DRAFT # 3 2/15/01

COOPERATION AGREEMENT

This Agreement dated this ______ day of __________, 2001 by and between the Ministry of Communications and Information Technology, Arab Republic of Egypt, (hereinafter "MCIT") and Virginia Polytechnic Institute and State University, a state agency and institution of the Commonwealth of Virginia (hereinafter "Virginia Tech");

OBJECTIVES

WHEREAS, MCIT seeks to acknowledge the goals, objectives and targets of the Egyptian National Plan for Communication and Information Technology; and

WHEREAS, MCIT desires with the aid of Virginia Tech to build a strong educational environment that can fulfill local demand and compete favorably in the international market; and

WHEREAS, MCIT desires to use telecommunications and information technology to serve Egypt's developmental objectives by contributing to the creation of a job market and export expansion; and

WHEREAS, MCIT desires to eradicate Information Technology illiteracy, and

WHEREAS, MCIT desires to establish the information infrastructure that can provide accurate, reliable and timely information to support planning and decision making in the government and the private sector, and

WHEREAS, MCIT desires to create a structure to prepare qualified professionals, skilled labor and top-notch graduates capable of developing and using leading-edge technologies for career enhancement and socio-economic development; and

WHEREAS, MCIT desires to provide reliable, effective and affordable telecommunications services in Egypt and the region through Infrastructure Development by using state-of-the-art technologies to build and operate an advanced national network; and

WHEREAS, MCIT desires to spread the Usage of Computers and the Internet; and
WHEREAS, MCIT desires to work towards the accomplishment of the aforementioned, and

WHEREAS, MCIT recognizes Virginia Polytechnic Institute and State University’s extensive experience in establishing, developing, managing, and maintaining centers of educational excellence specialized in various areas of Communications and Information Technology; and

WHEREAS, Virginia Tech desires to assist MCIT in meeting its objectives; and

WHEREAS, the parties desire to identify mutually beneficial cooperative arrangements.

NOW, THEREFORE, the parties agree as follows:

Article I: Definitions

"MCIT" will be used to refer to the first party, the Ministry of Communications and Information Technology, Arab Republic of Egypt.

"VT" and/or "Virginia Tech" will be used to refer to the second party, Virginia Polytechnic Institute and State University, the United States of America.

"NTI" will be used to refer to the National Telecommunications Institute, subject of this Agreement, and a subsidiary organization of MCIT.

"NCITI" will be used to refer to the National Communications and Information Technology Institute, previously referred to as the National Telecommunications Institute, following modifications outlined in this Agreement, and under the management and supervision of Virginia Polytechnic Institute and State University, yet remaining a subsidiary organization of MCIT.

"Party" and "Parties" shall respectively refer to MCIT and/or VT individually or collectively.

Article II: NTI Status

Based on the National Plan of Egypt for Communications and Information Technology, and the aforementioned goals, objectives, and
targets, MCIT has expressed its desire to modify, develop and renovate NTI so as to satisfy the current job market and stimulate the national goal.

MCIT seeks to implement the aforementioned goals through cooperation with Virginia Tech, thus enhancing the management of NTI and importing foreign expertise and advanced modern technology to the Egyptian local arena.

Attachment I details the history and current standing of NTI.

Attachment I is attached hereto and incorporated herein by reference.

**Article III: Creation of NCITI**

MCIT agrees to change the name of NTI to the National Communication and Information Technology Institute, hereinafter NCITI. The missions of NCITI shall be as follows:

- Research and Development (both Sponsored and un-sponsored)
- Postgraduate Education (Continuing Education and Degree Programs)
- Training (including rehabilitation and specific equipment training)
- Industrial Outreach (leading to strong ties and support)

**Article IV: Modifications to be applied to NTI**

The parties agree to cooperate in the development of a Plan pursuant to which Virginia Tech will manage NCITI. The parties anticipate that under the final Plan, the following centers will be developed:

- **Graduate Education Center:** provide postgraduate studies and hence building the Egyptian human resource for Communication and Information Technology (ICT) education and training. The Institute would offer most, if not all, the courses required for the Master's degree, and hence, allows for local Masters of Science degree certification. The institute would offer most of course requirements for the Ph.D. degree as well, leading to the reduction of the period required oversees for Ph.D. degree missions, thus decreasing costs of studying abroad.

