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The provisions of the establishment of a U.S.-staffed early warning system in the Sinai desert and of the joint resolution of the Congress approving the proposed system have been met. This review covered the period from the enactment of the joint resolution in October 1975 to the completion of the permanent facilities in the Sinai in July 1976.

Findings/Conclusions: The U.S. early warning system established in February 1976 is being operated by a private contractor under U.S. Government supervision in accordance with the U.S. proposal. There are 165 U.S. volunteers in the Sinai. Procedures seemed adequate to make certain that none had intelligence affiliations. They are unarmed except for small arms kept for their personal protection. There are adequate contingency plans for emergency evacuation of the U.S. personnel. The U.S. participation in the Sinai will probably continue until a new agreement is reached or hostilities are resumed between Egypt and Israel. Because of the need for what is perceived as a credible U.S. presence in the Sinai, the number of Americans probably will not be reduced below present levels. The United States provided \$13 million worth of technical assistance to Egypt to begin construction of a surveillance station in the Sinai and contributed \$10 million in equipment to the United Nations to help it meet its expanded responsibilities in the area. The management of the U.S. early warning system was generally satisfactory. (Author/SC)

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REPORT TO THE CONGRESS

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*

An Evaluation Of The U.S. Early Warning System In The Sinai

**Departments of State and Defense
Sinai Support Mission**

To maintain the momentum of the disengagement negotiations between Israel and Egypt following the 1973 Mideast war, the U.S. proposed establishing a U.S.-staffed early warning system in the Sinai. This proposal was accepted by the parties and subsequently approved by a joint resolution of the Congress.

This report is an independent evaluation of the U.S.-staffed early warning system in the Sinai, of how the U.S. proposal and the joint resolution were put into effect, and of how the program has been managed. The future implications of the U.S. role in the Sinai are also considered.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-180332

To the President of the Senate and the
Speaker of the House of Representatives

This report examines the U.S. participation in the early warning system in the Sinai. It focuses on the establishment and operation of the system, compliance with the provisions of both the U.S. proposal and the joint resolution, and the possible future implications of the U.S. peacekeeping role in the Sinai.

This review was made to assist the Congress in its oversight responsibilities by independently evaluating how the joint resolution and U.S. proposal had been implemented and how well the program had been managed.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretaries of State and Defense.

James B. Stacks
Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

AN EVALUATION OF THE
U.S. EARLY WARNING SYSTEM
IN THE SINAI
Departments of State
and Defense
Sinai Support Mission

D I G E S T

To the extent that these matters can be appraised for the near future, GAO believes that the provisions of the U.S. establishment of a U.S.-staffed early warning system in the Sinai desert and the joint resolution of the Congress have been met.

The United States proposed establishing such an early warning system, and this proposal was accepted by the parties and later approved by a joint resolution of the Congress on October 13, 1975.

GAO made an independent evaluation of the U.S. participation and reviewed how the U.S. proposal and the joint resolution had been implemented and how effectively the program had been managed. GAO's review covered the period from the enactment of the joint resolution to the completion of the permanent facilities in the Sinai in July 1976. GAO found that:

- The U.S. early warning system established February 22, 1976, is being operated by a private contractor under U.S. Government supervision in accordance with the U.S. proposal. (See chs. 4 and 5.)
- There are 165 U.S. volunteers in the Sinai. Procedures seemed adequate to make certain that none had intelligence affiliations. They are unarmed except for small arms kept for their personal protection. (See p. 16.)

--There are adequate contingency plans for emergency evacuation of the U.S. personnel. All preevacuation actions and local security measures had not been completed at the time of GAO's review. (See pp. 9 to 11.)

GAO also considered the future implications of the U.S. role in the Sinai. The U.S. participation in the Sinai probably will continue until a new agreement is reached or hostilities are resumed between Egypt and Israel.

Because of the need for what is perceived as a credible U.S. presence in the Sinai, the number of Americans probably will not be reduced below present levels. (See pp. 11 to 13.)

OTHER COMMITMENTS

As part of its commitment to the Sinai disengagement agreement, the U.S. provided \$13 million worth of technical assistance to Egypt to begin construction of a surveillance station in the Sinai. (See p. 21.)

The U.S. also contributed \$10 million in equipment to the U.N. to help it meet its expanded responsibilities in the area. (See pp. 21 and 22.)

MANAGEMENT

The management of the U.S. early warning system was generally satisfactory. Some problems existed in the field, such as the nonavailability of vehicle repair parts, incomplete local security arrangements, and ineffective inventory control of supplies. GAO believes that the lessons learned might be applied to similar future situations with possible savings and improved efficiency. (See ch. 5.)

FUTURE IMPLICATIONS

The precedent and success of the U.S. presence in the Sinai raises the possibility that the U.S. may be asked to extend the early warning concept beyond the terms of the present agreement.

Although the U.S. participation in the Sinai can be considered successful, the circumstances leading to the U.S. presence there and the conditions contributing to its success are unique.

In considering whether to extend the U.S. peacekeeping role beyond the present arrangements, these matters should be kept in mind. (See pp. 22 to 24.)

AGENCY COMMENTS

Overall, the Sinai Support Mission found the GAO draft report positive and constructive. It largely agreed with GAO's conclusions, except those dealing with contractor selection. (See p. 31.)

The Mission also pointed out that many problems identified in the draft report have been corrected. (See pp. 67 and 68.)

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ABBREVIATIONS

AID	Agency for International Development
GAO	General Accounting Office
POL	petroleum, oil, and lubricant
R&R	rest and relaxation
RFP	request for proposals
SFM	Sinai Field Mission
SSM	Sinai Support Mission
UNEF	United Nations Emergency Force



THE SINAI PENINSULA

CHAPTER 1

INTRODUCTION

Largely as a result of U.S. initiatives to promote peace and maintain the momentum of disengagement after the ceasefire of the October 1973 Mideast war, Egypt and Israel concluded negotiations and later signed a basic agreement on September 4, 1975. Major provisions of this agreement call for (1) a redeployment of military forces, including a partial Israeli withdrawal in the Sinai, (2) the creation of an expanded buffer zone under the supervision of the United Nations Emergency Force (UNEF), (3) a commitment by both parties to seek peaceful solutions to the Middle East conflicts, and (4) the establishment of an early warning system entrusted to U.S. civilian personnel. (See app. I.)

The provision for an early warning system was based on a U.S. proposal made to both parties during the negotiations. The proposal called for an Egyptian and an Israeli surveillance station in the buffer zone supported by an early warning system operated by U.S. civilians. The proposal was accepted by both parties and became an integral part of the basic agreement.

On October 13, 1975, a joint resolution (H. J. Res. 683, Public Law 94-110) was approved authorizing the President to implement the U.S. proposal but placing certain conditions on U.S. participation.

THE SINAI SUPPORT MISSION

The U.S. Sinai Support Mission (SSM), based in Washington, D.C., was officially established on January 13, 1976, by Executive Order 11896 as a separate government entity. SSM was placed under the guidance of the National Security Council to implement the U.S. proposal. (See app. II.) The Sinai Field Mission (SFM) was later established under SSM to set up and run the early warning system.

The Director of SSM is a special representative of the President and is chairman of the Sinai Interagency Management Board, a special group created by the Executive order to assist, coordinate, and advise the Director on SSM activities. Board members include senior representatives of the Departments of State and Defense, the Agency for International Development (AID), the Arms Control and Disarmament Agency, and the Central Intelligence Agency. The interagency approach was adopted to allow SSM to keep its Washington headquarters staff small while availing itself of the expertise of other Federal agencies. The Director receives (1) broad policy guidance from

the Assistant to the President for National Security Affairs and (2) overall supervision and general direction from the Secretary of State under section 622(c) of the Foreign Assistance Act.

The construction and operation of the early warning system was contracted to a U.S. firm, E-Systems, Inc., of Dallas. The contractor, together with its subcontractors, has undertaken to install, operate, maintain, and support the early warning system. Contractor activities in the field are under the overall management and control of the Director of SFM. SFM staff include both Government and contractor personnel.

SFM became operational on February 22, 1976, when UNEF was in place in the buffer zone and Egypt and Israel had completed their redeployment. Movement of SFM from temporary quarters to a permanent base camp was completed by July 4, 1976.

SSM funding is provided from the Middle East Special Requirements Fund under the Foreign Assistance Act of 1961, as amended. For fiscal year 1976 and the transition quarter, \$30 million was appropriated; annual operating costs are expected to be \$13 million during each fiscal year thereafter.

SCOPE OF REVIEW

The joint resolution requires that the President report at least every 6 months to the Congress on the status, scope, and anticipated duration of U.S. participation in the early warning system and on the feasibility of ending or reducing U.S. participation as soon as possible. The first report required and submitted to the Congress under this provision was dated April 13, 1976. Pertinent aspects of the President's report are dealt with in chapter 3. The joint resolution also requires that appropriate congressional committees promptly hold hearings on each report and report to the Congress any findings, conclusions, or recommendations. The primary objective of this review is to assist the Congress by providing an independent evaluation of the early warning system.

We focused our efforts on how the joint resolution and the U.S. proposal had been implemented and how effectively the U.S. program had been managed. We also considered the future implications of the U.S. role in the Sinai. Such areas as costs, staffing, contractual arrangements, physical security, personnel welfare, duration, and U.S. commitments were examined during our review.

The review generally covered the period from the enactment of the joint resolution in October 1975 to the completion of the U.S. permanent facilities in the Sinai in July 1976. We visited SFM just after it had been moved from the temporary to the permanent camp.

