



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH DEVELOPMENT AND ACQUISITION  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

07 AUG 1998

AMCRDA-ZA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Technical Experts (TE) in Germany

1 On 27 March 1998, an exchange of notes (*Note Verbale*) was completed between Germany and the United States, amending the Supplemental Agreement (SA) to the NATO Status of Forces Agreement (SOFA). The principal purpose of the document was to implement Articles 72 (Technical Care) and 73 (Technical Experts) of the SOFA SA, governing the use of contractor personnel in support of U.S. Forces. The new agreement eliminates the U.S. right to unilaterally classify a contractor employee as a technical expert. It also provides a specific, more stringent definition of what constitutes a technical expert. The Army has approximately 2,400 contractor employees serving in Germany under TE status. U.S. Army Europe is currently reviewing these existing personnel to ascertain if they qualify under the newly agreed definition.

2. Individuals, both in the existing inventory and future, who do not meet the requirements for classification as technical experts will be required to obtain German work permits and be subject to German taxes. Alternatively, contractors may employ local nationals. In either case, the cost to Army contracts is likely to increase. In addition to increased costs, the new procedures established for making TE determinations will take up to eleven weeks prior to contract award to evaluate the contractor positions and several more weeks after contract award to evaluate the individual contractor employees. Failure to allow for this lengthy new procedure could seriously impact new equipment fielding schedules and readiness.

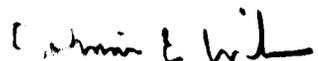
3. Program Managers (PMs) and other individuals responsible for executing programs which require use of contractor personnel in Germany must ensure adequate funds are budgeted for the anticipated increased costs of performance. They must also examine their program schedules and ensure adequate time has been allowed to accommodate the new TE determination procedures. In some cases, use of alternatives to the employment of contractor personnel may be appropriate. With the communications capabilities available today, "virtual tech reps" may be able to accomplish tasks which previously required their physical presence. PMs are encouraged to view this as an opportunity to reengineer one of their processes. The mix of military personnel, Department of the Army civilians, U.S. contractor personnel and local/third country personnel should be optimized for each program and effort. For example, a local national employee of a U.S. missile manufacturer may be able to fault isolate and repair



a piece of equipment using a combination of his own knowledge and data/voice connection to the engineers back in the U.S.

4 By memo dated 22 May 1998, the Director of Defense Procurement issued guidance to the contracting community outlining the procedures to be followed for all future contracts which will utilize Department of Defense contractors in the Federal Republic of Germany. Noncompliance with the new procedures is not an option. There are no waiver or deviation procedures provided in the *Note Verbale*.

5 The Army acquisition community is comprised of a group of professionals who have shown themselves to be highly adaptive to changes in the working environment. We are confident that the new procedures for use of contractor personnel in Germany can be accommodated with minimal impact on cost and schedule. Commanders and Program Executive Officers are encouraged to share evolving solutions and approaches to this new challenge with the Assistant Secretary of the Army for Research, Development and Acquisition and Headquarters, U.S. Army Materiel Command staff.



JOHNNIE E. WILSON  
General, USA  
U S Army Materiel Command



Paul J. Hooper  
Assistant Secretary of the Army  
(Research, Development and Acquisition)

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