

ANNEX 14
SETTLEMENT OF ACCOUNTS¹

I. Principles and Procedures for Settlement of Accounts

1. *The Parties shall use the principles and procedures for the settlement of accounts, specified in this Section, in connection with:*

- (a) *the costs of goods and services borne by the inspecting Party pursuant to paragraph 13 of Section IV, paragraph 19 of Section V, and paragraphs 17, 19, 21, 23, and 35 of Section XVI of the Inspection Protocol; and*
- (b) *The costs of goods and services associated with the purchase of tapes and the copying of telemetric information onto such tapes pursuant to the Thirty-fifth Agreed Statement in the Annex to the Treaty on Agreed Statements, with the providing of training, maintenance, service, spare parts and replacement parts relating to telemetry equipment pursuant to paragraph 7 of Section I and paragraph 8 of Section II of Annex 1 to the Telemetry Protocol, and subparagraphs 4(d) and 4(e) and paragraph 6 of Annex 4 to the Telemetry Protocol, and with the implementation of Section III of Annex 5 to the Telemetry Protocol.²*

2. *The United States of America shall submit to each other Party, and the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine shall each submit to the United States of America, lists of goods and services provided, hereinafter referred to as itemized lists, in the categories contained in Section II of this Annex, except categories contained in paragraph 6, subparagraph 7(b) and paragraph 8 of that Section. These itemized lists shall contain the information specified in Section II of this Annex for the goods and services provided during the period covered by these itemized lists, except that goods and services provided in the category contained in paragraph 14 of Section II of this Annex may be included on the itemized lists covering the period when provision of such goods and services was completed. In addition, each Party shall submit with the itemized lists a summary list of all categories contained in Section II of this Annex for which goods and services have been provided, and the estimated overall total cost of the goods and services provided in each category.*

3. *Each Party shall submit itemized lists in accordance with the following schedule:*

- (a) *for the period from January 1 through March 31, no later than April 30;*
- (b) *for the period from April 1 through June 30, no later than July 31;*

¹ This Annex is included in this Protocol pursuant to Joint Compliance and Inspection Commission Agreement Number 30 of February 3, 1995.

² JCIC Agreement No. 49, Article One.

- (c) *for the period from July 1 through September 30, no later than October 31; and*
- (d) *for the period from October 1 through December 31, no later than January 31.*

4. *For settlement of accounts for goods and services provided by the Parties pursuant to the Agreement on Early Exhibitions in the categories contained in paragraphs 1 and 2 of Section II of this Annex, for construction activities related to the establishment of the perimeter and portal continuous monitoring facility at Pavlograd in the categories contained in paragraphs 4 and 14 of Section II of this Annex, and for goods and services provided by the Parties pursuant to Annex 4 to the Telemetry Protocol in the categories contained in paragraphs 1, 2 and 17 of Section II of this Annex, and provided by the Parties prior to entry into force of the Treaty, the Parties shall use the following procedures:*

- (a) *itemized lists shall be submitted pursuant to paragraphs 2 and 12 of this Section no later than 90 days after entry into force of the Treaty;*
- (b) *itemized lists shall be reviewed pursuant to paragraph 5 of this Section;*
- (c) *a confirmation of goods and services received or a bill shall be submitted pursuant to paragraphs 6, 8, and 12 of this Section no later than 120 days after entry into force of the Treaty; and*
- (d) *a bill shall be paid pursuant to paragraphs 9 and 12 of this Section.*

5. *The following procedures shall be used after the submittal of itemized lists pursuant to paragraphs 2 and 3 of this Section:*

- (a) *each Party shall review the itemized lists to determine for each category, whether the goods and services that it received are comparable in quantity and quality to the goods and services that it provided;*
- (b) *if the United States of America and another Party determine that the goods and services provided by those Parties for a specific category are comparable in quantity and quality, then no exchange of funds shall be required. In this case, those Parties shall submit to each other a confirmation of goods and services received for that category pursuant to paragraphs 6 and 7 of this Section; and*
- (c) *if the United States of America or another Party determines that the goods and services provided by those Parties for a specific category are not comparable in quantity and quality, then an exchange of funds shall be required for payment of the difference in the cost of goods and services provided by those Parties in that category. In this case, such Party that incurred the greater cost*

shall submit a bill to such other Party for that category pursuant to paragraphs 6, 7, and 8 of this Section.

6. A confirmation of goods and services received shall be in the form specified in paragraph 1 of Section III of this Annex. A bill shall include the information specified in paragraph 2 of Section III of this Annex.

