform duties of a combatant nature, including duties relating to training and advising that may engage U.S. personnel in combat activities outside the U.S., in connection with the performance of these defense services.

1.6 The assignment or employment of U.S. personnel for the performance of this LOA by the USG will not take into account race, religion, national origin, or sex.

1.7 Unless otherwise specified, this LOA may be made available for public inspection consistent with the national security of the United States.

2 Conditions - General Purchaser Agreements

2.1 The Purchaser may cancel this LOA or delete items at any time prior to delivery of defense articles or performance of defense services. The Purchaser is responsible for all costs resulting from cancellation under this section

2.2 The Purchaser agrees, except as may otherwise be mutually agreed in writing, to use the defense articles sold hereunder only:

2.2.1 For purposes specified in any Mutual Defense Assistance Agreement between the USG and the Purchaser.

2.2.2 For purposes specified in any bilateral or regional defense treaty to which the USG and the Purchaser are both parties, if section 2.2.1 is inapplicable; or,

2.2.3 For internal security, individual self-defense, or civic action, if sections 2.2.1 and 2.2.2 are inapplicable.

2.3 The Purchaser will not transfer title to, or possession of, the defense articles, components and associated support material, related training or other defense services (including plans, specifications, or information), or technology furnished under this LOA to anyone who is not an officer, employee, or agent of the Purchaser (excluding transportation agencies), and shall not use or permit their use for purposes other than those authorized, unless the written consent of the USG has first been obtained. The Purchaser will ensure, by all means available to it, respect for proprietary rights in any items and any plans, specifications, or information furnished, whether patented or not. The Purchaser also agrees that the defense articles offered will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus and recognizes that the U.S. Congress is required to be notified of any substantial evidence that the defense articles sold in this LOA have been used in a manner which is inconsistent with this provision.

2.4 To the extent that items, including plans, designs, specifications, technical data, or information, furnished in connection with this LOA may be classified by the USG for security purposes, the Purchaser certifies that it will maintain a similar classification and employ measures necessary to preserve such security, equivalent to those employed by the USG and commensurate with security agreements between the USG and the Purchaser. If such security agreements do not exist, the Purchaser certifies that classified items will be provided only to those individuals having an adequate security clearance and a specific need to know in order to carry out the LOA program and that it will promptly and fully inform the USG of any compromise, or possible compromise, of U.S. classified material of information furnished pursuant to this LOA. The Purchaser further certifies that if a U.S. classified item is to be furnished to its contractor pursuant to this LOA: (a) items will be exchanged through official government channels, (b) the specified contractor has been granted a facility security clearance by the Purchaser at a level at least equal to the classification level of the U.S. information involved, (c) all contractor personnel requiring access to such items have been cleared to the

appropriate level by the Purchaser, and (d) the Purchaser will assume responsibility for administering security measures while in the contractor's possession. If a commercial transportation agent is to be used for shipment, the Purchaser certifies that such agent has been cleared at the appropriate level for handling classified items. These measures will be maintained throughout the period during which the USG may maintain such classification. The USG will use its best efforts to notify the Purchaser if the classification is changed.

3 Indemnification and Assumption of Risks

3.1 The Purchaser recognizes that the USG will procure and furnish the items described in this LOA on a nonprofit basis for the benefit of the Purchaser. The Purchaser, therefore, undertakes to indemnify and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (whether in tort or in contract) which might arise in connection with this LOA because of:

- 3.1.1 Injury to or death of personnel of Purchaser or third parties, or
- 3.1.2 Damage to or destruction of (a) property of DoD furnished to Purchaser or suppliers specifically to implement this LOA, (b) property of Purchaser (including the items ordered by Purchaser pursuant to this LOA, before or after passage of title to Purchaser), or (3) property of third parties, or
- 3.1.3 Infringement or other violations of intellectual property or technical data rights.

