

**ANNEX 6 TO**  
**MEMORANDUM OF AGREEMENT**  
**NAT-I-845**  
**BETWEEN THE**  
**AMERICAN INSTITUTE IN TAIWAN**  
**AND THE**  
**TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE**  
**IN THE UNITED STATES**

**ARTICLE I – PURPOSE**

This Annex to Memorandum of Agreement NAT-I-845 (the Agreement) sets forth the terms and conditions under which the American Institute in Taiwan (AIT), through its designated representative the Federal Aviation Administration, shall provide a multi-year FAA technical assessment of the aircraft certification system in Taiwan to the Taipei Economic and Cultural Representative Office in the United States (TECRO) and its designated representative, the Civil Aeronautics Administration (CAA).

**ARTICLE II – DESCRIPTION OF SERVICES**

A. At the request of TECRO, AIT, through its designated representative, the FAA, shall, subject to the timely availability of resources, provide specialists with backgrounds in aircraft certification. The specialists shall travel as necessary on a temporary basis to provide assistance to TECRO as part of a multi-year technical assessment of the aircraft certification system in Taiwan.

B. Technical assessment and assistance includes, but is not limited to:

1. Providing technical and managerial expertise to review Taiwan's aircraft certification system in the areas of legislation; mission and mission priorities; personnel and personnel training; documentation; airworthiness standards, practices, and procedures; and enforcement policy and authority;

2. Reviewing Taiwan's capabilities in design, production and airworthiness certification; and

3. Assisting Taiwan to conduct production surveillance and apply supplier control procedures in accordance with U.S. airworthiness standards, practices, and procedures.

### **ARTICLE III - IMPLEMENTATION**

A. All services provided under this Annex shall be specified in appendices which, when signed by the duly authorized representatives of the parties, shall become part of this Annex.

B. Each appendix will be numbered sequentially and shall contain a description of the services to be performed by AIT's designated representative, the FAA, for TECRO, the location and planned duration of the services, the personnel and other resources required to accomplish the services, and the estimated costs of the services.

C. TECRO will assure compliance by all parties that technical representatives will not be photographed, filmed, interviewed, or otherwise used for any type of publicity or public information dissemination, including educational materials, during their work in Taiwan.

### **ARTICLE IV – FINANCIAL PROVISIONS**

A. TECRO shall prepay AIT for the estimated costs, incurred by its designated representative, the FAA, in accordance with the provisions set forth in this Annex and its appendices, for all costs (including an administrative overhead charge) associated with the technical assistance provided by AIT under this Annex. These costs include, but are not limited to:

1. PC&B Cost – This figure is based on hourly wage and benefits, and administrative costs incurred in supporting each participant.

2. Travel Cost – Includes the estimated air transportation and per diem costs for each activity, including lodging, meals and incidental expenses, in accordance with U.S. Government travel regulations.

B. In the event of a termination by either party under Article VI of the Agreement, TECRO shall pay:

1. All costs incurred by AIT's designated representative, the FAA, prior to the date of such termination; and
2. All termination costs incurred by AIT's designated representative, the FAA, during the 120-day closeout period.

C. Each appendix shall describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements shall be subject to the following:

1. Prior to the performance by the AIT's designated representative, the FAA, of any services under this annex or appendix:

- a. AIT shall provide TECRO with an estimate of the cost of the services to be provided; and
- b. Upon receipt of this estimate TECRO shall forward to AIT an amount equal to AIT's estimate of the cost of the services.
- c. No activity will be initiated by AIT's designated representative, the FAA, unless the total amount of funds paid in advance to AIT are equal to or greater than the estimated cost of that activity.

2. The advance payment will be held by AIT's designated representative, the FAA, in an Advance Account. Upon completion of the services, AIT's designated representative will draw on the Advance Account and notify AIT of the deductions. TECRO will receive from AIT a bill marked "Do Not Pay" which will indicate the amount of funds drawn on the Advance Account.

3. If the actual costs of providing the services are more than the amount forwarded to AIT under Appendix NAT-I-845-6-1, Article III, paragraph A, TECRO shall pay the difference to AIT. If actual costs of providing the services are less than the amount deposited by AIT, AIT shall refund the difference to TECRO, or apply the difference to any unpaid balances owed by TECRO under this Annex.

4. Payment of bills for any costs exceed the amount of funds deposited in the Advance Account shall be due within fifty (50) days from the date of billing. All payments shall be forwarded to AIT at the following address:

American Institute Taiwan  
1700 N. Moore Street, Suite 1700  
Arlington, VA 22209

5. All payments shall include a reference to the assigned Annex number NAT-I-845-6.

6. In the event that payment is not rendered by TECRO to AIT, within fifty (50) days from the date of billing, AIT's designated representative, the FAA, will assess late payment charges, i.e., interest, penalties, and administrative handling charges, in subsequent billings. These late charges shall be assessed for each additional 30 day period, or portion thereof, during which payments are overdue. The late charge shall be computed by multiplying the amount of the overdue payment by the official monthly percentage rate periodically determined and prescribed by the U.S. Department of Treasury in accordance with Section 6-8020.20 of the Treasury Fiscal Requirements Manual (1 TFRM 6-8020.20) or successor U.S. Treasury Department directive or regulation. TECRO shall pay any such late charges.

#### **ARTICLE V - AMENDMENTS**

This Annex or its appendices may be amended in accordance with Article V of the Agreement.

ARTICLE VI- ENTRY INTO FORCE AND TERMINATION

This Annex shall enter into force effective on the date of the last signature and shall remain in force until terminated, or such time as the Agreement expires or is terminated, whichever occurs first. Either party may terminate this Annex as provided for in Article VI of the Agreement.

ARTICLE VII - AUTHORITY

AIT and TECRO agree to the provisions of this Annex as indicated by the signature of their duly authorized representatives.

AMERICAN INSTITUTE IN TAIWAN

TAIPEI ECONOMIC AND CULTURAL  
REPRESENTATIVE OFFICE IN  
THE UNITED STATES

BY: Barbara J. Schrage  
Barbara J. Schrage

BY: Lyushan Shen  
Lyushan Shen

TITLE: Deputy Managing Director

TITLE: Deputy Representative

DATE: 12/11/00

DATE: 12/21/00