7. A confirmation of goods and services received or a bill shall be submitted:

- (a) for the period from January 1 through June 30, no later than August 31; and*
- (b) for the period from July 1 through December 31, no later than the last day of February.*

8. The United States of America shall denominate all bills submitted to the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, or Ukraine in U.S. dollars. The Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine shall make all payments to the United States of America in U.S. dollars for all categories contained in Section II of this Annex. The Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine shall denominate all bills submitted to the United States of America in both U.S. dollars and the local currency. The United States of America shall make all payments to the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine in a freely convertible currency for all categories contained in Section II of this Annex.

9. Bills shall be paid in accordance with the following:

- (a) a bill shall be paid within 30 days of its receipt;*
- (b) each Party shall notify the other Party of a disputed bill within seven days of its receipt; and*
- (c) if any undisputed bill is not paid within 180 days of its receipt, then the bill shall be subject to interest, from the date specified on the bill, at the current rate in use by the Export-Import Bank of the United States of America.*

10. The goods and services provided in the categories contained in paragraph 6, subparagraph 7(b) and paragraph 8 of Section II of this Annex shall be paid for at the time such goods and services are received and shall be paid for at the commonly available tariffs or rates.

11. The costs for the categories specified in this paragraph shall be calculated in accordance with the following:

- (a) the costs for the goods and services provided in categories contained in subparagraphs 7(a) and 9(a) of Section II of this Annex shall be calculated by multiplying the number of flights provided by the inspected Party by the agreed rate per flight:*

- (i) for the category contained in subparagraph 7(a) of Section II of this Annex, the agreed rate per flight shall be U.S. \$15,000; and*
- (ii) for the category contained in subparagraph 9(a) of Section II of this Annex, the agreed rate per flight shall be U.S. \$36,000;*
- (b) the costs for the category contained in paragraph 16 of Section II of this Annex shall be calculated by multiplying the number of flight tests conducted by each Party by the agreed rate for the purchase and copying of each telemetry data tape. This agreed rate shall be U.S. \$0.00, unless otherwise agreed in the Joint Compliance and Inspection Commission.*

12. The designated organizations for settlement of accounts shall be:

- (a) for the United States of America, the On-Site Inspection Agency of the United States of America shall submit to and receive from the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine itemized lists, confirmations of goods and services received, and bills, and shall make payments of bills to, and receive payments of bills from, the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation, and Ukraine;*
- (b) for the Republic of Belarus, the National Agency for Verification and Inspection shall submit to and receive from the United States of America itemized lists, confirmations of goods and services received, and bills, and shall make payments of bills to, and receive payments of bills from, the United States of America;*
- (c) for the Republic of Kazakhstan, the Ministry of Defense of the Republic of Kazakhstan shall submit to and receive from the United States of America itemized lists, confirmations of goods and services received, and bills, and shall make payments of bills to, and receive payments of bills from, the United States of America;*
- (d) for the Russian Federation, the Nuclear Risk Reduction Center of the Russian Federation shall submit to and receive from the United States of America itemized lists, confirmations of goods and services received, and bills, and shall make payments of bills to, and receive payments of bills from, the United States of America; and*
- (e) for Ukraine, the Ministry of Defense of Ukraine shall submit to and receive from the United States of America itemized lists, confirmations of goods and services received, and bills, and shall make payments of bills to, and receive payments of bills from, the United States of America.*

13. Each Party shall have the right to change the organization designated for settlement of accounts specified in paragraph 12 of this Section by informing

all other Parties of the change no less than 90 days prior to the effective date of the change.

14. The organizations specified in paragraph 12 of this Section shall have the right to designate their respective authorized representatives.

II. Categories of Goods and Services and Information to be Included in Itemized Lists

This Section lists the categories of goods and services for settlement of accounts in connection with paragraph 1 of Section I of this Annex. For each category, the subparagraphs specify the data that shall be included in the itemized lists for that category.

1. Fuel for inspection airplanes provided pursuant to paragraph 13 of Section IV of the Inspection Protocol, fuel for dedicated airplanes provided pursuant to paragraph 4 of Annex 4 to the Telemetry Protocol, and fuel for dedicated airplanes provided pursuant to subparagraph 8(c) of Section II and paragraph 4 of Section III of Annex 5 to the Telemetry Protocol:¹

- (a) type of airplane;*
- (b) tail number or call sign of airplane;*
- (c) type of fuel and its quantity in metric tons;*
- (d) dates on which fuel was provided;*
- (e) location where fuel was provided;*
- (f) estimated cost of fuel, if available; and*
- (g) payment, if any, made when the fuel was provided.*

2. Services for inspection airplanes provided pursuant to paragraph 13 of Section IV of the Inspection Protocol, services for dedicated airplanes provided pursuant to paragraph 4 of Annex 4 to the Telemetry Protocol, and services for dedicated airplanes provided pursuant to subparagraph 8(c) of Section II and paragraph 4 of Section III of Annex 5 to the Telemetry Protocol:²

- (a) type of airplane;*
- (b) tail number or call sign of airplane;*
- (c) description of services provided;*
- (d) dates on which services were provided;*
- (e) location where services were provided;*

¹ JCIC Agreement No. 49, Article Two.