3.2 Subject to express, special contractual warranties obtained for the Purchaser, the Purchaser agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of, loss or damage to:

- 3.2.1 Purchaser's property (including items procured pursuant to this LOA, before or after passage of title to Purchaser), and
- 3.2.2 Property of DoD furnished to suppliers to implement this LOA, to the same extent that the USG would assume for its property if it were procuring for itself the items being procured.

4 Financial Terms and Conditions

4.1 The prices of items to be procured will be billed at their total cost to the USG. Unless otherwise specified, the cost of items to be procured, availability determination, payment schedule, and delivery projections quoted are estimates based on the best available data. The USG will use its best efforts to advise the Purchaser or its authorized representatives of:

- 4.1.1 Identifiable cost increases that might result in an overall increase in the estimated costs in excess of ten percent of the total value of this LOA,
- 4.1.2 Changes in the payment schedule, and
- 4.1.3 Delays which might significantly affect estimated delivery dates. USG failure to advise of the above will not change the Purchaser's obligation under all subsections of section 4.4.

4.2 The USG will refund any payments received for this LOA which prove to be in excess of the final total cost of delivery and performance and which are not required to cover arrearages on other LOAs of the Purchaser.

4.3 Purchaser failure to make timely payments in the amounts due may result in delays in contract performance by DoD contractors, claims by contractors for increased costs, claims by contractors for termination liability for breach of contract, claims by USG or DoD contractors for storage costs, or termination of contracts by the USG under this or other open Letters of Offer and Acceptance of the Purchaser at the Purchaser's expense.

4.4 The Purchaser agrees:

4.4.1 To pay to the USG the total cost to the USG of the items even if costs exceed the amounts estimated in this LOA.

4.4.2 To make payment(s) by check or wire transfer payable in U.S. dollars to the Treasurer of the United States.

4.4.3 If Terms of Sale specify "cash with acceptance", to forward with this LOA a check or wire transfer in the full amount shown as the estimated total cost, and agrees to make additional payment(s) upon notification of cost increase(s) and request(s) for funds to cover such increase(s).

4.4.4 If Terms of Sale specify payment to be "cash prior to delivery", to pay to the USG such amounts at such times as may be specified by the USG (including initial deposit) in order to meet payment requirements for items to be furnished from the resources of DoD. USG requests for funds may be based on estimated costs to cover forecasted deliveries of items. Payments are required 90 days in advance of the time DoD plans such deliveries or incurs such expenses on behalf of the Purchaser.

4.4.5 If Terms of Sale specify payment by "dependable undertaking", to pay to the USG such amounts at such times may be specified by the USG (including initial deposit) in order to meet payments required by contracts under which items are being procured, and any damages and costs that may accrue from termination of contracts by the USG because of Purchaser's cancellation of this LOA. USG requests for funds may be based upon estimated requirements for advance and progress payments to suppliers, estimated termination liability, delivery forecasts, or evidence of constructive delivery, as the case may be. Payments are required 90 days in advance of the time USG makes payments on behalf of the Purchaser.

4.4.6 If Terms of Sale specify "payment on delivery", that bills may be dated as of the date(s) of delivery of the items, or upon forecasts of the date(s) thereof.

4.4.7 That requests for funds or billings are due and payable in full on presentation or, if a payment date is specified in the request for funds or bill, on the payment date so specified, even if such payment date is not in accord with the estimated payment schedule, if any, contained in this LOA. Without affecting Purchaser's obligation to make such payment(s), when due, documentation concerning advance and progress payments, estimated termination liability, or evidence of constructive delivery or shipment in support of requests for funds or bills will be made available to the Purchaser by DoD upon request. When appropriate, the Purchaser may request adjustment of any questioned billed items by subsequent submission of discrepancy reports, Standard Form 364.

4.4.8 To pay interest on any net amount by which it is in arrears on payments, determined by considering collectively all of the Purchaser's open LOAs with DoD. Interest will be calculated on a daily basis. The principal amount of the arrearage will be computed as the excess of cumulative financial requirements of the Purchaser over total cumulative payments after quarterly billing payment due dates. The rate of interest paid will be a rate not less than a

rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the USG as of the last day of the month preceding the net arrearage and shall be computed from the date of net arrearage.