Principal organizations and locations visited were:

- Department of Defense, Washington, D.C.
- Agency for International Development, Washington, D.C.
- Department of State, Washington, D.C.
- Headquarters, Sinai Support Mission, Washington, D.C.
- Sinai Field Mission, buffer zone between Egypt and Israel.
- U.S. Embassies in Cairo, Egypt, and Tel Aviv, Israel.
- E-Systems, Inc., Greenville, Texas (prime contractor).
- H. B. Zachry, Co., San Antonio, Texas (major subcontractor).
- U.S. European Command, Stuttgart, Germany.

We also met with officials of Israel, Egypt, and various U.N. peacekeeping organizations in the Middle East.

CHAPTER 2

SUMMARY EVALUATION

In authorizing the implementation of the U.S. proposal and in appropriating funds for that purpose, the Congress implicitly recognized a U.S. commitment to both Israel and Egypt. Our review, therefore, considered whether the functions, terms, and conditions of the U.S. proposal were being carried out and whether the provisions of the joint resolution were being met.

To the extent that these matters can be judged in the short run, we believe that the provisions of the U.S. proposal and the joint resolution have essentially been met. (See chs. 3 and 4.)

On balance, the establishment and operation of the early warning system demonstrated a successful blending of government and private enterprise to achieve desired results under difficult circumstances. Noteworthy was the speed with which the early warning system became operational between the signing of the joint resolution on October 13, 1975, and the redeployment of forces in the Sinai on February 22, 1976. In this brief period, an onsite survey of requirements was made, the contract was awarded, personnel were trained, equipment was installed, and initial support was provided. All this was not achieved without some problems, however. (See ch. 5.)

For the long run, our review raised several questions concerning the duration of the U.S. commitment in the Sinai, the number of personnel involved, and future implications. (See chs. 3 and 4.)

These matters are summarized below and detailed in subsequent chapters.

THE JOINT RESOLUTION

The joint resolution, together with its legislative history, provides that (1) U.S. personnel will be volunteers not employed by any foreign intelligence-gathering agency, (2) they will be removed from the Sinai in the event of hostilities or if their safety is jeopardized, and (3) every effort will be made to limit the extent and duration of U.S. participation.

--We found no evidence that the personnel conditions had not been met. Personnel were either assigned

voluntarily from Federal civilian agencies or recruited by the civilian contractor. Procedures were established and followed to make certain that Government and civilian contract personnel had no intelligence affiliations.

--The requirement for conditional removal of U.S. personnel in the Sinai implies the need for adequate advance planning and for insuring the continuing safety of personnel stationed in the Sinai. Adequate Defense Department and Embassy plans had been developed for evacuating personnel under a wide range of contingencies. SSM had also developed complementary emergency plans as well as procedures for the local security of U.S. personnel. Some deficiencies encountered at SFM in planning and implementation had not been resolved at the time of our review. These included problems with physical security measures, vehicle condition, and availability of spare parts.

--Prospects for an early end to U.S. participation are dimmed by several considerations: the indefinite commitment under the U.S. proposal, the understanding of the parties to the agreement that the U.S. commitment is for at least 3 years, and the consensus of U.S. officials that American involvement will continue until a new agreement is reached or hostilities are resumed. Possibilities for reducing the number of U.S. personnel are also remote because present staff levels are equated to what is perceived as a credible presence in the Sinai.

THE U.S. PROPOSAL AND OTHER COMMITMENTS

The U.S. proposal stipulates that U.S. personnel assigned in the Sinai will be civilians, that they will number no more than 200, and that no arms will be maintained except for small arms required for personal protection. It also outlines certain functions dealing with verifying the nature of operations at the Israeli and Egyptian surveillance stations, establishing watch stations and electronic sensor fields for the detection of movement, and reporting divergencies and violations to the parties and the United Nations.

In separate understandings, the United States also agreed to provide certain support to the United Nations and to Egypt as part of its commitment to the Sinai disengagement agreement. (See ch. 4.)

- Government personnel in SFM were civilians assigned from the Department of State and the Agency for International Development, and were not drawn from the uniformed military services. The June 30, 1976, SFM personnel authorization is 165 employees. During the construction phase as many as 240 persons were in the Sinai during a 1-week period in June. However, with the completion of the permanent facilities on July 4, 1976, this number was reduced to 165 Government and contract employees.
- Small arms such as rifles, shotguns, and revolvers were maintained by SFM for personal protection. Some of these weapons were stored in locked cabinets at the watch stations; the remainder were held under centralized control at the base camp.
- As specified in the U.S. proposal, watch stations and sensor fields for detecting movement have been established, and an extensive communications network connecting SFM with Egyptian, Israeli, and U.N. officials is in operation. SFM periodically inspects the Egyptian and Israeli surveillance stations and continuously monitors all movements in and out of the stations. In this way SFM makes certain that unauthorized weapons and personnel are not present and verifies that the stations are being used only for their intended purpose.
- The United States provided \$13 million in technical assistance to Egypt to begin construction of its surveillance station in the Sinai. The United States also provided the United Nations \$10 million in equipment to help UNEF meet its responsibilities in the expanded buffer zone.

FUTURE IMPLICATIONS

The precedent of the U.S. presence in the Sinai and its apparent success raises the possibility that the United States may be asked to extend the early warning concept beyond the terms of the present agreement. A senior Israeli official has already suggested that SFM could serve as a model for use in other Mideast trouble spots, such as the Golan Heights or the West Bank.

The circumstances leading to the U.S. presence in the Sinai and the conditions contributing to its success are unique. Moreover, an extension of the U.S. presence beyond

the present arrangements would reinforce the precedent of the United States in a peacekeeping role and could weaken confidence in the United Nations as a peacekeeper. The United States should keep these matters in mind if consideration is given to extending the concept beyond its present arrangement and committing the United States to additional peacekeeping responsibilities.

MANAGEMENT

The management of the establishment and operations of the early warning system was generally satisfactory. We found no conditions in the Sinai which might deter the United States from fulfilling its obligations. Some problems existed, and the lessons learned might be applied to similar future operations to achieve savings and improved efficiency. (See ch. 5.)

CHAPTER 3

THE JOINT RESOLUTION

In authorizing the President to implement the U.S. proposal, the joint resolution placed the following conditions on the U.S. participation.

- U.S. personnel participating in the early warning system in the Sinai shall be volunteers. During committee hearings on the joint resolution, both the House and the Senate expressed the intent that no U.S. personnel would be hired who were presently employed by any foreign intelligence-gathering agency.
- U.S. personnel assigned to the Sinai shall be immediately removed in the event of hostilities or if the Congress by concurrent resolution determines that their safety is jeopardized or that they are no longer needed.
- The President shall report to the Congress at least once every 6 months on (1) the status, scope, and anticipated duration of U.S. participation and (2) the feasibility of ending or reducing as soon as possible the participation of U.S. personnel by substituting nationals of other countries or by making technological changes. According to a House International Relations Committee report of hearings on the joint resolution, the intent was that every effort would be made to limit the extent and the period of U.S. involvement.

The text of the joint resolution is included as appendix III.

ASSIGNMENT OF PERSONNEL

Personnel recruitment procedures used by the prime contractor and SSM to fill operational and support positions for the early warning system seemed adequate to make certain that employees were American volunteers in a non-military status when employed. Both SSM and the prime contractor, under SSM direction, took measures to obtain compliance in this area--the contractor, by developing special personnel screening procedures, and SSM, by recruiting volunteers from the State Department and AID.

SSM procedures to make certain that only nonintelligence personnel were assigned to SFM were rather loosely drawn, although we identified no specific problems. Initial SSM guidance to the contractor on hiring former military or intelligence personnel was verbal. SSM later notified the contractor in writing that no personnel with these backgrounds who had terminated such employment or service after October 13, 1975, the date of the joint resolution, were to be selected for positions in SFM. Although some individuals had been employed by intelligence organizations before October 13, 1975, our review of contractor records confirmed that SSM guidance was followed.

According to SSM officials, a security check was performed on the first 87 contractor personnel assigned to SFM and none were found to have had any active intelligence connections. This check served as the basis for SSM's statement of compliance with congressional intent on this provision contained in its first report to the Congress (April 13, 1976). No additional security checks were performed from April to July 1976. Beginning in July 1976, however, SSM officials stated that all contractor personnel would be required to sign a certification attesting to a nonmilitary and nonintelligence status. We were told that U.S. Government employees assigned to SFM are not required to sign this certification because they were recruited from State and AID and are known not to have any intelligence affiliations.

REMOVAL AND SAFETY OF PERSONNEL

The condition that U.S. personnel be immediately removed from the Sinai in the event of hostilities or if their safety is jeopardized implies the need for adequate advance planning. There is a derivative requirement to insure the safety of personnel as long as they are stationed in the Sinai.

The basic plan for the emergency evacuation of U.S. personnel was developed by SSM as a State Department plan using standard State and Defense procedures for evacuating noncombatants. As such, it was reviewed and approved by the European Liaison Group, an interagency group responsible for coordinating such plans between State and the Commander in Chief, U.S. European Command.

The Commander in Chief has in turn prepared a contingency operation plan for evacuating SFM personnel in the

event that routine State Department efforts cannot achieve evacuation without military assistance. This plan was prepared to interface with the SSM plan under various contingencies.

The SSM plan is detailed and comprehensive; it provides for the protection of U.S. personnel under standby conditions, partial evacuation, and full evacuation. Appendixes to the plan provide for a periodic review of such areas as planning, dry runs, monitoring of personnel locations, emergency notifications, evacuation routes, distribution of weapons, communications, and task organization.

