Memorandum of Understanding
Between
The United States Department of Defense
and
The United Service Organizations, Inc.

In accordance with DoD Directive 1000.26E, Support for Non-Federal Entities Authorized to Operate on DoD Installations," this memorandum of understanding (MOU) between the United States Department of Defense (DoD) and the United Service Organizations, Inc. (USO) (hereinafter collectively referred to as "the Parties") delineates the USO's mission to provide services to military members and their families, pursuant to its federal charter, and the support that DoD may provide to the USO in fulfillment of its mission. The purpose of this MOU is to establish an understanding between DoD and USO for cooperation and the provision of such services and support.

1. DoD recognizes the importance and benefits of citizen support for military personnel and their families. The support of the American people, through their participation in non-Federal entities, serves to enhance and sustain the morale of the military community in the United States and abroad.

2. The USO is a voluntary, civilian organization, chartered by Congress, through which the people of this Nation may serve the religious, spiritual, social, educational, and entertainment needs of the men and women in the U.S. Armed Forces and contribute to the maintenance of their morale, in peace or war, within or without the territorial limits of the United States (See 36 U.S.C. 220101 and 220102). The USO is organized as a not-for-profit corporation under the laws of the District of Columbia and is recognized as a tax exempt organization under 26 U.S.C. 501(c)(3). Pursuant to 36 U.S.C. 220104 and the USO's congressional charter, the President of the United States may act as the USO's Honorary Chairman and may appoint up to six members of its Board of Governors. The Secretary of Defense or his designee serves as a member of the USO's Board of Governors.

3. The USO's mission is to enhance the quality of life of the military members and their families worldwide and to create a cooperative relationship between the U.S. military communities and civilian communities. The USO fulfills its mission by providing a wide variety of programs and services and by supplementing and otherwise assisting the U.S. Armed Forces in programs relating to the health, welfare, recreation, and morale of military personnel and their families.

4. The USO's programs and services are provided through local USO Centers under the direction of USO World Headquarters and through independently incorporated affiliates chartered by the USO. The USO World Headquarters is the official location and contact point for the USO's Board of Governors, officers and employees, centers, advisory

councils, chartered USO affiliates, and for all USO activities and facilities. The USO World Headquarters is responsible for coordination of the work performed by its affiliates as part of any program provided for U.S. service members and their families by the USO.

5. The USO may participate with other entities to provide initiatives and programs for the benefit of service members and their families.

6. To the extent compatible with DoD's primary mission, 36 U.S.C. 220107 authorizes DoD to provide support (other than the direct expenditure of funds) to the USO. This provision of support is further subject to DoD 5500.7-R, "Joint Ethics Regulation (JER)", to the extent applicable. Based on the foregoing, DoD will provide the support outlined in Appendix A.

7. The Principal Deputy Under Secretary of Defense (Personnel and Readiness) (PDUSD (P&R)) shall designate the Deputy Under Secretary of Defense (Military Community and Family Policy) DUSD(MC&FP)) as the DoD liaison for all policy questions related to DoD support provided to the USO under this MOU.

8. The Secretaries of the Military Departments shall each appoint a staff official to be responsible for internal policy determinations concerning relations with the USO, and provide the names of such officials, and subsequent changes, in writing to the DUSD (MC&FP) and the World Headquarters of the USO at the following address: USO World Headquarters, 2111 Wilson Boulevard, Suite 1200, Arlington, VA 22201, Attn: Sr. VP Operations..

9. USO services and programs may supplement DoD appropriated fund and nonappropriated fund services and programs (collectively, "DoD Programs"). Commanders may coordinate with USO for those supplemental services and programs including, but not limited to, entertainment overseas on DoD installations, so long as they do not compete with appropropriated or nonappropriated fund activities. Installation commanders, in consultation with the USO, shall determine if USO services and programs substantially conflict with, or detract from, local DoD services and programs. Installation commanders have discretionary authority to eliminate substantially conflicting or duplicative USO services and programs.

10. Installation commanders and USO management shall periodically conduct reviews (at least biennially) of USO services and programs provided on DoD installations. These reviews shall include an assessment of programming, adequacy of services, and whether USO services are substantially duplicative of those provided by either the installation concerned or its nonappropriated fund instrumentalities (NAFIs). The installation commander shall forward unresolved issues, through the Military Department concerned, to the (DUSD(MC&FP)).

