

DEPARTMENT OF THE NAVY
Office of the Secretary
Washington, D.C. 20350

SECNAVINST 5000.31
Op-63
1 May 1980

SECNAV INSTRUCTION 5000.31

From: Secretary of the Navy
To: All Ships and Stations

Subj: Memoranda of Understanding for Mutual Cooperation in the Research and Development, Production, Procurement and Logistic Support of Defense Equipment

Ref: (a) SECNAVINST 5000.1A of 17 Nov 1978, System Acquisition in the Department of the Navy (NOTAL)
(b) SECNAVINST 5711.10 of 8 Mar 1979, Standardization and Interoperability of Weapon Systems and Equipment within the North Atlantic Treaty Organization (NATO) (NOTAL)
(c) SECNAV Memorandum of 9 February 1978, Department of the Navy Interim Policy on Technology Transfer (NOTAL)
(d) SECNAVINST 5510.24D of 30 Aug 1979, Disclosure of Classified Military Information to Foreign Governments and International Organizations (NOTAL)
(e) SECNAVINST 5510.27 dated 2 Jun 1978, Disclosure of Classified Military Information to NATO Nations (NOTAL)

1. Purpose. To provide policy and procedures concerning memoranda of understanding (MOUs) with North Atlantic Treaty Organization (NATO) allies and other allies for mutual cooperation in research and development, production, procurement and logistic support to achieve increased Alliance standardization and interoperability.

2. Cancellation. SECNAV Instruction 3930.3 and SECNAV Memorandum of 3 April 1979, (Reciprocal Defense Procurement MOUs) are hereby canceled.

3. Background. The Office of the Secretary of Defense is negotiating MOUs for mutual cooperation

(also called Reciprocal Defense Procurement MOUs or General MOUs) with NATO countries and is negotiating similar agreements with other countries. The purpose of each MOU is to promote greater cooperation in research, development, production and procurement and, thereby, achieve the greatest capability at the lowest possible cost. Through the MOUs, sources in signatory countries are provided enhanced opportunities not only to compete for research, development and production contracts, but also to have foreign developments considered throughout the systems acquisition process. Reference (a) promulgated the Department of the Navy (DON) policy concerning systems acquisition and directed that consideration be given to NATO rationalization, standardization, and interoperability as well as reciprocal procurement agreements with foreign countries. Reference (b) provided policy and procedures for insuring that consideration is given to standardization and interoperability of weapon systems and equipment within NATO. References (c) and (d) implement the DOD Interim Policy on Technology Transfer and the National Disclosure Policy. Reference (e) provides specific guidance for insuring that any release of technology and classified information to NATO nations is in keeping with the policy to strengthen the alliance.

4. Policy

a. Subject to U.S. industrial security requirements, sources in MOU signatory countries will be permitted to compete for Department of the Navy contracts for defense items and related services (to include components, subsystems and major systems at all technology levels, and at any phase of the acquisition cycle from concept definition through production), except where restricted by:

- (1) The U.S. National Disclosure Policy,
- (2) U.S. laws or regulations,
- (3) U.S. Defense Mobilization Base requirements.

b. Disqualification of potential foreign sources should not occur solely because the Navy delays the

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determination that the information required by the potential source is releasable.

c. General meetings, conferences, and symposia conducted in conjunction with Navy activities will be structured to permit foreign sources to participate wherever possible and whenever appropriate considering the U.S. National Disclosure Policy and U.S. industrial security requirements.

5. Action. Subject to the authority and responsibility of the Under Secretary and Assistant Secretaries of the Navy, as set forth in references (a) through (e):

a. The Chief of Naval Operations (CNO) in coordination with the Commandant of the Marine Corps (CMC), Chief of Naval Research (CNR), and the Chief of Naval Material (CHNAVMAT), will:

(1) Develop the technical position on release of technology or disclosure of classified military information associated with participation of foreign sources as prime contractors or subcontractors;

(2) Distribute the executed MOUs, their Annexes and implementing guidance when received, to all appropriate levels;

(3) Where appropriate, review Test and Evaluation data submitted by foreign countries or sources on foreign weapon systems; participate in foreign test and evaluation programs; and assess the additional testing, if any, required to support a Department of the Navy acquisition of a foreign weapon system.

b. The CHNAVMAT will:

(1) Subject to the review and approval of ASN (MRA&L) establish procedures to insure that:

(a) the requirements of the MOUs and OSD implementing guidance are satisfied in the solicitation and award of DON contracts;

(b) to the maximum practicable extent, solicitations and related data are reviewed and a releasability determination made prior to the announcement of a presolicitation or bidders conference or the release of any solicitation, including solicitations for information purposes;

(c) the approval of the Head of the Contracting Activity is obtained to release a solicitation to U.S. industry if the releasability determination has not been made and an otherwise qualified foreign source can reasonably be expected to compete as a prime contractor or participate as a subcontractor;

(d) acquisition managers challenge the rationale for including any data in a solicitation which would prevent that solicitation from being released to foreign sources;

(e) an assessment will be made of the parts of the solicitation or related data that can be released to foreign subcontractors whenever the solicitation cannot be released in its entirety.

(2) Distribute the MOUs, their Annexes, and implementing guidance, when received, to all appropriate levels, including project managers, acquisition managers and contracting officers.

(3) Prepare documentation for service level determinations waiving the restrictions of the Buy American Act. This procedure may be required in advance of a Secretary of Defense determination to waive the Buy American Act or in advance of appropriate coverage in the Defense Acquisition Regulation.

6. Implementation. One copy of each implementing instruction or directive shall be furnished to each Navy Acquisition Executive.

ROBERT J. MURRAY
Acting Secretary of the Navy

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