Some aspects of the SSM plan as written at the time of our review applied to the temporary base camp location and therefore needed revision. Moreover, the plan had not been completely coordinated with the contractor, and preimplementation actions and rehearsals had not been made. We also observed some problems involving SFM vehicle maintenance, including vehicles being not operable because spare parts were not available. Unless corrected, these problems could affect SFM's ability to evacuate under emergency conditions. (See ch. 5.)

Local security arrangements were not complete at the time of our review. Internal security is provided by contractor-employed guards. External security is provided by UNEF elements. A chain-link fence was being installed around the base camp, and a protective shelter was being built to house the minimum number of personnel required to operate the early warning system during emergencies.

We observed several conditions which adversely affected security. Some are related to the base camp design and are discussed in chapter 5. A recent security survey by the State Department's Office of Security resulted in a number of recommendations which should correct most of the deficiencies. These arrangements will reportedly require about 2 months to complete.

The contractor provides rifles, shotguns, and revolvers for the protection of personnel. Instructions for distributing these weapons are contained in the SSM emergency plan. Two shotguns and two rifles are maintained at each of the three watch stations; the rest of the weapons are locked up at the base camp. One of the headquarters buildings has a room with an intrusion device. At the time of our visit, the weapons had not yet been moved into this

room but were kept in a locked wooden cabinet in a general storage room. weapons are controlled by SFM Government personnel, but which individuals were responsible for them was not clear. We could not verify the presence of the weapons because the key to the arms cabinet was not available at the time of our visit.

DURATION AND REDUCTION OF U.S. PARTICIPATION

The President's first report to the Congress, dated April 13, 1976, did not discuss the anticipated duration of the U.S. participation in the early warning system. However, the report said that SSM would review the feasibility of reducing personnel by making technological changes at SFM and that it would report its findings to the Congress in its next report.

Duration

While the Congress expected that every effort would be made to limit the extent and period of U.S. involvement, it ratified the U.S. proposal, which states, "the United States affirms that it will continue to perform the functions [in connection with the early warning system] * * * for the duration of the basic agreement."

SSM and State Department officials believe that U.S. participation will be for an indefinite period. The earliest hope is for termination by 1979, when Egypt is expected to complete its surveillance station in the Sinai, but realistically the duration of the U.S. presence will probably hinge on either the resumption of hostilities or a final peace settlement.

According to our discussions with State Department; SSM; and senior Israeli, Egyptian, and U.N. officials in the Middle East, although a time limit was not included in the agreement or U.S. proposal, it was generally understood by the parties during the negotiations that the U.S. presence would continue in the Sinai for at least 2 to 3 years. Furthermore, according to U.N. officials, the U.S. presence was to continue as long as the U.N. mandate was renewed each year. We were told that a U.S. withdrawal would, however, affect the agreement because the U.S. presence is an integral part of the agreement.

There appeared to be a consensus among these senior officials that the U.S. presence had demonstrated a U.S.

commitment to peace in the Middle East, had provided stability in the area, and had contributed in some ways to a reduction in tensions. We were told that the U.S. presence could be considered successful.

Reduction

The need to maintain what is perceived as a credible U.S. presence in the Sinai may not be entirely compatible with the original congressional expectation that such presence be reduced as soon as possible.

The requirement of the U.S. proposal for not more than 200 U.S. personnel was generally based on the number of persons considered necessary to man three watch stations and to perform the required inspections of the Israeli and Egyptian surveillance stations. We were told, however, that the Defense Department had advised SSM at the outset that it was technically feasible to install the sensor fields and operate them remotely--without manning the watch stations--with substantially fewer than 200 personnel. According to SSM officials, at the time of the negotiations primary importance was attached to establishing a credible American presence in the Sinai as a symbol of the American involvement in the Middle East peace process. The surveillance, inspection, and reporting functions performed by SFM were of secondary importance to the actual American presence in the area. During our review, we were told that the sensor equipment in use is relatively unsophisticated and that personnel operating it require only minimal training. In our view, it appears that it has always been feasible to reduce the number of U.S. personnel at SFM through technological changes, but this contingency has been consistently outweighed by a desire for a credible U.S. presence.

Before selecting the prime contractor, U.S. Government officials considered hiring foreign nationals to operate the early warning system. According to SSM officials, relations between Egypt and Israel at that time were uneasy and the U.S. role in the buffer zone was somewhat uncertain. Because of the need for a credible U.S. presence; a desire to avoid involvement or dependence on UNEF, Israel, or Egypt; and numerous problems associated with using other country nationals, a decision was made to use only Americans in the early warning system.

Consideration was later given to reducing the number of U.S. personnel in SFM by using foreign nationals residing

in the buffer zone (Bedouins) in certain housekeeping and administrative functions. This idea was also discarded because of potential problems in such areas as security, housing, salaries, and emergency evacuation.

CONCLUSIONS

The provisions of the joint resolution have essentially been met. Evacuation planning appeared adequate, but SFM preimplementation measures and local security arrangements were not complete. We believe these deficiencies were due mainly to the transition from temporary facilities to the permanent base camp. Corrective measures planned at the time of our review should resolve these problems.

If hostilities between Israel and Egypt are not resumed, the U.S. presence in the Sinai will probably continue until the parties reach a new agreement. Substantial reductions in the number of U.S. personnel will probably not be achieved because the need for a credible U.S. presence is equated to the present SFM staffing level.

CHAPTER 4

THE U.S. PROPOSAL AND OTHER COMMITMENTS

The joint resolution, in authorizing the President to implement the U.S. proposal, implies a U.S. commitment to both parties to the basic agreement to carry out the provisions of the proposal.

In connection with mediation efforts in the Sinai and its early warning commitment, the United States incurred additional obligations to support UNEF in meeting its expanded responsibilities in the buffer zone and to help Egypt establish a surveillance station in the Sinai.

In its report of hearings on the fiscal year 1976 appropriation request to support these commitments, the Senate Committee on Appropriations concluded:

"* * * if the Congress were now to deny funding for purposes to which it has given constructive consent, a serious breach in comity between the Executive and Legislative Branch would ensue. We believe that the responsible course is to appropriate these funds requested by the President."

PROVISIONS OF THE U.S. PROPOSAL

The Secretary of State testified before the House International Relations Committee that the need for the American participation in the Sinai developed during the negotiations. At the time of the cease-fire, Israel maintained a strategic warning station at the western approach to the Mitla-Giddi Pass area (see map preceding ch. 1) and insisted on retaining this capability. Egypt accepted this on the condition that it be allowed to establish a similar warning station on the eastern approach to the area.

Since neither party would agree to placing its warning station under the other party's control, both sides endorsed a proposal that the United States assume trusteeship over the stations. The United States resisted the proposal, primarily because of the number of Americans that would have been required at each station. However, the United States accepted the basic idea that it would supervise the fact that neither station would be used for fortification or contain arms except for personal protection.

The United States finally agreed to operate a tactical early warning system in support of the Egyptian and Israeli stations. According to the Secretary of State, the United States reluctantly agreed to this concept when it appeared that there would be no disengagement agreement without such a commitment. Israel insisted on American participation because it lacked confidence in some members of the U.N. force to fill this role. Both Egypt and Israel had confidence only in the United States to operate the early warning system.

Accordingly, the U.S. proposal was offered to and accepted by the parties and became an integral part of the basic agreement. The proposal contains the following provisions:

- The U.S. early warning system in the Sinai will consist of three watch stations, manned by American civilian technicians, and four unmanned electronic sensor fields in support of these stations.
- The total number of American civilians assigned to this mission will not exceed 200.
- The U.S. early warning system will support the two strategic surveillance stations operated by Egyptian and Israeli personnel, referred to as E-1 and J-1, respectively. Each of these stations shall be manned by not more than 250 technical and administrative personnel.
- No arms shall be maintained at the stations and other facilities, except for small arms required for protection.
- U.S. civilian personnel have the responsibility to
 - (1) verify the nature of the operations at J-1 and E-1 and all movements into and out of each station,
 - (2) immediately report any detected divergency to the parties to the basic agreement and to UNEF, and
 - (3) at each U.S. watch station, similarly report any movement of armed forces into either pass and any observed preparations for such movement.

The text of the U.S. proposal is included as appendix IV.

Personnel

As discussed in chapter 3, procedures for making certain that only civilian personnel were assigned to SFM appeared to

be adequate, and we found no evidence of noncivilians working there.

The June 30, 1976, SFM staffing level is well below the limit of 200 provided for in the U.S. proposal. During the construction of the SFM base camp and the watch stations, as many as 240 U.S. personnel were present in the Sinai for 1 week in June. However, by June 30, 1976, this number had been reduced to 165.

Small arms

As discussed in chapter 3, SFM maintains some small arms for personnel protection. These include:

- Twenty-five AR 15 rifles.
- Twenty 12-gauge shotguns.
- Twenty-five .38 caliber revolvers.