² JCIC Agreement No. 49, Article Two.

- (f) *estimated cost of services, if available; and*
 - (g) *payment, if any, made when services were provided.*
3. *Meals and lodging provided while monitors are at the point of entry pursuant to subparagraph 19(b) of Section V of the Inspection Protocol:*
- (a) *description of services provided;*
 - (b) *dates on which services were provided; and*
 - (c) *estimated cost of each service, if available.*
4. *Permanent lodging and work space for monitors, including utilities and maintenance, provided pursuant to subparagraph 19(c) of Section V of the Inspection Protocol:*
- (a) *description of lodging and work space provided;*
 - (b) *period for which lodging and work space were provided; and*
 - (c) *estimated cost of each service, if available.*
5. *Temporary lodging and work space for monitors, including utilities and maintenance, provided pursuant to subparagraph 19(c) of Section V of the Inspection Protocol:*
- (a) *description of lodging;*
 - (b) *period for which lodging was provided;*
 - (c) *description of work space provided;*
 - (d) *period for which work space was provided; and*
 - (e) *estimated cost of each service, if available.*
6. *Meals, provided at the request of the inspecting Party, while monitors are at a facility subject to continuous monitoring or monitored facility pursuant to subparagraph 19(d) of Section V of the Inspection Protocol. Provision of documentation is not required.*
7. *Transportation of monitors and their baggage, and delivery of equipment and supplies, including foodstuffs:*
- (a) *from the point of entry to a facility subject to continuous monitoring or monitored facility and from such facility to the point of entry pursuant to subparagraph 19(e) of Section V of the Inspection Protocol:*
 - (i) *date of flight and type of airplane; and*

(ii) *tail number or call sign of transporting airplane;*

(b) *from one facility subject to continuous monitoring or monitored facility to another such facility pursuant to subparagraph 19(f) of Section V of the Inspection Protocol. Provision of documentation is not required.*

8. *Transportation, meals and lodging of monitors travelling from the facility subject to continuous monitoring or monitored facility to the embassy or consular post of the inspecting Party on the territory of the inspected Party and back provided pursuant to subparagraph 19(g) of Section V of the Inspection Protocol. Provision of documentation is not required.*

9. *Delivery of equipment and supplies, including foodstuffs, for continuous monitoring activities and transportation of monitors that arrive on such an airplane:*

(a) *from the point of entry to the facility subject to continuous monitoring or monitored facility and from such facility to the point of entry pursuant to subparagraph 19(h) of Section V and subparagraph 19(d) of Section XVI of the Inspection Protocol:*

(i) *date of flight and type of airplane; and*

(ii) *tail number or call sign of transporting airplane;*

(b) *from the airport associated with the facility subject to continuous monitoring or monitored facility to such a facility and from the facility subject to continuous monitoring or monitored facility to the airport associated with such a facility pursuant to subparagraph 19(i) of Section V and subparagraph 19(d) of Section XVI of the Inspection Protocol:*

(i) *dates on which services were provided;*

(ii) *types of transportation means used; and*

(iii) *estimated cost of each service, if available.*

10. *Medical and other urgent services for monitors, including urgent evacuation of monitors from the facility subject to continuous monitoring or monitored facility to the point of entry or airport associated with such a facility, provided while the monitors are at the facility subject to continuous monitoring or monitored facility pursuant to subparagraphs 19(j) and 19(m) of Section V of the Inspection Protocol:*

(a) *first and last name of monitor;*

(b) *dates of treatment, description of treatment, and medications provided;*

- (c) *period of hospitalization;*
- (d) *date of urgent evacuation flight;*
- (e) *type of evacuation airplane, and its tail number or its call sign; and*
- (f) *estimated cost of each service, if available.*

11. *Utilities and maintenance of the perimeter and portal continuous monitoring system, including utilities and engineering support for the building for storage of equipment and supplies, provided pursuant to subparagraph 19(k) of Section V and subparagraph 19(a) and paragraph 35 of Section XVI of the Inspection Protocol:*

- (a) *utilities:*
 - (i) *description of utilities provided;*
 - (ii) *dates on which utilities were provided; and*
 - (iii) *estimated cost for each utility, if available;*
- (b) *maintenance:*
 - (i) *location where work was done;*
 - (ii) *description of services provided;*
 - (iii) *type of engineering support provided;*
 - (iv) *dates on which services were provided; and*
 - (v) *estimated cost of each service, if available.*

12. *Installation and use of the non-dedicated commercial telephone line pursuant to paragraph 17 of Section XVI of the Inspection Protocol:*