11. The Regional Combatant commanders or designees shall appoint liaison officers to coordinate invitational travel authorizations, identification cards, and other related issues (other than for business directly related to entertainment) when the USO is authorized to operate within their geographic areas of responsibility. Regional Combatant commands shall provide the names of liaison officers and subsequent changes to DUSD(MC&FP) and to the USO at the address in paragraph 8. Regional Combatant commanders or designees, may delegate responsibility to approve invitational travel authorizations to the first general officer/flag officer level in the Component MWR staff chain of command and must inform DUSD(MC&FP) and the USO of any delegation responsibility.

12. The USO is also authorized direct communication with Armed Forces Entertainment (AFE) for celebrity and non-celebrity entertainment within DoD. AFE is under the purview of the Secretary of the Air Force, who serves as the DoD Executive Agent for entertainment within DoD. DoD Instruction 1330.13, "Armed Forces Entertainment," provides additional guidance.

13. USO is expressly authorized by Congress to solicit funds to maintain the organization and accomplish its responsibility (36 U.S.C. 220102(3)). If fundraising activities appear to compete substantially with DoD Programs, commanders must make a judgment as to what is best for their respective communities and must specifically authorize these events in writing. DoD shall not officially endorse USO fundraising activities, or provide support to such activities except as authorized by the JER and applicable law. The heads of DoD Component commands or organizations may provide logistical, non-personnel support for USO fundraising events to the extent permitted in Section 3-211.b (or successor provision) of the JER (Logistical Support of Non-Federal Entity Events).

14. DoD is generally prohibited from officially endorsing non-Federal entities. This MOU does not constitute an official endorsement of the USO or its activities by DoD. The USO shall prominently display the following disclaimer on its print and electronic media: "The USO is a not-for-profit organization and not part of the Department of Defense." Nothing in this MOU shall be interpreted to prevent DoD personnel from making positive statements of personal opinion about the value of the USO and its programs and services as long as they do so in their personal capacity and not on behalf of DoD, and as long as neither the USO nor the DoD personnel use their DoD titles, positions, organization names, or any other authority of their respective offices.

15. The Parties shall not use each other's official seals, logos, or insignia without prior written approval.

16. Appendix A to this MOU is incorporated herein by reference.

17. DoD and USO shall periodically review this MOU and may amend it as mutually agreed upon in writing.

18. The terms of this MOU shall not affect the relationships between DoD and other entities that DoD may invite to provide supplemental services in specific areas.

19. This MOU does not establish a partnership or joint venture. The Parties to this MOU are separate and independent entities responsible for establishing their own respective policies and financing their own respective activities. Neither party has the legal authority to bind the other contractually with third parties.

20. This MOU supersedes the MOU between DoD and the USO dated November 1, 2000, and the Implementing Agreements concerning "Provision of Services" and "Centers, Facilities, Other Activities, and Program Review," each effective December 4, 2000.

20. This MOU shall become effective on the later date of the signatures below. Either party may terminate this MOU effective 90 days from the date of written notification of such termination to the other party.

Department of Defense

By _____
Michael A. Dominguez
Principal Deputy
Under Secretary of Defense for
Personnel and Readiness

Date JAN -7 2008

United Services Organizations, Inc.

By _____
Edward A. Powell
President and CEO
USO World Headquarters

Date JAN 7 2008

Appendix A
RESOURCES

The parties agree that the USO may provide services and DoD may provide support pursuant to the following terms:

1. Services

1.1. The USO serves the U.S. Armed Forces by providing: morale, recreation, welfare and entertainment programs that complement the installations' DoD Programs. The USO provides these services through USO World Headquarters and by Affiliates chartered by USO.

1.2. The USO shall be responsible for the operation and coordination of its services to U.S. service members. The USO is also responsible for ensuring the quality of its services and the competency of its personnel performing them. USO employees are not Federal employees.

1.3. Consistent with USO anti-discrimination policies, its services and programs are open to all U.S. service members and their families regardless of race, color, religion, creed, sex, age, disability, or national origin. No person shall be excluded unlawfully from receiving USO services or participating in USO programs or otherwise subjected to unlawful discrimination by USO personnel.

2. Personal Property: DoD programs that receive appropriated fund support and DoD NAFIs may not assert any claim to the assets of, or incur or assume any obligation on behalf of, the USO. The USO shall not abandon property on a DoD installation.

3. Facilities Support

3.1. Upon a determination as to the type and level of services at a particular installation the USO intends to provide under the MOU, it will seek an outgrant (e.g., lease or license) from the installation commander for the use of real property facilities on the installation. To the extent the requested facilities are available without degradation of the installation's mission, the installation commander will make the appropriate type of outgrant to the USO. All such outgrants will comply with the requirements of DoD Instruction 4165.70, "Real Property Management," and shall contain terms that provide adequate protection for USO's capital investments and expenses incurred in development of the facilities in the event the outgrant is terminated. If space is available, the outgrant will be at no rental charge and may include reasonable custodial, maintenance, and utility support

without reimbursement as long as similar support is provided to similar MWR facilities.