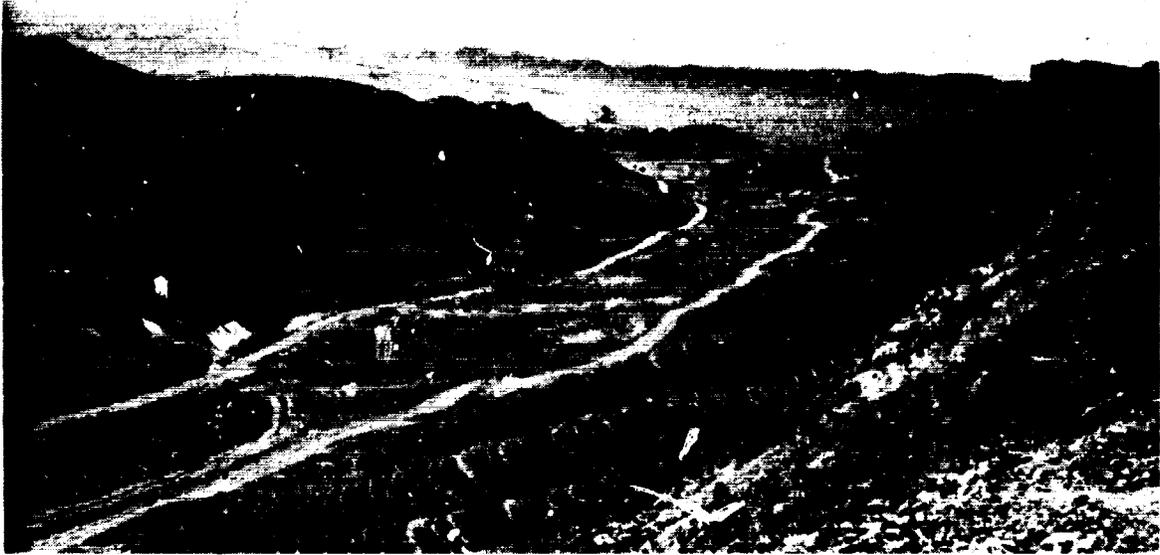
Two rifles and two shotguns are stored at each of the three watch stations. We found no evidence of any other weapons at SFM.

The early warning system

In accordance with the U.S. proposal, the United States has established three manned watch stations and four unmanned sensor fields in the Sinai. The four sensor fields consist of seismic and accoustical sensor devices implanted near the roads leading into the western and eastern ends of the Mitla and Giddi Passes. (See map preceding ch. 1.)

The three watch stations overlook the sensor fields that they monitor by means of graphic readout and sound equipment. Various optical devices, including night vision instruments, are also available at the watch stations. Each station has several means of communicating with the operations center at the base camp. The watch stations are staffed by contractor personnel. Two operators are on duty at each station at all times. The stations are permanently constructed, air-conditioned facilities enclosed by chain-link security fences. Security is provided by U.N. forces.

The operators' primary duties are to monitor and identify vehicle traffic through the passes. When a vehicle enters a sensor field, the monitoring equipment in the station is activated and the operators must identify the vehicle to



GIDDI PASS



U.S. WATCH STATION

determine whether it is authorized. Most movements monitored by the watch stations are U.N. vehicles or other routine traffic. Occasionally, a nonroutine intrusion is detected. This is investigated further by personnel from the SFM base camp. If the investigation determines that a violation has occurred, the violation is reported to both parties and to the United Nations in accordance with the U.S. proposal. SFM has developed detailed written operating instructions concerning these activities.

As of June 30, 1976, 20,686 movements had been recorded by the three stations. Only nine, however, resulted in investigations that generated reports of violations.

We were told that there had been no technical problems involving the equipment. The operators we visited appeared to be well versed in operation of the equipment. They reported that operating the equipment was relatively simple and required little technical training.

Verification of operations at the surveillance stations

As required by the U.S. proposal, SFM has established clearly defined written procedures for verifying the nature of operations at the Egyptian and Israeli surveillance stations. Regarding the operations, the protocol to the basic agreement and the U.S. proposal state that:

- Each surveillance station will be manned by not more than 250 personnel who shall perform functions of visual and electronic surveillance only within their station.
- Each party may introduce items into its station for proper functioning of the station.
- Personnel will be equipped with small arms (revolvers, rifles, submachine guns, light machine guns, hand grenades, and ammunition) required for their protection.
- 18 unarmed administrative and maintenance vehicles are permitted.

Verification is carried out entirely by U.S. Government personnel. The SFM Director periodically inspects the interior of the stations, and liaison officers verify all movements into and out of each station.

In initiating the verification procedure on February 22, 1976, the Director conducted an inventory of the weapons, personnel, and vehicles at each station. Some unallowable weapons were detected at both stations and were later removed. Personnel and vehicles were noted to be within the agreement limitations. Using this initial inventory as a base, the liaison officers began verification checks of movements into and out of the stations, noting all changes in logbooks maintained at each station.

From the beginning, SFM has encountered some verification problems concerning the interpretation of the agreement. For example, the protocol permitted the Egyptians to introduce a working team into the buffer zone for construction at E-1. These personnel and vehicles were outside the limitation cited in article III of the protocol. The Israelis were not given a similar authorization to introduce a working team for J-1. However, by common agreement, the personnel limitation was later modified by the parties to permit up to 100 visitors at each surveillance station during daylight hours. This modification was worked out by the UNEF Commander, Egypt, and Israel. Our review of SFM logs indicate that these limits have not been exceeded.

Other problems have occasionally arisen concerning the SFM responsibility for inspecting all vehicles entering the surveillance stations and the reconciliation of vehicle count discrepancies between SFM and UNEF. These problems have been resolved, and SFM is apparently free to fulfill its responsibilities for monitoring all movement into and out of the stations.

At the time of our review, the SFM Director was the only American allowed to enter either surveillance station for verification purposes. The Director usually gives several hours notice for such inspections. Because of the size and complexity of the stations, it would appear complete verification by one person would be difficult to accomplish. However, on at least one occasion, the Director observed and reported unallowable weapons. These weapons were later removed.

In its comments on our draft report, SSM indicated that this procedure had been modified since our review to permit the Director or the Deputy Director, accompanied by up to three other SFM staff members, to inspect the surveillance stations.



COMMUNICATIONS ANTENNA AT SFM BASE CAMP

Reporting

As called for in the U.S. proposal, SFM maintains an extensive communications system connecting it with Israeli, Egyptian, and U.N. officials for reporting divergencies and violations.

Initially, notifications to the parties were made through the Egyptian and Israeli surveillance stations. SSM subsequently agreed to modify this procedure by establishing communications for notification purposes directly with the Israeli Defense Forces in Jerusalem and the Egyptian Ministry of War in Cairo. The E-Systems contract was amended to make these changes at an additional cost of about \$230,000.

At the time of our visit to the Sinai in July 1976, the Cairo communications link was not operating properly. We were told that this problem was caused by the distance involved and equipment and power supply difficulties. The contractor was working to correct the problem. A high-ranking Egyptian official told us that the problem was a significant one.

Since notifications to Egypt can still be made through the Egyptian surveillance station, however, the most serious effect of this problem would be to delay notifications.

In commenting on our draft report, SSM reported that problems associated with the communications link have been corrected since our July visit.

OTHER U.S. COMMITMENTS IN THE SINAI

Because of its role in negotiating the basic agreement, the United States agreed to provide assistance to the United Nations in meeting its additional responsibilities in the expanded buffer zone. The United States also agreed to assist Egypt in constructing a surveillance station in the Sinai.

The Egyptian surveillance station

In a separate understanding during the negotiations, the United States agreed to provide technical assistance to Egypt to begin construction of its surveillance station as called for in the U.S. proposal.

In fiscal year 1976, \$13 million was provided in the Middle East Special Requirements Fund to "establish and equip" the Egyptian surveillance station. No funds were requested for this purpose in fiscal year 1977. According to SSM officials, neither SSM nor SFM is involved in any way in the construction of the Egyptian surveillance station. We observed that observation towers and antennae had been erected and facilities had been or were being constructed at the station.

Contribution to the United Nations

Under the terms of the basic agreement, the United Nations is responsible for controlling access to the buffer zone, a 1,700-square-mile area in the Sinai between the Egyptian and Israeli forces. UNEF performs this task, under an annually renewable U.N. mandate, with 4,000 troops from 7 nations. UNEF was initially organized as a peacekeeping force in the Suez area at the time of the cease-fire after the 1973 war.

UNEF's expanded responsibilities under the disengagement agreement following the 1973 war strained U.N. finances. The United States agreed, therefore, to make a special one-time contribution to help relocate UNEF from the Suez area to the new buffer zone and to provide the equipment UNEF needed to meet its expanded responsibilities. The fiscal year 1976 Middle East Special Requirements Fund contained \$10 million, which was intended to reimburse the Department of Defense for equipment provided to UNEF. According to Defense officials, all the equipment has been provided and reimbursement had been received from AID. The fiscal year 1977 Middle East Requirements Fund submission to the Congress contained no further funding requests for UNEF.

FUTURE IMPLICATIONS

As discussed earlier, the U.S. involvement in the Sinai grew out of a unique set of circumstances; namely, the special role of the United States in the disengagement negotiations, Israeli insistence on retaining its strategic position in the



U.N. ENCAMPMENT IN THE BUFFER ZONE

Mitla-Giddi Passes area, and the probability that no agreement would have been reached without the U.S. commitment. Moreover, the United States has been able to maintain its presence in the Sinai because conditions there--mainly a large, isolated, and virtually uninhabited buffer zone and the absence of terrorist activity--contribute to the safety of American personnel. These special considerations and conditions may not be present in other areas.

During congressional hearings on the joint resolution, the Secretary of State testified that U.S. personnel in the Sinai are there in a peacekeeping role exactly analogous to that of the U.N. force. As we previously noted, the U.S. participation became an integral part of the agreement because Israel lacked confidence in some members of the U.N. force and both parties had confidence only in the United States for operating the early warning system.

In conversations with SFM and U.N. officials, we were told that no real problems exist between SFM and UNEF, although each performs a different peacekeeping role in the Sinai. U.N. officials indicated that they viewed relations between SFM and UNEF as quite good and felt that the peacekeeping responsibilities carried out by each were complementary. These officials, along with the Israeli and Egyptian officials with whom we spoke, fully accepted the U.S. presence in the area and the manner in which the United States is carrying out its peacekeeping role. Overall, these officials felt that the American presence in the Sinai had demonstrated a U.S. willingness to actively participate in the Mideast peace process and that it had reduced tensions and contributed to a greater feeling of security in the area.

