

**SUBMISSION No. 3**



**VICE CHIEF OF THE DEFENCE FORCE  
GROUP  
JOINT LOGISTICS COMMAND**



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CP4-2-003, Campbell Park Offices, Campbell ACT 2600

JLC/OUT/2010/600

**Mr Kelvin Thompson**  
Chairman  
Joint Standing Committee on Treaties  
R1-109, Parliament House  
Canberra ACT 2600

*Dear Mr Thompson*

JOINT STANDING COMMITTEE ON TREATIES HEARING ON 21 JUNE 2010 –  
RESPONSE TO QUESTION ON NOTICE

1. On 21 June 2010, Defence witnesses attended a hearing held by the Joint Standing Committee on Treaties on the Agreement with the United States Concerning Acquisition and Cross-Servicing. The treaty had been tabled in Parliament on 12 May 2010.
2. One question was taken on notice following the hearing concerning the negotiation process for the Agreement with the United States Concerning Acquisition and Cross-Servicing.
3. The text of the question and a response, which has been approved by the Minister for Defence, is at Attachment A.

*Yours sincerely  
Margaret Staib*

**M.M. STAIB, AM, CSC**  
Air Vice-Marshal  
Commander  
Joint Logistics

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**9 JULY 2010**  
**Attachment**

A. Question on Notice and Response.

**Q1**

**Negotiation process for the Aus-US Acquisition and Cross Servicing Agreement,  
Hansard page TR8  
Senator Cash**

**(a) What requirements were raised during the negotiation process and what requirements were agreed to?**

**(b) If any requirements were not agreed to, why; and what are the implications?**

**Response:**

(a) The following requirements were raised and agreed during the negotiation process:

Article IV. Terms and Conditions

The template text of Article IV was amended to acknowledge that the principal means by which Australia 'implements' the ACSA is by subordinate standing Implementing Arrangements (IAs), unlike the US approach where specified Points of Contact (POC) are authorised to raise orders directly under the ACSA.

In a related amendment, the US agreed to remove Annexes that listed all COCOM POCs responsible for ACSA development and implementation.

Article VII. Liability and Claims Provisions

The US template did not allow for the inclusion of liability and claims provisions that have become standard provisions in international logistics Agreements and Arrangements to provide a level of protection of Australia's interests. Negotiation resulted in the inclusion of Article VII in the replacement ACSA.

Article XI. Succession

Given the previous statement that Australia uses standing IAs as the principal means of implementing the ACSA, it was important that the replacement ACSA make reference to the ongoing applicability of those IAs which were written pursuant to 1998 ACSA which is being replaced. The US template did not include provisions for succession. Negotiation resulted in the inclusion of Article XI in the replacement ACSA.

General Amendments

Amendments to the template were agreed to allow for the inclusion of specific treaty language in the replacement ACSA and to update references to Australian organisation titles and legal references that had occurred since the development of the 1998 ACSA.

(b) The following amendment was not agreed:

Annex B. Standard Mutual Logistic Support (MLS) Order/Receipt/Invoice Form with Explanatory Notes

## **Attachment A**

The standing IAs used by Australia provide guidance on ordering procedures and provides the Mutual Logistics Support (MLS) Order Form which facilitates the order/receipt/invoice processes. The US ACSA template has as annexes an MLS Form and Explanatory Notes on how transactions should be completed. This information is superfluous to Australia's needs but under US insistence the annexes have been retained in the replacement ACSA. Their inclusion has no negative implications for Australia.