

MEMORANDUM OF UNDERSTANDING
between the
Federal Railroad Administration,
Department of Transportation, United States of America{te "Department of
Transportation, United States of America"}
and the
Union Internationale des Chemins de fer
Paris, France

The Federal Railroad Administration (FRA) of the Department of Transportation of the United States of America, Washington, D.C., United States of America and the Union Internationale des Chemins de fer (UIC), Paris, France, hereinafter referred to as "the Parties," enter into this Memorandum pursuant to the agreement regarding cooperation on the exchange of information on railroading, including cooperation in finding solutions to safety and security issues of mutual concern, entered into between the FRA and the UIC on May 11, 1998, in Washington, DC, and agree as follows:

Article I
SCOPE AND OBJECTIVES

The overall purpose of this Memorandum is to establish a program of cooperation on rail transportation designed to assist in the establishment of safety and security requirements suitable for operation of rail systems. The cooperation shall be directed towards exchanges of information and the organization and technology of rail systems, including the measures taken to ensure public and railroad industry safety.

The second purpose of this Memorandum is to provide a framework for the exchange of information and to determine areas relating to rail security of interest to both organizations and related public agencies, as designated and vetted by each of the Parties.

Cooperation under this Memorandum shall be subject to the laws and regulations in force in the countries of the two Parties.

Article II
COOPERATIVE FRAMEWORK

Cooperative activities will be conducted amongst interested participants, either in the form of individual contact and/or in task groups established to address specific issues of mutual safety and security concern. Each task group will have a specific assignment set forth by both Parties. The tasks to be accomplished by the Parties individually and/or jointly are set out in detail in Annex A to this Memorandum.

**Article III
FUNDING**

The participation of each Party is subject to the availability of appropriated funds. No transfer of funds between the Parties is envisaged in connection with this Memorandum. Recourse to experts or to outside bodies may be subject to specific funding.

**Article IV
DISCLAIMER**

Each Party will exercise its best efforts to ensure the accuracy of any data transmitted to the other Party pursuant to this Arrangement, but the accuracy of such data is not guaranteed. Each Party will use the other's data at its own risk and may not hold the other Party responsible for damages arising from the use of such data.

**Article V
CONTRACTORS**

The officers in charge of applying the Memorandum may call upon the services of outside bodies (railway operators, consultants, research centers, universities and members of industry) to conduct technical exchanges on behalf of the Parties under the terms of this Memorandum. The Party so employing such contractors shall cause such contractors to sign non-disclosure agreements (or equivalent) in order to assure protection of proprietary data and information, consistent with the provisions of Article VI of this Memorandum. The limit of each Party's liability to the other Party with respect to such protection is in requiring such contractor to sign such non-disclosure agreement.

**Article VI
SECURITY, PROPRIETARY DATA AND INFORMATION**

Each of the Parties will insure that individuals working on security-related issues will have appropriate government-recognized and issued security clearances. The privileged nature of designated security-related or proprietary data and information, obtained by a Party or its duly authorized contractor or agent, shall be respected to the extent permitted by the laws governing that Party.

Any document or other material that a party believes contains rail-related security or proprietary information shall remain the property of the sending Party, and shall remain in its custody and control, and shall not become the property of the receiving Party until the receiving Party has acknowledged its ability to protect it under the terms of this Memorandum.

If a Party determines that security-related or proprietary information cannot be held in confidence pursuant to the laws governing that Party, those documents shall be promptly returned to the other Party.

Article VII
IMPLEMENTATION DOCUMENT

A particular program of cooperation will be prepared during the quarter following the conclusion of this Memorandum and will be appended to this text.

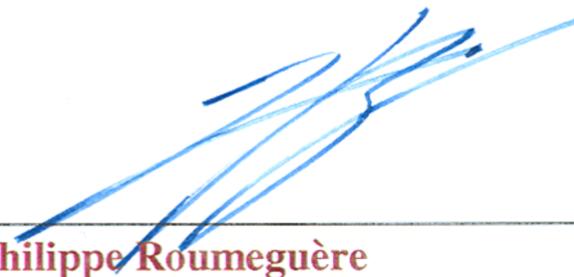
Article VIII
DURATION OF MEMORANDUM

This Memorandum shall take effect on the date last appearing below and shall remain in force for three years. Each Party may terminate this Memorandum up to sixty (60) days prior written notice from the date of receipt by the other Party of such notice.

In duplicate, in the English and French languages, both texts being equally authentic.



Allan Rutter
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