The precedent of the U.S. presence and its apparent success raises the possibility that the United States may be asked to extend the early warning concept beyond the terms of the present agreement. One senior Israeli official has already suggested that SFM could serve as model for use in other Mideast trouble spots, such as the Golan Heights or the West Bank.

In our view, an extension of the early warning concept would certainly reinforce the precedent of the United States in a peacekeeping role. For the long term, additional U.S. peacekeeping responsibilities could weaken confidence in the United Nations as a peacekeeper while more firmly establishing the United States in this role.

We believe the United States is meeting its commitments under the U.S. proposal. However, it is important to note that the circumstances leading to the U.S. presence in the Sinai and the conditions contributing to its success are unique. These matters should be kept in mind in deciding whether to expand the U.S. peacekeeping role beyond the present arrangements. The long-term implications of additional U.S. peacekeeping responsibilities in the area for the United Nations and its traditional peacekeeping role should also be considered.

CHAPTER 5

MANAGEMENT

The establishment and operation of the early warning system demonstrated a successful blending of government and private enterprise to achieve desired results under difficult circumstances.

Noteworthy was the speed with which the early warning system became operational between the signing of the joint resolution on October 13, 1975, and the redeployment of forces in the Sinai on February 22, 1976. In this brief period, an onsite survey of requirements was made, the contract was awarded, personnel were trained, equipment was installed, and initial support was provided. By July 4, 1976, construction of the permanent facility in the Sinai was completed.

Our review of the management aspects of the early warning system indicated, however, that all this was not achieved without some problems.

SINAI SUPPORT MISSION COSTS

SSM is funded from the Middle East Special Requirements Fund of the Foreign Assistance Act. Fiscal year 1976 funds of \$20 million were initially requested, based on an estimate of startup costs of \$10 million and annual operation costs of \$10 million. In January 1976, based on a study of actual requirements, another \$5 million was requested for fiscal year 1976. An additional \$5 million was also requested for the transition quarter (July 1 to September 30, 1976).

Fiscal year 1977 projections for SSM are about \$13 million, about \$2 million less than originally anticipated. SSM officials said this figure covers normal operating costs for SSM and SFM, including equipment purchases, and related engineering costs.

SSM Budget and Obligations for Fiscal Year 1976

<u>Category</u>	<u>Budget</u>	<u>Obligations</u>
Headquarters operations (SSM)	\$ 407,810	\$ 444,407
Field mission operations (SFM)	893,350	923,011
Government-furnished equipment	1,518,715	1,659,060
U.S. Government contracts:		
Mitre Corporation	158,275	158,265
E-Systems	21,296,850	17,204,599
SSM/AID agreement	<u>725,000</u>	<u>611,680</u>
Total	<u>\$25,000,000</u>	<u>\$21,001,022</u>

As of June 30, 1976, SSM had only obligated about \$21 million of the \$25 million appropriated for fiscal year 1976. (See table on preceding page.) This occurred because SSM could not complete negotiations on change orders and contract overruns with the prime contractor before the end of the fiscal year. The remaining \$4 million was expected to be obligated during the transition quarter as negotiations were completed and contract amendments were signed. Some of the fiscal year 1976 budget categories are discussed below.

Government-furnished equipment

During fiscal year 1976, SSM obligated over \$1.6 million to the Departments of Defense and State and the National Security Agency to cover such items as transportation, equipment, personnel, and training, which had been provided on a cost-reimbursable basis. This support was obtained from these agencies because an operational capability in the Sinai had to be established as rapidly as possible and because the contractor could not adequately provide this type of support.

SSM/AID support agreement

SSM receives administrative, financial, personnel, and other management support services from AID, under the terms of a shared administrative support agreement. AID is reimbursed at a rate of 3 percent of the total costs incurred by SSM. This amounted to over \$600,000 for the fiscal year. AID has also furnished personnel for staff positions at both SSM and SFM on a cost-reimbursable basis. The salaries of these personnel are not paid under the AID agreement, but are included under the SSM and SFM operations categories.

SSM officials expect to renew the AID agreement which expires on September 30, 1976, but at a lower percentage rate. SSM officials believe that the amount of AID support no longer warrants using the 3-percent factor since most of the total budget is now paid to private contractors.

Contracts

Over 80 percent of the funds obligated during fiscal year 1976 were for contracts. On January 16, 1976, a letter contract was signed with E-Systems, the prime contractor, for an estimated \$16,500,000. The target date for definitizing the letter contract was April 15, 1976; however, this was delayed until June 15, 1976. SSM officials attributed the delay to (1) the contractor's unfamiliarity with a

support-cost-reimburseable contract and (2) a disagreement over the number of contract personnel required to staff the early warning system. Eventually, the parties agreed to a staff of 143 persons--less than the contractor wanted but more than the Government desired.

The June 15, 1976, contract is a combined fixed-rate/cost-plus-fixed-fee type with a total estimated amount of \$16,004,599. This total does not include contract changes and overruns estimated at over \$2.8 million which had not been negotiated at the time of our review.

<u>Contract No. SSM - 76 - 001</u>	
<u>January 16, 1976, through September 30, 1976</u>	
Part A - Fixed rate portion-labor	\$ 2,242,928.00
Part B - Cost-plus-fixed-fee portion- installation, operation, maintenance, and support of the early warning system	<u>13,761,671.00</u>
Total	<u>\$16,004,599.00</u>

SSM officials said they plan to extend the current contract to January 31, 1977. They believe that a 4-month extension will provide sufficient operating experience on which to negotiate a new, and perhaps different type of contract for a year beyond that date.

SSM has also contracted with the Mitre Corporation, a nonprofit Federal research contract center, to provide engineering services in systems analysis, communications, program management, logistics, and sensor technology. Mitre has prepared studies for SSM on such topics as emergency evacuation and contractor operating procedures. Mitre is currently helping SSM to examine the feasibility of personnel reductions at SSM and to determine the overall costs of building both the temporary and permanent camps in the Sinai.

The Mitre contract is a cost-plus-fixed-fee contract negotiated in April 1976 covering from January through July 1976 at a total estimated cost of \$158,265. Before the April contract was negotiated, Mitre had performed its support work under a precontract agreement. SSM officials expect to extend the current contract through June 1977 with decreasing numbers of staff involved.

CONTRACTOR SELECTION

On November 25, 1975, the first meeting of the Sinai Interagency Management Board was held. Within 53 days, a letter contract was signed with E-Systems. Thus, in less than 2 months, an onsite survey was made, the contracting method was determined, bids were solicited and evaluated, and a letter contract was negotiated. Although this is less than half the time normally needed to complete a contract, all the necessary procurement steps for a competitive, negotiated contract award were followed. However, we could not satisfy ourselves as to the reasonableness of the factors which were used to determine the final cost and management evaluations in the final selection because of insufficient documentation. But, according to SSM officials, due to the urgency of the situation, a strong position could have been made for sole-source procurement as a timesaving measure in lieu of open competition.

Solicitation

SSM prepared a request for proposals (RFP) based on the results of a 10-man interagency survey in the Sinai in early December 1975. The RFP appeared adequate to solicit competition. The RFP called for the contractor to provide qualified personnel and support to install, test, operate, and maintain the early warning system. Support included provisions for logistics, transportation, recreation facilities, subsistence, and construction.

Operating personnel requirements were the only need that was sufficiently identified in the RFP to allow a fixed-price proposal. In this regard, the RFP included as a guide the necessary categories of labor, and the offeror was allowed to modify these categories by adding, deleting, or combining functions. However, the total number of contractor personnel to serve in the Sinai could not exceed 170.

All other costs, such as construction (materials and labor), equipment, supply, and transportation costs were solicited on a cost-plus-fixed-fee basis. These needs were expressed in qualitative rather than quantitative terms.

This combination of contract types was used because there was not enough time for the Government to determine all its specific needs or for potential offerors to fully evaluate their risks.

The RFP covered the method, factors, and relative weight of the factors to be used in the evaluation. It also included general provisions for complying with such national goals as equal employment and fair labor standards. We believe the RFP was adequate to safeguard the Government's interests while promoting competitive practices.

In late December 1975, the RFP was sent to 46 firms that had expressed an interest in the solicitation. By January 6, 1976, SSM had received six proposals.

Evaluation

The evaluation plan, based on the Source Selection Board Manual of the National Aeronautics and Space Administration and Defense Department source selection procedures, focus on three major areas--management, cost, and technical capability. Each area was evaluated by a separate team, working independently, which reported to a Source Evaluation Committee. In all, 18 people from 10 different Government organizations participated in the evaluation.

Preliminary evaluations of the six proposals were completed on January 10, 1976, and three firms were eliminated from further consideration. On January 11 written questions were provided to each of the three remaining bidders, and responses were received on the following day. Final evaluations were prepared based on these responses and discussions with the bidders.

In the initial evaluation, cost evaluation appeared rather weak. For instance, we noted inconsistencies between points awarded for realism of cost quotes and the related written comments prepared by the Cost Evaluation Team. Some offerors received the same number of points for realism of their fixed-price quotes, yet in written comments there were major differences in what bids were considered reasonable. Moreover, in evaluating the cost-plus-fixed-fee position, no attempt was made to determine the reasonableness of the proposals, although points were awarded for realism. However, the cost evaluation was applied consistently to all proposals in awarding points, and the initial evaluations for each proposal were documented. We noted no major problems in the initial evaluation of the management and technical aspects.