4.4.9 To designate the Procuring Agency and responsible Paying Office and address thereof to which the USG will submit requests for funds and bills under this LOA.

5 Transportation and Discrepancy Provisions

5.1 The USG agrees to deliver and pass title to the Purchaser at the initial point of shipment unless otherwise specified in this LOA. With respect to items procured for sale to the Purchaser, this will normally be at the manufacturer's loading facility; with respect to items furnished from USG stocks, this will normally be at the U.S. depot. Articles will be packed, crated, or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" is specified other than the initial point of shipment, the supplying U.S. Department or Agency will arrange movement of the articles to the authorized delivery point as a reimbursable service but will pass title at the initial point of shipment. The USG disclaims any liability for damage or loss to the items incurred after passage of title irrespective of whether transportation is by common carrier or by the U.S. Defense Transportation System.

5.2 The Purchaser agrees to furnish shipping instructions which include "Mark For" and "Freight Forwarder" codes based on the offer/release code.

5.3 The Purchaser is responsible for obtaining insurance coverage and customs clearances. Except for articles exported by the USG, the Purchaser is responsible for ensuring that export licenses are obtained prior to export of U.S. defense articles. The USG incurs no liability of export licenses are not granted or they are withdrawn before items are exported.

5.4 The Purchaser agrees to accept DD Form 645 or other delivery documents as evidence that title has passed and items have been delivered. Title to defense articles transported by parcel post passes to the Purchaser at the time of parcel post shipment. Standard Form 364 will be used in submitting claims to the USG for overage, shortage, damage, duplicate billing, item deficiency, improper identification, improper documentation, or non-shipment of defense articles and non-performance of defense services and will be submitted promptly by the Purchaser. DoD will not accept claims related to items of \$200, or less for overages, shortages, damages, non-shipment, or non-performance. Any claim, including a claim for shortage (but excluding a claim for nonshipment/nonreceipt of an entire lot), received after one year from passage of title to the article or from scheduled performance of the service will be disallowed by the USG unless the USG determines that unusual and compelling circumstances involving latent defects justify consideration of the claim. Claims, received after one year from date of passage of title or initial billing, whichever is later, for nonshipment/nonreceipt of an entire lot will be disallowed by the USG. The Purchaser agrees to return discrepant articles to USG custody within 180 days from the date of USG approval of such return.

6 Warranties

6.1 The USG does not warrant or guarantee any of the items sold pursuant to this LOA except as provided in section 6.1.1. DoD contracts include warranty clauses only on an exception basis. If requested by the Purchaser, the USG will, with respect to items being procured, and upon timely notice, attempt to obtain contract provisions to provide the requested warranties. The USG further agrees to exercise, upon the Purchaser's request, rights (including those arising under any warranties) the USG may have under contracts connected with the procurement of these items. Additional costs resulting from obtaining special contract provisions or warranties, or the exercise of rights under such provisions or warranties, will be charged to the Purchaser.

6.1.1 The USG warrants the title of items sold to the Purchaser hereunder but makes no warranties other than those set forth herein. In particular, the USG disclaims liability resulting from infringement or other violation of intellectual property or technical data rights occasioned by the use or manufacture outside the U.S. by or for the Purchaser of items supplied hereunder.

6.1.2 The USG agrees to exercise warranties on behalf of the Purchaser to assure, to the extent provided by the warranty, replacement or correction of such items found to be defective, when such materiel is procured for the Purchaser.

6.2 Unless the condition of defense articles is identified to be other than serviceable (for example, "as is"), DoD will repair or replace at no extra cost defense articles supplied from DoD stocks which are damaged or found to be defective in respect to material or workmanship when it is established that these deficiencies existed prior to passage of title, or found to be defective in design to such a degree that the items cannot be used for the purpose for which they were designed. Qualified representatives of the USG and of the Purchaser will agree on the liability hereunder and the corrective steps to be taken.