- **Research and Development Center of Excellence:** for encouraging research in different fields of Communication and Information Technology by studying methods to enhance efficiency, productivity, environment protection and other areas related to
technological and information development. Engage in research and development activities in relevant ICT fields through the cooperation with American and Egyptian industries and funding agencies. VT-USA sponsored research may subcontract NCITI for specified tasks.

- **Training Center**: uses modern educational tools in order to provide better training for rehabilitating graduate students according to the current and estimated future job markets in different Communication and Information Technology fields. The Institute is to also train technicians, engineers, and other specialists to be able to efficiently use, repair, and develop modern technology tools.

- **Industrial Out-Reach Center**: establish strong ties to engage Egyptian industries in ICT education, research, and training activities to ensure maximum benefit to the entire ICT community. The Institute is to establish strong ties to American industries as well to help import foreign expertise and advanced modern ICT technology to Egypt.

In developing the Plan to establish the NCITI Centers, the parties agree to use as an outline the working structure in Attachment II, Proposed Structure of NCITI, which is attached hereto and hereby incorporated by reference.

The parties agree that a final Plan will be signed by both parties no later than August 1, 2001. In the event the parties cannot agree on a final Plan, this Agreement shall automatically expire August 1, 2001, without further liability to either party.

**Article V: Teaching Methodologies**

In developing the Plan identified in Article IV, the parties agree to work toward the following additional conditions:

M.S. Programs will be designed with and without theses. Theses will be administered locally if possible. A 6-9 month mission to take specialized courses or do special research at VT-USA may be arranged for selected students.

Initially, all but the first 12 credit hours of the Ph.D. program will be administered at VT-USA. Gradually, more courses and some of the dissertation research will be made available at NCITI, thus reducing the period abroad and, hence, the cost.
It is proposed that the NCTI Research and Development Center for Excellence run in close collaboration with VT-USA research groups (at least initially). In this regard, matching Research and Development groups would form at NCTI in areas of strength at VT-USA. Other groups may be added as the project matures and the need arises. The parties agree that any intellectual property developed in support of this Project shall belong exclusively to the party for whom the creator is employed.

Training is proposed in 6 annual cycles, each would be 6-8 weeks. It is also proposed to run 6 parallel training tracks each cycle with no more than 20 trainees per track. This is expected to require an effort equal to that of 6-8 full time training instructors.

The proposed training program is to run as a partnership involving NCTI, MCIT, trainee companies, and training companies. It is proposed that NCTI would administer, coordinate, and supervise the training program. Both MCIT and trainee companies will support this effort by identifying trainees and finance them to attend the desired training program. Training companies will be identified and invited to offer training courses at NCTI (Partial or full waiver of their training charges will be sought.)

The proposed Virginia Tech-MTC Ph.D. program is currently under study by the Egyptian Supreme Council of Universities, hereinafter SCU, for implementation in their Missions Program. Both the MTC and SCU Ph.D. programs would be conducted through the NCTI. This would integrate the Ph.D. efforts of Virginia Tech in Egypt into one program and would bring income to NCTI.

Special effort will be made to enhance the relationship with Telecom Egypt and other local companies. This is definitely the hardest of all missions of NCTI because of the long period elapsed since its inception without serious effort of this front.

Article VI: Classes

It is anticipated that as a part of the implementation of the Plan identified in Article IV above, masters and first year Ph.D. classes will be taught locally at the NCTI facility using:

- VT or VT recruited visiting faculty
- VT or VT distance education programs
- NCTI resident faculty
- NCTI adjunct faculty
In addition, additional faculty and researchers may be hired, either part-time or full-time, from faculty of the local Egyptian Universities.