In the final evaluations, scores for management and cost changed significantly. Changes in the management



ZACHRY MODULES IN PLACE AT SFM BASE CAMP

evaluation scores reflected impressions made by the bidders' representatives at the oral briefings.

The greatest changes occurred in the cost evaluation scores. Under the cost-plus-fixed-fee portion of the evaluation report, estimates used by the Government differed for each proposal, sometimes significantly on an item-for-item basis. Although the team evaluated each proposal individually on its own merit, we could not satisfy ourselves as to the reasonableness of these changes because they were not adequately documented.

Selection

On January 13, 1976, final evaluations of the proposals were completed and E-Systems was selected as the prime contractor. On January 16 a letter contract was signed.

In selecting E-Systems, SSM chose an established electronics systems and equipment manufacturer with annual sales of \$250 million and worldwide operational capabilities. The firm's Greenville Division was chosen to perform the Sinai project based on its experience and quick-reaction capability.

SSM officials indicated that E-Systems' expressed intent to subcontract the construction phase of the Sinai project to H. B. Zachry of San Antonio, Texas, contributed to its eventual selection as the prime contractor. H. B. Zachry had extensive experience in worldwide construction projects and had fully equipped, prefabricated building modules on hand which were immediately available for the Sinai project.

AGENCY COMMENTS

SSM felt that we had been provided with sufficient documentation in its contractor selection to demonstrate that informed judgments were made throughout its entire selection process.

We do not disagree that informed judgment was applied. We are taking issue only with the final evaluations. Based upon our review of the documentation provided to us, we could not satisfy ourselves as to the reasonableness of the changes which occurred from the initial to the final cost and management evaluations because they were not in our view adequately documented.

STAFFING

The authorized staffing level of SSM and SFM is 42 Government and 143 contractor personnel, distributed as shown on the accompanying table. In addition, seven contractor personnel are assigned to the Sinai project at E-Systems headquarters in Greenville, Texas, bringing the total number of contractor employees to 150.

Authorized Staffing
as of June 30, 1976

SSM (Washington, D.C.)		16
SFM (Sinai)		169
Government	26	
Contractor	143	
E-Systems (Greenville, Tex.)		7

Contractor employees

The permanent contract employees at SFM can generally be divided into those concerned with operations--sensor operations and communications--and those concerned with logistical and administrative functions. The ratio of support and administrative personnel to operations personnel is about 2 to 1. As of June 7, 1976, for example, of 143 employees authorized at SFM, 43 were concerned directly with operations. The other 100 were involved in program management, administration, and support functions.

Contract Labor Cost
Fixed-Rate Portion of Contract

	Number authorized as of <u>June 7, 1976</u>	Rate per <u>man-month</u>
SFM:		
Managers	6	\$4,953 to \$8,056
Communications, sensor, and teletype specialists	8	3,464
Labor--Level I	44	1,695
Includes: fire and security guards, clerks, custodians, drivers, laundrymen, and facility maintenance laborers		
Labor--Level II	41	1,948
Includes: paramedics, ac- countants, communications and sensor operators and maintenance and tire/ guard leadman		
Labor--Level III	28	2,328
Includes: mechanics, heavy equipment operators, power plant operators, cooks, and supply specialists		
Labor--Level IV	8	2,583
Includes: operations super- visors, vehicle and power plant leadman, and dieti- cian		
Other	8	2,583 to 3,745
Includes: social and educa- tion specialist, logistics coordinators, purchasing agent, and maintenance leadman		
headquarters staff	<u>7</u>	1,574 to 5,918
total	<u>143</u>	\$1,574 to \$8,056

The contract for the 150 E-Systems employees amounted to over \$2.2 million for the period January 16, 1976, through September 30, 1976. This cost includes salaries, allowances, overhead, general and administrative expenses, insurance, procurement support, and profit.

Contract personnel sign an employment agreement that generally requires them to serve 12 months beyond the end of the basic contract period (October 1, 1976) if the contract is extended. For most, this means a minimum period of employment of about 15 to 18 months. E-Systems employees receive their base salary, a 20-percent expatriation premium, a 20-percent hardship allowance, and a 10-percent annual bonus if they fulfill their assignment agreements. Purchased labor employees (those hired specifically for the contract and classified in labor levels I through IV) receive their specified salaries and a 20-percent bonus each year if they complete their employment agreements. Bonuses are included not as a part of the fixed-price portion of the contract but are under the cost-plus-fixed-fee portion. As with other U.S. civilians employed abroad, a portion of E-Systems employees' earned income may qualify for exclusion from U.S. taxes.

Monthly Compensation and Contractor
Costs for Selected Employees
(As of June 7, 1976)

	<u>E-Systems (technical maintenance leadman)</u>	<u>Labor level III (cooks, mech- anics, etc.)</u>
Fixed-price contract rate for man-month	\$3,592	\$2,328
Base salary	\$1,360	\$1,700
Expatriation premium (20%)	272	-
Hardship allowance (20%)	<u>272</u>	<u>-</u>
Subtotal	1,904	1,700
	(<u>1,904</u>)	(<u>1,700</u>)
Bonus payable under cost- plus-fixed-fee (10% to 20%)	<u>136</u>	<u>340</u>
Total employee compensation	<u>\$2,040</u>	<u>\$2,040</u>
Net fixed price rate (To cover offsite pro- curement and overhead, insurance, tax contin- gencies, general and administrative ex- penses, and profits)	<u>\$1,688</u>	<u>\$ 628</u>

Contractor employees also earn 2 weeks of paid vacation a year, plus transportation to their point of origin. In addition, rest and relaxation (R&R) is provided periodically in either Cairo or Tel Aviv at contractor facilities. R&R normally lasts about 1 week; employees receive \$20 per diem for 3 of the days.

U.S. Government employees

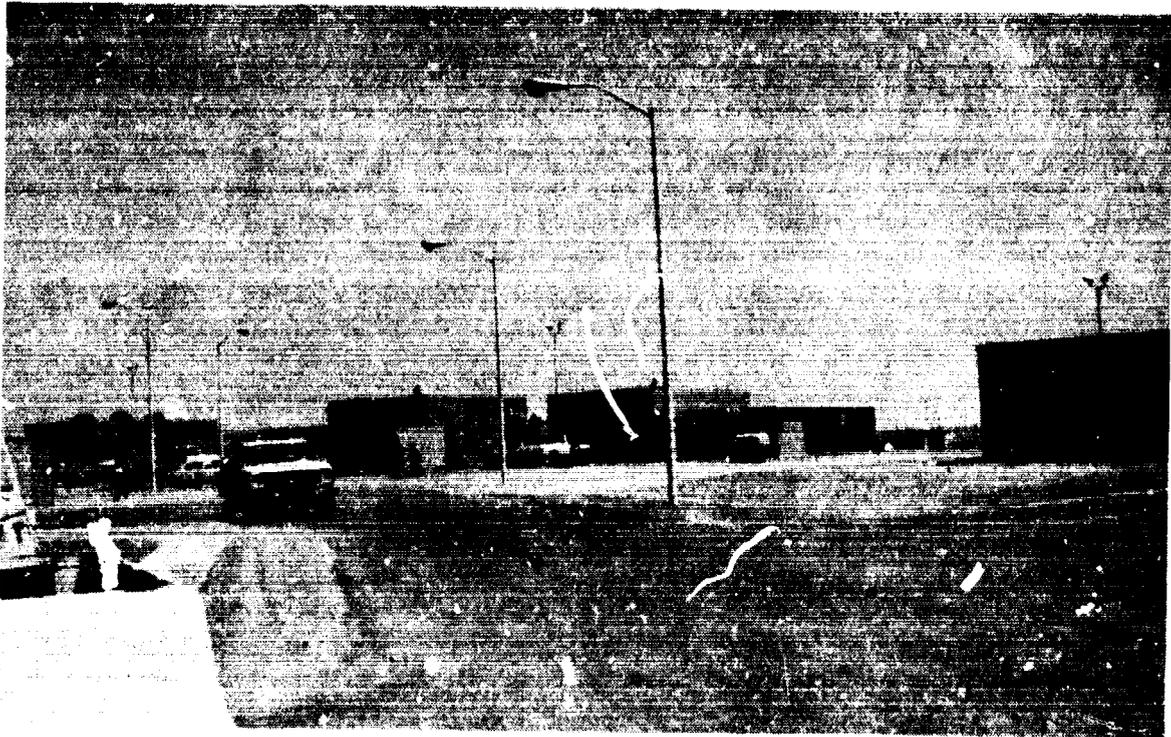
SFM has been designated a hardship post. Government employees assigned there receive allowances and benefits normally accruing to Foreign Service employees stationed in such areas. These include a 25-percent post differential, home leave credit, family visitation travel, R&R for single employees, and separate maintenance allowances.

No special benefits have been provided for Washington-based employees; however, several received two-grade increases when transferring to SSM from other Federal agencies. SSM officials said that job descriptions were prepared by SSM and approved by the Civil Service Commission. Because of the urgent need for staff, there was not enough time for the normal job learning process; therefore, applicants were hired who had expertise that could be applied immediately. Government employees were voluntarily recruited from State, AID, and other Federal agencies. At the completion of their assignment, most will be reassigned to their former agencies.

MORALE

At the time of our visit in July 1976, SFM morale appeared to be good. Some of the employees who had been there for several months did express dissatisfaction with the remote location and the monotony of their daily existence.

