

**Statement of Principles Regarding the Use of
Alternative Dispute Resolution Processes
Between
The Department of The Air Force
and
GE Aircraft Engines**

The Department of the Air Force (Air Force) and GE Aircraft Engines (“GEAE”) share the objective of supplying America’s war fighters with technologically advanced and reliable equipment in a timely manner to promote swift, safe and successful accomplishment of the national defense mission. Litigation unnecessarily consumes scarce and expensive resources and detracts from this mission. For most disputes, Alternative Dispute Resolution (ADR) is a less expensive and more effective method of resolution than the traditional legal remedies. ADR procedures involve collaborative techniques which can spare both the Air Force and GEAE the expenses and burdens of litigation.

In recognition of the foregoing, we affirm our commitment to use ADR processes by agreeing to the following principles. We agree to:

- Conduct our existing and future business in a manner that will avoid or minimize disputes.
- Utilize a cooperative philosophy throughout the acquisition life cycle. In furtherance of this principle, all Air Force/GEAE teams are encouraged, throughout the contract life cycle, to conduct a joint reviews of the contract’s goals and objectives, identify potential obstacles to the contract’s timely and effective completion, and periodically assess progress toward overcoming these obstacles.
- Resolve all contract issues at the lowest possible level. This principle recognizes that: 1) the detailed knowledge of the issues is generally at the program level; and, 2) the resolution of problems at that level fosters teamwork in pursuing mutually satisfactory solutions.
- In the event an issue cannot be resolved through negotiation at the contracting officer level, the parties shall, in lieu of litigation, endeavor to use ADR to facilitate resolution. Air Force and GEAE management will be kept advised of the progress in resolving these issues whether through negotiation or through ADR techniques.
- Consistent with FAR 33.214, the Air Force and GEAE will, before initiation of the use of ADR for a particular matter, agree in writing to specific ADR collaborative techniques, timelines and identification of neutrals appropriate to the issues in controversy.

- If it is necessary for the parties to protect information during the ADR process, the parties will enter into a confidentiality agreement sufficient to maintain such information in confidence to the extent permitted by law.

- It is not the intention of the parties for this agreement to alter, supplement or deviate from the terms and conditions of contract(s) between the parties and the legal rights and obligations of the parties set forth therein. Any changes to the contract(s) must be executed in writing by authorized contracting officials.

- In the event either party believes a particular issue is not well-suited to ADR, or is dissatisfied with progress being made in a particular ADR proceeding, that party may, after good faith efforts to resolve the issue, elect to opt out of the ADR processes and proceed as otherwise provided under contract, regulation or statute. Nothing in this Statement of Principles shall prevent either party from preserving its legal rights and remedies during the ADR process.



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DARLEEN A. DRUYUN
Principal Deputy Assistant Secretary
of the Air Force
(Acquisition & Management)

Date



MARCH 11, 1999

DENNIS LITTLE
Vice President and General Manager
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Date