3.2. USO Facilities Outside of the United States:

3.2.1. Before granting permission to the USO to use facilities at installations located outside of the United States, the DoD Component responsible for the installation shall obtain the concurrence of the Combatant Commander in whose respective area of responsibility the installation is located, and, to the extent required by any applicable international agreement of the host nation.

3.2.2. Before granting permission to the USO to use facilities at installations located outside of the United States the DoD Component providing base support to the facility shall obtain the concurrence of the Combatant Commander or designees, in whose area of responsibility the site is located, and, to the extent required by any applicable international agreement, of the host nation.

3.2.3. In areas of operations outside the United States that DoD designates as contingency locations, USO may provide services at DoD's request, when the need exists and is not otherwise being met. Combatant Commanders or designees, may negotiate directly with USO World Headquarters for the establishment of temporary contingency services. USO will inform AFE of all scheduled entertainment related services to be provided, prior to execution. Combatant Commanders or designees, shall advise DUSD (MC&FP) in writing of the establishment of temporary services. Agreed upon services to be provided by USO, and resources provided by DoD under the provisions of this MOU, shall be set forth in writing.

3.3. In its utilization of DoD facilities, the USO shall comply with all applicable Federal, State, interstate, and local laws and regulations, including those dealing with occupational health and safety, the environment, taxes, and workers compensation.

4. Miscellaneous Support Outside of the United States

4.1. Installation commanders may authorize DoD support for USO personnel outside the United States, as discussed in paragraphs 4.2 - 4.4 below only when:

4.1.1. Such support is within the capabilities of their respective installations;

4.1.2. Providing such support will not impede fulfillment of the military mission;

4.1.3. Support is permitted under international agreements with the host nation, if applicable;

4.1.4. Support is permitted pursuant to law and DoD regulations; and

4.1.5. The support required is documented in a written agreement and signed by the installation commander, or his designee.

4.2. When commercial transportation is not reasonably available, the USO may ship equipment and supplies needed to support the U.S. Armed Forces under this MOU, including gifts for the use of the U.S. Armed Forces, through the Defense Transportation System. USO will reimburse such shipments at the DoD rate. Combatant commanders are responsible for issuing transportation authorizations, to include billing information. In the event a DoD component determines that transportation of the USO equipment and supplies needed to provide support under the MOU, including gifts for the use of the Armed Forces, should be at DoD expense, the DoD component concerned will provide the necessary funding.

4.3. Pursuant to DoD 1330.17-R, "Armed Services Commissary Regulations (ASCR)," in overseas areas, installation commanders may extend privileges to USO area executives, USO executive directors, and assistant executive directors who are U.S. citizens and assigned duties overseas.

4.3.1 Major overseas commanders may extend privileges to USO clubs and agencies to purchase subsistence supplies for use in club snack bars that support active duty forces and their families.

4.4. Pursuant to DoD Directive 1330.21, "Armed Services Exchange Regulation," USO personnel stationed outside the United States are entitled to exchange privileges. In overseas areas, installation commanders may extend privileges to USO area executives, executive directors and assistant executive directors who are U.S. citizens.

4.4.1. USO clubs and agencies may purchase subsistence supplies for use in club snack bars that support active duty military members and their families.

5. USO Personnel Support

5.1. Installation commanders may authorize DoD support for USO personnel outside the United States, as discussed in paragraphs 5.2 and 5.3 below only when:

5.1.1. Such support is within the capabilities of their respective installation;

5.1.2. Providing such support will not impede fulfillment of the military mission;

5.1.3. Such support is permitted under international agreements with the host nation, if applicable;

5.1.4. Such support is permitted pursuant to law and DoD regulations; and

5.1.5. Such support required is documented in a written agreement and signed by the installation commander, or his designee.

5.2. Transportation Support

5.2.1 When commercial transportation is not reasonably available, DoD shall provide the following transportation services, on a reimbursable basis at the DoD rate, to USO personnel performing services in support of the U.S. Armed Forces under this MOU under the following circumstances.

5.2.1.1. Transportation for USO Headquarters personnel, area executive directors and assistant directors (who are U.S. citizens), and their authorized family members, when moving to or from the employee's permanent duty station outside the United States, when traveling to or from a location outside the United States for temporary duty, or when traveling for a personal emergency, transportation will be on a reimbursable basis at the DoD rate. Combatant commands are responsible for issuing travel authorizations, including billing information, and for obtaining appropriate area clearances.