To minimize problems of attrition and to boost morale, SFM employees are provided attractive, air-conditioned quarters; recreational facilities; a bar; a barber shop; a laundry; movies; a library; and a small store. Recreational activities are planned, and educational opportunities are also offered. In addition, both Government and contract employees receive about 1 week in every 3 for R&R in Cairo or Tel Aviv. Initially, contract employees had a less liberal R&R schedule than Government personnel. This policy was changed to bring the contractor schedule more in line with that of the Government personnel. According to contractor officials, this new policy will probably require more contract employees and this matter will have to be negotiated.



THE BASE CAMP

Currently, contract employees are in an unaccompanied status (that is, dependents are brought over only at the employees' expense). However, eight Government employees, including the SFM director, are in an accompanied status. SFM leases four apartments in Cairo and five houses in Tel Aviv for these employees and their dependents. At the time of our review, one of the leased houses was unoccupied. Although families are distributed as equally as possible between Cairo and Tel Aviv, those with dependent children are located in Tel Aviv because of the less crowded school situation there.

Leased Government Quarters

	<u>Monthly rental</u>	<u>Renovations (to July 7, 1976)</u>
Cairo (4 apartments)	\$ 8,100	\$21,941
Tel Aviv (5 houses)	<u>2,300</u>	<u>10,392</u>
Total	<u>\$10,400</u>	<u>\$32,333</u>

SSM officials said that, initially, families had to be permitted to accompany some Government employees to attract qualified personnel for certain higher level positions. However, because of the many problems associated with maintaining housing and in the interest of an equitable policy, in the

future all Government employees, except for the SFM director and his deputy, will be unaccompanied.

PERSONNEL TURNOVER

A senior contract official estimated that the attrition rate for early arrivals at SFM was about 15 or 16 percent. He did not consider this an unusually high rate for the type of operation. He indicated that, had more time been available initially, people better suited for the conditions could have been hired. As it was, many people were unprepared for the remoteness and the harsh conditions at the temporary camp.

He said that new employees are better briefed now on what to expect and screening is more thorough. As a result, replacement personnel have been working out well.

Most people who left SFM did so for personal reasons, such as job dissatisfaction or problems at home. A few were terminated for cause and some construction employees left for medical reasons.

Personnel Terminations (SFM): Mid-March Through June 1976

U.S. Government	1
Prime contractor	15
Subcontractor	<u>33</u>
Total	<u>49</u>

CONSTRUCTION

As of June 11, 1976, there had been 34 changes to the cost-plus-fixed-fee portion of the contract and construction overruns of about \$757,000. Most of the changes can be attributed to the short time available to implement the U.S. proposal and the fact that initially communications and sensor operations were emphasized instead of the design and planning for the camp.

Temporary versus permanent base camp

The RFP called for a base camp with an initial capacity of 100 persons at all times and a potential to expand to a capacity of 185 persons. The RFP emphasized operational aspects of SFM and recognized the initial need for temporary housing, such as porta-camps or other temporary hard-walled portable structures.

As discussed earlier, the eventual selection of E-Systems as the prime contractor was based in part on its choice of the H. B. Zachry Company as the construction subcontractor. E-Systems' experience in electronics coupled with Zachry's in construction gave the Government confidence that the U.S. proposal would be successfully implemented. Although this combination was successful, it appears that the SSM base camp apparently could have been constructed for less money with fewer problems.

Zachry designed and constructed both the temporary and the permanent camps. Zachry's approach called for a temporary camp using "Kelly Klosures," a building material chosen for the simplicity of its basic structure (prefabricated steel and fiberglass panels), ease of shipment and assembly, fire-resistant qualities, and flexible uses. For the permanent camp, however, 124 prefabricated concrete modules, of the type used in the construction of hotel and motel units, were used. This required several million pounds of construction material and equipment to be transported by ship from the United States for the permanent camp.

	<u>Permanent camp</u>	<u>Temporary camp</u>
	(millions)	
Budget estimates for construction, material, and engineering (at April 13, 1976)	\$12.8	\$5.6
Materials (modules-Kelly Klosures)	1.1	.2

Although the concrete modules undoubtedly provide more comfortable living conditions and may offer more security, SSM officials said that the temporary structures could have been insulated, air-conditioned, and generally rendered suitable for the conditions. We observed one Kelly Klosure which had been so modified for the use of liaison personnel at the Israeli surveillance station.

A comparison of the construction costs of the permanent camp and temporary camp show that the use of upgraded temporary structures would probably have resulted in a reduction in construction costs. In commenting on the draft report, SSM disagreed, stating that it was not feasible to consider upgrading the temporary structures before the scheduled shipment of the precast concrete modules because

not enough was known about the Kelly Klosures at that time. In addition, SSM pointed out that many of the Kelly Klosures which had been upgraded were found to be unsuitable because of conditions in the Sinai.

we recognize that, because of the short time frame involved, SSM decided early to use the precast concrete modules at the permanent camp. We believe, however, that the use of other structures should be fully considered if similar operations are established later.

Another question about the camp is what will happen to it once the American presence is terminated. Most of the temporary camp structures and attendant fixtures and furnishings, valued at \$318,000, were sold as excess property to U.N. forces in the area for \$125,000. However, the temporary facilities were portable and could be dismantled and reerected fairly easily, whereas the concrete modules appear to be more permanent.

Base camp design

As of June 11, 1976, change orders estimated at over \$2 million had been authorized and others were being considered.

For instance, at the time of our review, changes in physical security measures at the camp (that is, fencing, gates, and access roads) have either been made or were being contemplated. These changes resulted from a security survey conducted after the base camp was constructed. Additional water storage (20,000 gallons) had been authorized. A wastewater redistribution system is to be installed for washing vehicles and for general use. Mission officials said that the water storage tanks were buried for security reasons, but the water pipeline feeding into the tanks is above ground for several miles outside the camp.

Other major changes which had been authorized included the installation and testing of an antenna field; the establishment of vehicle parking, paint, and battery facilities; the modification of the U.S. Government communications/operations building; the installation of screened enclosures on the modules; and other measures designed to improve living conditions.

SFM officials said that had there been more time, many changes could probably have been avoided and others minimized.

SUPPORT OPERATIONS

The transition from the construction phase to normal operations and the move from the temporary to the permanent camp have highlighted several problems.

For example, the interface between the prime contractor and its subcontractors was not as smooth as possible. The subcontractors were responsible for procuring food, providing support services, and furnishing various supplies and spare parts through the end of the construction phase, when the prime contractor was to assume these responsibilities. However, the food subcontractor left no records or cost information concerning food purchases.

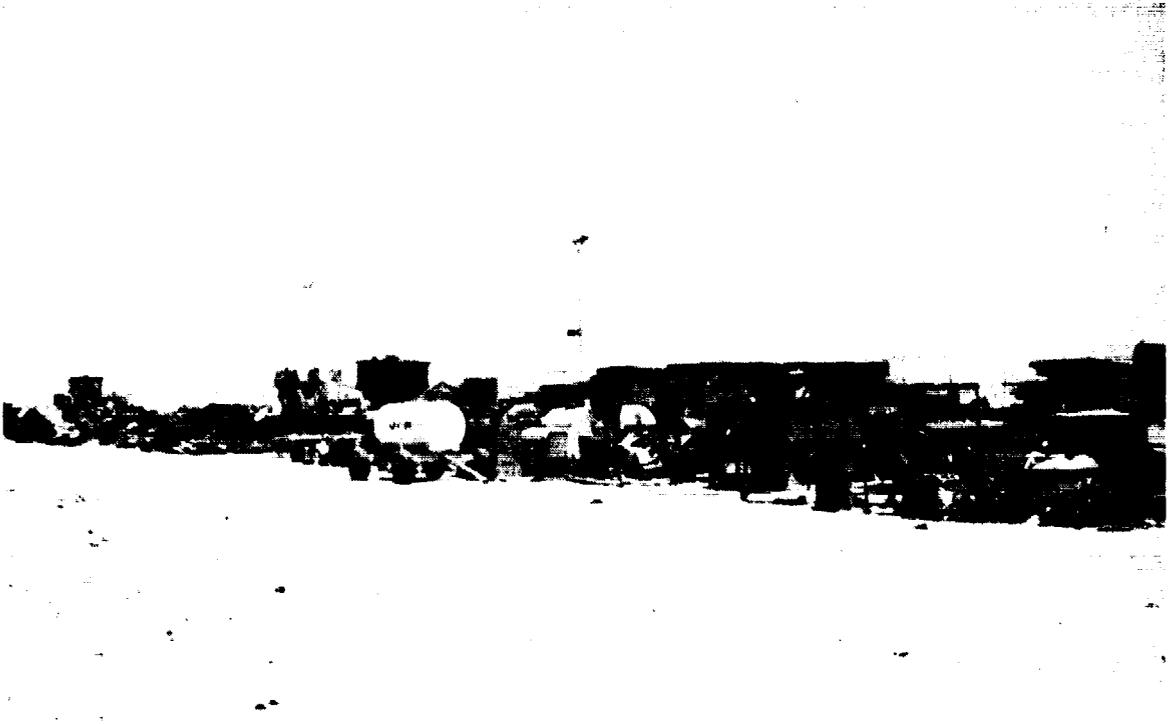
Similarly, the construction subcontractor left no inventory data; contractor officials said there apparently was no effective control over inventory. In both cases, a new inventory will have to be taken, and officials indicated this may take several months. The problem is compounded by the fact that warehousing space is inadequate and much of the inventory is stored in the open. Most of this, however, is leftover construction material that presents more of a disposal problem than a storage problem.

Other problems involve the ordering of supplies and spare parts. Officials said that until experience is gained with consumables and spare parts, they could not establish effective reorder points. Meanwhile, no formal system has been implemented for issue or inventory, and some shipments of goods arrive without invoice lists of items sent.