Attachment 3 illustrates Virginia Tech's tentative vision of staffing requirements, and is attached hereto and incorporated by reference.

**Article VII: Use of Facilities and Resources**

MCIT grants to Virginia Tech the exclusive right to use the current premises of NTI without cost to Virginia Tech, for so long as this Agreement remains in full force and effect. The premises are located at __________, and include the following equipment:

________________________

________________________

All other equipment and personnel necessary for the operation of NTI will be paid for through the project budget, as identified in Article IX Costs.

**Article VIII: Scope of Services**

Upon development of the Plan outlined in Article IV, above, Virginia Tech agrees it will provide the services listed in that Plan. However, the Plan shall not be binding on either Party until both parties have agreed to it in writing. Furthermore, the parties acknowledge that administrative personnel in the academic, finance and sponsored program areas at Virginia Tech must approve the Plan before final signature.

**Article IX: Costs**

(A) The parties agree that the proposed initial first year budget for this project is contained in Attachment 4, which is attached hereto and incorporated by reference. However, the parties acknowledge that the budget is subject to modification based on the scope of services finally agreed to by the parties as identified in Article VIII, above. Annually, the parties agree to negotiate a new scope of work and commensurate new budget, which shall be agreed upon in writing and incorporated into this Agreement by reference.
(B) In accordance with the payment provisions of this Article, MCIT shall reimburse Virginia Tech for those Institute related costs shown in Attachment 4. The total costs incurred shall not exceed the total project costs set forth in the Budget without written authorization from MCIT. If Virginia Tech requests authorization to exceed the total project costs specified herein, MCIT shall respond to the request within thirty (30) days of receipt.

(C) At any time, MCIT is not able to secure necessary funding for the continuation of the Project, this Agreement may be cancelled immediately by Virginia Tech without written notice and without further obligation to MCIT.

(D) All funds for this project as identified by the annual project budget are to be placed by MCIT in the First Union National Bank, located in Charlotte, North Carolina, prior to the start of each renewal year of the Project. Initially, the amount of $800,000, in U.S. dollars shall be placed in said Bank for the planning activities and refurbishment of the NTI premises contemplated by this Agreement.

(E) Disbursements from the account identified in Paragraph D, above shall be made, in advance, to Virginia Tech on a quarterly basis: One fourth of the annual projected budget shall be paid in advance at the start of each quarter. The first payment and subsequent payments shall be due each January 1, March 1, June 1, and September 1.

MCIT agrees to arrange the financing of this project so that the quarterly disbursements are made automatically by the bank identified in Paragraph E, to Virginia Tech. No deductions or service fees may be withheld either by the Bank or MCIT from the quarterly payment.

Article X: Term

This Agreement shall become effective on the date the parties execute this Agreement. However, the parties agree that this Agreement shall automatically terminate August 1, 2001, in the event the parties cannot agree in writing to a final Plan, as outlined in Article IV of this Agreement.
The final Plan shall memorialize all financial commitments and scope of work to be undertaken between the parties.

Except as provided elsewhere in this Agreement, this Agreement is valid for a term of one year and shall be automatically renewed unless terminated by one of the parties.

In the event one party desires to terminate the Agreement, it shall notify the other party in writing three (3) months before the end of the current term.

Article XI: Notices

Any notice required to be given under this Agreement shall be given by express air mail, postage pre-paid, and addressed to either of the addresses given below:

**Party of the First Part**

**Party of the Second Part**

Leonard K. Peters  
Vice Provost for Research  
Office of Sponsored Programs  
301 Burruss Hall  
Blacksburg, Virginia 24061

Article XII: Amendments

No waiver, alteration or amendment of this Agreement shall be binding unless made in writing and signed by both parties.