- (a) *number of lines;*
- (b) *description of installation work performed;*
- (c) *dates on which installation work was performed;*
- (d) *description of maintenance and services provided;*
- (e) *dates on which services were provided; and*
- (f) *estimated cost for each service, if available.*

13. *Use of the satellite communications system pursuant to paragraph 17 of Section XVI of the Inspection Protocol:*

- (a) *description of maintenance and services provided;*
- (b) *dates on which services were provided; and*
- (c) *estimated cost for each service, if available.*

14. *Site preparation and construction materials for the perimeter and portal continuous monitoring system and for the operations center:*

- (a) *construction of a building for the storage of equipment and supplies pursuant to paragraph 23 of Section XVI of the Inspection Protocol:*
 - (i) *engineering description of work performed;*
 - (ii) *description and quantity of materials provided;*
 - (iii) *dates on which work was performed; and*
 - (iv) *estimated cost of work and materials, if available;*
- (b) *all other general construction pursuant to subparagraphs 19(b) and 19(c) and paragraph 35 of Section XVI of the Inspection Protocol:*
 - (i) *description and quantity of construction materials provided;*
 - (ii) *dates on which construction materials were provided;*
 - (iii) *location where site preparation work was done;*
 - (iv) *engineering description of site preparation work;*
 - (v) *dates on which site preparation work was performed; and*
 - (vi) *estimated cost of work and materials, if available.*

15. *Temporary structures for monitors at the portal or road exits provided pursuant to paragraph 21 of Section XVI of the Inspection Protocol:*

- (a) *description of structures provided;*
- (b) *period for which structures were provided; and*
- (c) *estimated cost of each service, if available.*

16. *Tapes and the recording of telemetric information onto the tapes pursuant to the Thirty-fifth Agreed Statement in the Annex to the Treaty on Agreed Statements:*

- (a) *dates of flight tests;*
- (b) *type of missile tested;*

- (c) *number of tapes provided; and*
- (d) *estimated cost of the magnetic tapes and of recording the telemetric information, if available.*

17. *Training and maintenance for telemetry playback equipment, and the provision of spare parts and replacement parts for such equipment pursuant to paragraph 7 of Section I and paragraph 8 of Section II of Annex 1, paragraph 6 of Annex 4 and paragraph 5 of Section I of Annex 5 to the Telemetry Protocol:*¹

- (a) *type of service provided;*
- (b) *description and quantity of spare and replacement parts provided;*
- (c) *period of time during which services and spare and replacement parts were provided;*
- (d) *estimated cost of services and spare and replacement parts, if available; and*
- (e) *meals, lodging, work space, transportation, and, as necessary, medical and other urgent services for the trainee team members, maintenance team members and aircrew members of the providing or receiving Party.*

18. *Telemetry playback equipment demonstrated after entry into force of the Treaty and acquired pursuant to subparagraph 4(c) of Section I of the Telemetry Protocol:*

- (a) *description, quantity, make, and model number of the equipment acquired, and the number of equipment sets acquired;*
- (b) *date of provision of the equipment acquired; and*
- (c) *estimated cost of the equipment acquired, and the cost of delivering such equipment to the point of entry.*²

III. Form of a Confirmation of Goods and Services Received and Information to be Included in a Bill

1. *A confirmation of goods and services received shall be in the following form:*

¹ JCIC Agreement No. 49, Article Two.

² JCIC Agreement No. 49, Article Three.

**CONFIRMATION OF GOODS AND SERVICES RECEIVED
BY THE (RECEIVING PARTY) FROM THE (PROVIDING PARTY)
DURING THE PERIOD FROM _____ THROUGH _____
(SIX-MONTH PERIOD COVERED)**

This is to certify that the goods and services specified in (Reference to the appropriate itemized lists of goods and services submitted pursuant to paragraph 3 of Section I of this Annex) in the categories of goods and services (Reference to the appropriate categories of goods and services contained in Section II of this Annex) were provided and were received and accepted. The quantity and quality of goods and services provided by each Party in these categories are certified to be comparable; therefore, no exchange of funds is required.

Signature
Date _____
Place _____

The confirmation of goods and services received shall be signed by an individual authorized by the Party submitting the confirmation.

2. A bill shall be prepared in the English and Russian languages. A bill shall include the following information:

- (a) the Party being billed;*
- (b) the Party submitting the bill and the name and address of the organization to which payment should be made;*
- (c) the number and date of the bill;*
- (d) reference to the category from those contained in Section II of this Annex for which the bill is submitted;*
- (e) reference to numbers and dates of the itemized lists of goods and services, submitted pursuant to paragraph 4 of Section I of this Annex; and*
- (f) description and quantity of goods and services provided, the six-month period covered by the bill, and the amount to be paid.*