5.2.1.2. USO personnel serving overseas, as well as family members accompanying them, traveling to and from their permanent duty station OCONUS for vacation purposes, are eligible for space available travel on DoD aircraft under DoD 4515.13_R, "Air

Transportation Eligibility," Chapter 6, on the same basis as American Red Cross employees and their dependents.

5.3. Miscellaneous Support Outside of the United States.

5.3.1. DoD may provide the following additional support to USO Headquarters personnel, USO area executives, USO executive directors, and USO assistant executive directors (who are U.S. citizens) and their authorized family members stationed in or traveling for official USO business in locations outside of the United States.

5.3.1.1. Pursuant to DoD Directive 5101.11 "DoD Executive Agent for Military Postal Service (MPS)," access to use Armed Forces postal services.

5.3.1.2. In accordance with section 4.2. of DoDEA Regulation 1342.13, "Eligibility Requirements for Education of Elementary and Secondary School Age Dependents in Overseas Areas," and DoD Directive 1342.20, "Department of Defense Education Activity (DoDEA)," access to DoD Dependents Schools (overseas) may be provided on a space-available, tuition-paying basis.

5.3.1.3. Pursuant to DoD Directive 1000.11, "Financial Institutions on DoD Installations," use of military banking facilities operated under DoD contracts.

5.3.1.4. According to DoD Instruction 1015.10 "Programs for Military Morale, Welfare and Recreation (MWR)," use of morale, welfare and recreation programs.

5.3.1.5. In accordance with the procedures specified in DoD Instruction 1000.13, "Identification Cards (ID) for Members of the Uniformed Services, Their Dependents, and Other Eligible Individuals" invitational travel authorizations and identification cards, including their dependents residing in the same household.

5.3.1.6. Hospitalization, medical care, and dental care on a space available, fully reimbursable basis, with charges collected locally. (See Enclosure 4, Attachment 1 to DoD Instruction 1000.13).

5.3.1.7. In accordance with OMB Circular A-45 "Rental and Construction of Government Quarters," and DoD 4165.63-M, "DoD

Housing Management," and to the extent such provision does not displace authorized active duty members, when USO personnel are performing services under the MOU, they may be provided quarters (permanent or temporary) on a reimbursable basis at a rental rate based upon comparability of the quarters furnished with other private rental housing in the adjacent area.

6. Logistical Support

6.1. Commanders may also authorize, in writing, logistical support of USO events when they make the required determinations in accordance with the JER. See paragraph 3-211 of the JER.

6.2. DoD Military Bands and Other Musical Support

6.2.1 A DoD military band and/or choral group may provide support to programs sponsored by Armed Forces Entertainment, and hosted by the USO, in coordination with the local Command. Such support outside the United States shall be provided from the resources of the theater Combatant Commander, unless an exception is coordinated in advance with the Office of the Assistant Secretary of Defense (Public Affairs).

6.2.2. DoD military bands shall not provide background, dinner, dance, or other social music programs for USO-sponsored events, held either on or off military installations. See 10 U.S.C. 3634, 6223, 8634, and DoD Directive 5410.18, "Public Affairs Community Relations Policy."

6.2.2.1. A DoD military band, choral group, and/or color guard may provide a patriotic opener at no additional cost to the Government, as defined in DoD Directive 5410.18, for USO-sponsored non-fundraising events that support DoD's mission, to the extent permitted by law and the JER.

6.2.2.2. A DoD military band and choral groups shall not provide support for USO-sponsored fundraising events. See 5 C.F.R. 2635.808, the JER, and DoD Directive 5410.18.

7. General Provisions:

7.1. The USO shall maintain general liability insurance for bodily injury, death, and property damage claims, or other legal action that may arise as a result of a negligent act or omission of the USO in the provision of its services under the MOU. Neither DoD nor any of its Components assume liability for the acts of the

USO personnel or the protection of USO property and USO assumes no liability for the acts of DoD personnel or the protection of DoD property.

7.2. Pursuant to DoD Instruction 1402.5, "Criminal History Background Checks on Individuals in Child Care Services," USO personnel involved in the provision of child care services to children under the age of 18 through DoD operated, contracted, or community-based programs shall undergo mandatory background checks.

7.3. Commanders shall review USO activities on a continuing basis. This review shall include programming, adequacy of resources to the USO, and the relevance and effectiveness of the services provided by the USO.

7.4. DoD shall not provide the USO with NAF support, either in-cash or in-kind services, nor may NAF funds be used for purchase of equipment for USO. MWR may, however, assist with logistical support of USO-sponsored entertainment pursuant to paragraph 6 of this MOU.