Article XIII: Severability

Each paragraph and provision of this Agreement is severable from the entire Agreement; and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

Article XIV: Copies

The parties agree that two original copies of this Agreement consisting of eleven (11) identical pages have been executed by the parties.
Article XV: Rights to Intellectual Property

The basic policy of Virginia Tech is to ensure that the results of sponsored research are applied in a manner which best serves the interests of Virginia Tech and the public while also protecting the interests of MCIT and the Arab Republic of Egypt. While Virginia Tech retains title to the intellectual property generated by its employees, MCIT is granted the right of access to all data, information and inventions created in performance of this Agreement and may use same freely for internal teaching, internal research and internal development purposes.

In furtherance of this purpose and policy:

Any inventions or copyrighted materials conceived, expressed and/or reduced to practice as a result of performance of this Agreement (the “Intellectual Property”) by the employees of Virginia Tech shall vest in Virginia Tech. Any inventions or copyrighted material conceived, expressed and/or reduced to practice by MCIT’s employees during the term of this Agreement shall vest in MCIT. Any inventions or copyrighted materials made jointly by employees of Virginia Tech and MCIT shall become their joint property.

Article XVI: Publication Rights

Virginia Tech and its investigators shall be free to publish papers dealing with the results of the project instituted under this Agreement, except that such publication shall not disclose any of the MCIT Proprietary Information (as that term is used in Article XVI) without the written consent of MCIT. Virginia Tech further agrees to send MCIT a copy of any such proposed publication thirty (30) days prior to submission for publication. Virginia Tech, on request of MCIT, shall delete any Proprietary Information in the proposed publication. Virginia Tech agrees to delay publication of any information relating to a potential invention until such time as a patent application is filed or such time as otherwise agreed by MCIT. Any papers published shall give appropriate recognition to the support received from MCIT.

Article XVII: Proprietary Information

“Proprietary Information,” the parties mean information of a confidential or proprietary nature provided by MCIT to Virginia Tech in connection with the project. Except as provided in the next sentence, Virginia Tech shall use its best efforts not to disclose, in whole or in part, any Proprietary Information to any third party for a period of three (3) years
following termination of this Agreement. Virginia Tech shall have no 
obligation to prevent the disclosure in whole or in part, of Proprietary 
Information that is:

1. Not identified a Proprietary Information in writing and 
   appropriately marked at the time it is disclosed by MCIT to 
   Virginia Tech;
2. Already known to Virginia Tech at the time it is disclosed by MCIT 
   to Virginia Tech;
3. Known to a third party without the wrongful act or breach of this 
   Agreement by Virginia Tech;
4. Rightfully received by Virginia Tech from a third party on a non- 
   confidential basis;
5. Approved for release by written authorization of MCIT; or
6. Required by law or by lawfully issued subpoena to be disclosed.

Article XVIII: Claims

In accordance w

Virginia Tech and MCIT shall not make any claims against each other 
for a failure to observe any condition made binding in the event that (a) 
such condition is contrary to or inconsistent with any law, rule or 
regulation of the Arab Republic of Egypt, the United States of America or 
the Commonwealth of Virginia, (b) such failure was due to any cause 
beyond the control of either party, or (c) that would violate applicable 
higher education accreditation standards.

Article XIX: Assignment

Neither this Agreement nor any right, remedy, obligation or liability 
arising herein or by reason hereof shall be assignable by either party 
without the prior written consent of the other.

Article XX: Entire Agreement

This Agreement, together with the appendices hereto, and any 
amendment or modification that may be agreed by the parties in 
accordance with the terms of this Agreement, constitute the entire 
understanding between the parties with respect to the subject matter 
hereof and supercede any and all prior understandings and agreements, 
coral or written, relating hereto.
Article XXI: Acknowledgement of the Parties

Each party acknowledges its authority to enter into this Agreement and its ability to be bound by the terms contained herein.

IN WITNESS WHEREOF, MCIT and Virginia Tech have executed this Agreement by their duly authorized officers:

Party of the First Part
Ministry of Communications and
And Information Technology

Address: __________________________
__________________________________

BY ______________________________
ITS ____________________________

Party of the Second Part
Virginia Polytechnic Institute
and State University

210 Buttruss Hall
Blacksburg, Virginia 24062

BY: Mjees B. Ridenour
ITS Executive Vice President