7 Dispute Resolution

7.1 This LOA is subject to U.S. Federal procurement law.

7.2 The USG and the Purchaser agree to resolve any disagreement regarding this LOA by consultations between the USG and the Purchaser and not to refer any such disagreement to any international tribunal or third party for settlement.

Scope of Work

Engineering Support for Casey Runway Project

The Australian Antarctic Division (AAD) is moving forward on its plan to install an intercontinental air link between its Headquarters and logistics gateway in Hobart, Tasmania (Australia) and one of its three continental stations, Casey. Since this is an entirely new capability for the AAD and for nearly all of East Antarctica, considerable cold regions engineering, logistics and operations issues are being engaged to ensure success. While safety is paramount for this air link, efficiency and cost-effectiveness of construction, maintenance and operation, as well as significant seasonal availability, are also part of the definition of success.

Australian Government approval currently exists for this project, and an air service provider has been selected. A suitable runway and aircraft support system must now be developed at Casey. AAD and CRREL have been in discussion for several years during which time the Australian air link concept has gained support and momentum. Experience present at CRREL through development of similar runways in the US Antarctic Program is extremely pertinent to the Casey runway project. A collaborative effort between AAD and CRREL is proposed as an ideal mechanism to assure the availability of expertise and experience required for a successful runway construction.

This Scope of Work outlines the tasks and responsibilities anticipated to be provided by CRREL in support of the AAD Casey Runway Project. A general list of CRREL activities in support of the project, roughly in the order they are expected to occur, follows. Many of these tasks involve a series of detailed activities that are too numerous and specific to include in this scope statement.

1. Participation in planning sessions to establish equipment and personnel needs for entire project, with initial emphasis on the 2002-2003 field season.
2. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway.
3. Travel to Casey station to participate in, and lead certain aspects of, runway development. Specifically, CRREL will assume a project manager role for the gambit of development and construction activities. CRREL will work closely with and report to an AAD member who will have overall responsibility for the project.
4. Initial tasks to be directed are associated with site selection, site survey and site analysis. This will be followed by site preparation and finalization of the runway design.
5. Supervise and direct construction of the runway surface using tools provided to arrive at an acceptable ice "pavement" from both structural and geometric considerations.
6. Recommend a winter-over plan for the runway site at the close of the 2002-2003 season.
7. Participation in planning sessions to establish equipment and personnel needs for the 2003-2004 field season.
8. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway to ensure that certification activities will bring no avoidable surprises. Further, recommend a runway certification plan and assist in arranging for necessary inspectors and aircraft to complete certification.

9. Additionally, assist with flight operations planning to ensure that runway availability and runway maintenance needs properly coordinate with planned flight missions.
10. Participate and provide guidance in discussion with agencies involved in regulating and approving aspects of the air link and the runway to ensure that flight operations are clearly defined and understood by all participating agencies.
11. Participate in, and lead in some aspects of, documentation of all portions of the Casey runway siting, construction, certification, and operation.

UNCLASSIFIED

Jamie A Harding 09/24/2002 09:08:23 AM From DB/Inbox: Jamie A Harding

Cable Text:

UNCLASSIFIED
TELEGRAM

September 23, 2002

To: No Action Addressee

Action: Unknown

From: AMEMBASSY CANBERRA (CANBERRA 1993 - PRIORITY)

TAGS: SENV, PREL

Captions: None

Subject: ENDORSEMENT OF CORPS OF ENGINEERS ASSISTANCE TO
AUSTRALIAN ANTARCTIC DIVISION

Ref: None

UNCLAS CANBERRA 01993
CANCX:

ACTION: ECON

INFO: PAO POL EXO DCM AMB AGR

Laser1:

INFO: AGR

DISSEMINATION: EO /1
CHARGE: PROG

APPROVED: ECON:JCAROUSO
DRAFTED: ECON:JCAROUSO
CLEARED: NONE

VZCZCCBA602
PP RUEHC RUEKJCS RUEHWL RUEHBN RUEHPT RUEHDN
RHHMUNA
DE RUEHBY #1993 2662134
ZNR UUUUU ZZH
P 232134Z SEP 02
FM AMEMBASSY CANBERRA
TO RUEKJCS/SECDEF WASHDC PRIORITY
RUEHC/SECSTATE WASHDC 4008
INFO RUEHWL/AMEMBASSY WELLINGTON PRIORITY 2685
RUEHBN/AMCONSUL MELBOURNE PRIORITY 7416
RUEHPT/AMCONSUL PERTH PRIORITY 0597
RUEHDN/AMCONSUL SYDNEY PRIORITY 4444

UNCLASSIFIED

1

UNCLASSIFIED

Jamie A Harding 09/24/2002 09:08:23 AM From DB/Inbox: Jamie A Harding

Cable Text:

UNCLASSIFIED

TELEGRAM

September 23, 2002

To: No Action Addressee

Action: Unknown

From: AMEMBASSY CANBERRA (CANBERRA 1993 - PRIORITY)

TAGS: SENV, PREL

Captions: None

Subject: ENDORSEMENT OF CORPS OF ENGINEERS ASSISTANCE TO
AUSTRALIAN ANTARCTIC DIVISION

Ref: None

UNCLAS CANBERRA 01993

CANCX:

ACTION: ECON

INFO: PAO POL EXO DCM AMB AGR

Laser1:

INFO: AGR

DISSEMINATION: EO /1

CHARGE: PROG

APPROVED: ECON:JCAROUSO

DRAFTED: ECON:JCAROUSO

CLEARED: NONE

VZCZCCBA602

PP RUEHC RUEKJCS RUEHWL RUEHBN RUEHPT RUEHDN

RHHMUNA

DE RUEHBY #1993 2662134

ZNR UUUUU ZZH

P 232134Z SEP 02

FM AMEMBASSY CANBERRA

TO RUEKJCS/SECDEF WASHDC PRIORITY

RUEHC/SECSTATE WASHDC 4008

INFO RUEHWL/AMEMBASSY WELLINGTON PRIORITY 2685

RUEHBN/AMCONSUL MELBOURNE PRIORITY 7416

RUEHPT/AMCONSUL PERTH PRIORITY 0597

RUEHDN/AMCONSUL SYDNEY PRIORITY 4444

UNCLASSIFIED

1

UNCLASSIFIED

RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

BT

UNCLAS CANBERRA 001993

STATE FOR EAP/ANP, OES/OA AND PM
DOD FOR ARMY CORP OF ENGINEERS - CRREL DIVISION

E.O. 12958: N/A

TAGS: SENV, PREL, AS

SUBJECT: ENDORSEMENT OF CORPS OF ENGINEERS ASSISTANCE TO
AUSTRALIAN ANTARCTIC DIVISION

REF: 9-23 BORLAND-CAROUSO E-MAIL

Embassy Canberra endorses the provision of technical assistance to the Australian Antarctic Division by the U.S. Army Corps of Engineers CRREL division for the development and implementation of an air transport system to link Australia and Antarctica.

SCHIEFFER

BT

#1993

Additional Addressees:

None

cc:

None

Distribution:

N/A

End Cable Text

Jamie A Harding 09/24/2002 09:08:23 AM From DB/Inbox: Jamie A Harding

UNCLASSIFIED

2



DEPARTMENT OF THE ARMY
ENGINEER RESEARCH AND DEVELOPMENT CENTER, CORPS OF ENGINEERS
COLD REGIONS RESEARCH AND ENGINEERING LABORATORY
72 LYME ROAD
HANOVER, NEW HAMPSHIRE 03755-1290

REPLY TO
ATTENTION OF:

September 24, 2002

Executive Office

U.S. Agency for International Development
Office of General Counsel
ATTN: Mr. Jan Miller
Washington, DC 20523

Dear Mr. Miller:

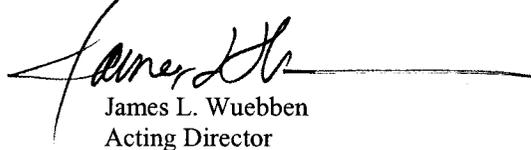
Please reference USAID correspondence with Mr. Donald Kisicki, Chief, Office of Inter-Agency and Intergovernmental Support, U.S. Army Corps of Engineers, dated August 11, 1998, concerning "607 Determinations" (copy enclosed). This correspondence has been coordinated with Mr. Kisicki's office.

We request a 607 determination for the purpose of providing USACE technical assistance to the Australian Antarctic Division, Government of Australia. As per the referenced USAID correspondence, the following information is presented for your review and approval:

1. Name of Entity Requesting the Service: Government of Australia, Department of Environment and Heritage, Australian Antarctic Division (AAD) (Acting Director, Mr. Kim F. Pitt).
2. Short Project Description: ERDC-CRREL shall support AAD in all aspects of the development, certification, start-up operations, and documentation of a snow/ice runway at the Casey Station in Antarctica and intercontinental air link from Hobart, Tasmania, Australia.
 - a. Cost: It is estimated that the project will cost \$320,000 in FY03, \$350,000 in FY04, \$175,000 in FY05.
 - b. Location: Casey Station, Antarctica and Hobart, Tasmania, Australia.
3. Letter of Request: The Government of Australia, Department of Environment and Heritage, Australian Antarctic Division, dated 19 September 2002 (copy enclosed).

If there are questions concerning this action, please contact the Project Manager, Mr. George Blaisdell at 603-646-4474, email: George.L.Blaisdell@erdc.usace.army.mil. The administrative POC is Ms Sharon Borland at 603-646-4735; FAX 603-646-4448, email: Sharon.L.Borland@erdc.usace.army.mil

Sincerely,



James L. Wuebben
Acting Director

Enclosures
As stated

CF:
Mr. Donald Kisicki
Mr. Jeffrey Walaszek



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

September 30, 2002

ACTION MEMORANDUM

TO: DAA/ PPC, Barbara Turner
FROM: GC/LP, Jan Miller 
SUBJECT: Section 607 Determination – U.S. Army Corps of Engineers and Government of Australia

ISSUE FOR DECISION

To make a section 607 determination for a Corps of Engineers ("Corps") activity for the Government of Australia.

ESSENTIAL FACTORS

As further described in its request, the Corps has requested a section 607 determination for an activity with the Australian Division of the Government of Australia involving runway construction for Casey Station, Antarctica and Tasmania, Australia. The estimated cost is \$845,000.

In order to provide some flexibility for these section 607 programs, we are also recommending that you make a determination under sections 627 and 628 of the Foreign Assistance Act of 1961, as amended. Agencies seeking section 607 determinations could also use the section 627-628 authorities in providing services to foreign governments and international organizations. Sections 627 and 628 permit non-reimbursable or fully or partial reimbursement while section 607 requires full reimbursement. Agencies can use the authorities of sections 627 and 628 in conjunction with section 607 to determine the most appropriate cost-sharing arrangement. The providing agency benefits from providing services in these programs and sections 627 and 628 give them the option to forego full reimbursement of incidental costs if they believe it is in their interest to do so. Agencies are required to consult with GC/LP in the event they intend to forego reimbursement of substantial costs.

Attachment A provides a fuller explanation of these authorities.

1300 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20523

The activity meets the statutory requirements of sections 607, 627 and 628. We recommend that you approve the Corps request.

RECOMMENDATION

That pursuant to sections 607, 627 and 628, you determine that the activity of the Corps described above is consistent with and in furtherance of the purposes of Part I of the FAA and authorize the Corps to conduct the activities within the limitations of the FAA and the attached guidance.

Approve 

Disapprove _____

Date 9/30/02

Attachments:

- A. Guidance on Sections 607 and 627-630 of the FAA
- B. Request from the US Army Corps of Engineers, September 24, 2002

Drafter: GC/LP,JMiller;x24174;2/21/02 [u:\agclp\docs\607\CorpsSeptember2002]

SUBJECT: Copy of Electronic Staffing Sheet and Approval by the ASA-CW

Defense Security Cooperation Agency
Australian Desk Officer
ATTN: LTC Brandon Denecke
1111 Jefferson Davis Highway
Arlington, VA 22202-4306

Dear LTC Denecke:

Enclosed, as requested, is the required attachment showing proper electronic staffing results and approval by the ASA-CW.

Should you have any questions, please contact Ms Sharon Borland at 603-646-4735.

Sincerely,

JAMES L. WUEBBEN
Acting Director

Enclosures

**Review Summary for
Document Number Australia**

Agency	Doc Reviewed	Date Reviewed	Reviewed By	Comments
HQ OC	<input checked="" type="checkbox"/>	11/19/02	sfelder	Traceable reference number IAW SAMM Section 70003A1b required for Letter of Request. LOA is otherwise legally sufficient.
IIS	<input checked="" type="checkbox"/>	11/19/02	lromett	No comments.
AGC	<input checked="" type="checkbox"/>	11/27/02	djohnson	I find the document to be legally sufficient.
Agency:	AIIA			
Doc Reviewed	<input checked="" type="checkbox"/>			
Date Reviewed:	11/27/02			
Reviewed By:	Bruce A. Smith Assistant for Interagency and International Affairs Secretary of the Army (Civil Works)			
Comments:	Approved.			

[Back to Document Listing](#)



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

4 DEC 2002

REPLY TO
ATTENTION OF:

CEMP-NI (12-8b)

MEMORANDUM FOR COMPTROLLER, DEFENSE SECURITY COOPERATION AGENCY (ATTN: LTC BRANDON DENECKE)

SUBJECT: Letter of Offer and Acceptance (LOA) for Section 607 FAA Case S6-B-E04, Basic, Technical Assistance to the Australian Antarctic Division, Government of Australia

1. The subject case is forwarded for review, concurrence, approval, and countersignature action by the Defense Security Cooperation Agency.
2. The above referenced LOA is different from the traditional FMS LOA in that it is authorized by Section 607 of the Foreign Assistance Act (FAA) of 1961, not the Arms Export Control Act. Section 607 of the FAA of 1961 authorizes the President of the United States to furnish services and commodities on an advance-of-funds or reimbursable basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit-relief agencies registered with and approved by Aid, when the President determines it is in furtherance of the goals of the Act.
3. The authority to provide a presidential determination has been delegated to the Agency for International Development (AID). Pursuant to procedures set out in the "Memorandum for General Counsel", Defense Security Assistance Agency, D. Kay Cannon; Subject: Foreign Assistance Act Section 607, Determination for U.S. Army Corps of Engineers Civil Works Projects, dated 2 September 1998, AID has provided the Corps of Engineers the required 607 determination for the present LOA (see attached). The point of contact regarding this determination is Mr. Jan Miller, at (202) 71-4174 in the AID Office of General Counsel.
4. Pertinent case data follows:
 - a. Scope: The basic case is for technical assistance for developing snow/ice runway and aircraft support systems at Casey Station, Antarctica.
 - b. Funding:
 - (1) Estimated Cost: \$257,000. Initial Deposit: \$100,000.
 - (2) Terms of Sale: Cash With Acceptance.
 - c. Impact: None
 - d. User: Government of Australia, Australian Antarctic Division (AAD).
5. The point of contact in this office is Larry Romett, CEMP-NI at (202) 761-0305.

FOR THE COMMANDER:

Encls.

William R. Dawson
Chief, Interagency and International
Services Division
Directorate of Military Programs