Another problem involves vehicles, which were reportedly designed for domestic use and were not equipped with heavy duty features. This, in combination with bad roads, poor gasoline, and hard use, will probably shorten their useful life to about 18 months, according to SFM officials. A July 28, 1976, SFM vehicle condition report indicated that, although most vehicles were still operational, many needed extensive repair and maintenance. At the time of our visit in July 1976, officials indicated that no spare parts were available, but some had been ordered.

Procurement from Israel and Egypt

In an effort to deal evenhandedly with Egypt and Israel, SFM local purchases and other spending are split as evenly as possible between the two countries. SFM spending to date



STORAGE OUTSIDE THE WAREHOUSE



INSIDE THE WAREHOUSE

has overwhelmingly favored Israel. This is mainly because (1) crossing the Suez Canal is difficult and delays make deliveries to the base camp uncertain, (2) from January 16 to February 22, 1976, the work in the Sinai was in Israeli-occupied territory, (3) during the construction phase, specialized equipment and certain technical support was available only in Israel, and (4) most SFM employees prefer Tel Aviv for R&R. SFM officials believe that controllable spending will even out once normal operations commence, with most food procurements being made in Israel and petroleum, oil, and lubricant (POL) procurements being made in Egypt. Food costs are estimated at about \$24,000 a month and POL costs between \$30,000 and \$40,000. Water, supplied through the Israeli pipeline at \$2.60 a cubic yard, was estimated to cost about \$21,000 through the end of April, 1976.

Other spending, such as that by employees on R&R, is difficult to control. Since most employees prefer to go to Tel Aviv, their spending favors Israel. To make Egyptian R&R more attractive, SFM is considering relocating the Cairo R&R facilities to a more centrally located hotel.

Local Procurement (To May 15, 1976)
Excluding Food And POL Contract (note a)

	<u>Israel</u>	<u>Egypt</u>
	(thousands)	
Travel, R&R	\$21.9	\$ 1.7
Camp construction	4.8	-
Logistical support	3.5	7.6
POL supplies	1.4	7.1
Office equipment, supplies, and support	3.9	-
Leased surface transportation	136.8	-
Leased local transportation	2.3	-
All other	<u>4.5</u>	<u>.7</u>
Total	<u>\$179.1</u>	<u>\$17.1</u>

a/Some items, such as water, have not been billed to SSM yet.

HEALTH AND MEDICAL CARE

SFM is equipped with a first aid station and an ambulance, and personnel are attended by three paramedics. In

an emergency, patients can be quickly evacuated to a nearby Israeli military facility, where a physician is available, and if necessary, flown to a hospital in Tel Aviv. Dental care is also provided by the Israelis.

Because of inconsistencies in the way medical records were kept, we could not determine how many days SFM personnel spent in the hospital. However, SFM officials believed the figure compared favorably to that for industry overall. According to SFM records, in July 1976, at sick call the paramedics saw 398 people--41 for upper respiratory problems; 94 for gastronomical-intestinal problems; 17 for ear, nose, and throat problems; 18 for skin problems; and 228 for other problems. Some people listed as being seen for sick call may have been seen more than once during the month and others may have "stopped-in" because the first aid station is convenient to the mess hall and recreational facilities. These factors may tend to inflate the numbers. Similar figures were reported for previous months.

According to SFM officials, the upper respiratory disorders (75 in June, 140 in May) may be attributable to dust and sand, and the gastronomical-intestinal problems (237 in June, 64 in May) to water impurities.

A July 1976 health survey performed by an AID physician recommended, among other things, that the water be chlorinated; that more stringent inspections be made of the kitchen operations and attendants; that the garbage dump and wastewater programs be upgraded; that insect, rodent, and snake control be undertaken; and that consideration be given to having a full-time doctor at the camp. At the time of our review, SSM was considering these recommendations.

In addition, the physician and the senior paramedic both stated that some contract personnel had medical conditions that should preclude them from serving at such a remote location. They felt that the contractor's medical screening procedure should be strengthened.

CONCLUSIONS

The management aspects of the establishment and operation of the early warning system were generally satisfactory. We observed no conditions which, in our opinion, would deter SFM from fulfilling its obligations under the U.S. proposal and the joint resolution. There were some management problems, however.



WASTEWATER PIT NEAR THE BASE CAMP

we believe that the lessons learned in the Sinai might be applied to similar future situations with possible savings and improved efficiency.

In our draft report we suggested that the Director of SSM, with the cooperation of the prime contractor, prepare a detailed after-action analysis of all phases of the establishment and operation of the early warning system to serve this purpose. In commenting on our draft report, SSM indicated that this study had been drafted.

AGREEMENT BETWEEN EGYPT AND ISRAEL

The Government of the Arab Republic of Egypt and the Government of Israel have agreed that:

ARTICLE I

The conflict between them and in the Middle East shall not be resolved by military force but by peaceful means.

The Agreement concluded by the Parties January 18, 1974, within the framework of the Geneva Peace Conference, constituted a first step towards a just and durable peace according to the provisions of Security Council Resolution 338 of October 22, 1973.

They are determined to reach a final and just peace settlement by means of negotiations called for by Security Council Resolution 338, this Agreement being a significant step towards that end.

ARTICLE II

The Parties hereby undertake not to resort to the threat or use of force or military blockade against each other.

ARTICLE III

The Parties shall continue scrupulously to observe the ceasefire on land, sea and air and to refrain from all military or para-military actions against each other.

The Parties also confirm that the obligations contained in the Annex and, when concluded, the Protocol shall be an integral part of this Agreement.

ARTICLE IV

A. The military forces of the Parties shall be

deployed in accordance with the following principles:

(1) All Israeli forces shall be deployed east of the lines designated as Lines J and M on the attached map.

(2) All Egyptian forces shall be deployed west of the line designated as Line E on the attached map.

(3) The area between the lines designated on the attached map as Lines E and F and the area between the lines designated on the attached map as Lines J and K shall be limited in armament and forces.

(4) The limitations on armaments and forces in the areas described by paragraph (3) above shall be agreed as described in the attached Annex.

(5) The zone between the lines designated on the attached map as Lines E and J, will be a buffer zone. In this zone the United Nations Emergency Force will continue to perform its functions as under the Egyptian-Israeli Agreement of January 18, 1974.

(6) In the area south from Line E and west from Line M, as defined on the attached map, there will be no military forces, as specified in the attached Annex.

B. The details concerning the new lines, the redeployment of the forces and its timing, the limitation on armaments and forces, aerial reconnaissance, the operation of the early warning and surveillance installations and the use of the roads, the United Nations functions and other arrangements will all be in accordance with the provisions of the Annex and map which are an integral part of this Agreement and of the Protocol which is to result from negotiations pursuant to the Annex and which, when concluded, shall become an integral part of this Agreement.

ARTICLE V

The United Nations Emergency Force is essential and shall continue its functions and its mandate shall be extended annually.

ARTICLE VI

The Parties hereby establish a Joint Commission for the duration of this Agreement. It will function under the aegis of the Chief Coordinator of the United Nations Peacekeeping Missions in the Middle East in order to consider any problem arising from this Agreement and to assist the United Nations Emergency Force in the execution of its mandate. The Joint Commission shall function in accordance with procedures established in the Protocol.

ARTICLE VII

Non-military cargoes destined for or coming

Done at _____ on the _____ 1975,
in four original copies.

For the Government of the Arab Republic of Egypt

For the Government of Israel

WITNESS

ANNEX TO THE AGREEMENT

Within 5 days after the signature of the Egypt-Israel Agreement, representatives of the two Parties shall meet in the Military Working Group of the Middle East Peace Conference at Geneva to begin preparation of a detailed Protocol for the implementation of the Agreement. The Working Group will complete the Protocol within 2 weeks. In order to facilitate preparation of the Protocol and implementation of the Agreement, and to assist in maintaining the scrupulous observance of the ceasefire and other elements of the Agreement, the two Parties have agreed on the following principles, which are an integral part of the Agreement, as guidelines for the Working Group.

1. Definitions of Lines and Areas

The deployment lines, Areas of Limited Forces and Armaments, Buffer Zones, the area south from Line E and west from Line M, other designated areas, road sections for common use and other features referred to in Article IV of the Agreement shall be as indicated on the attached map (1:100,000—U.S. Edition).

2. Buffer Zones

(a) Access to the Buffer Zones will be controlled by the United Nations Emergency Force, according to procedures to be worked out by the Working Group and the United Nations Emergency Force.

from Israel shall be permitted through the Suez Canal.

ARTICLE VIII

This Agreement is regarded by the Parties as a significant step towards a just and lasting peace. It is not a final peace agreement.

The Parties shall continue their efforts to negotiate a final peace agreement within the framework of the Geneva Peace Conference in accordance with Security Council Resolution 338.

ARTICLE IX

This Agreement shall enter into force upon signature of the Protocol and remain in force until superseded by a new agreement.

(b) Aircraft of either Party will be permitted to fly freely up to the forward line of that Party. Reconnaissance aircraft of either Party may fly up to the middle line of the Buffer Zone between Lines E and J on an agreed schedule.

(c) In the Buffer Zone between Lines E and J, there will be established under Article IV of the Agreement an Early Warning System entrusted to United States civilian personnel as detailed in a separate proposal, which is a part of this Agreement.

(d) Authorized personnel shall have access to the Buffer Zone for transit to and from the Early Warning System; the manner in which this is carried out shall be worked out by the Working Group and the United Nations Emergency Force.

3. Area South of Line E and West of Line M

(a) In this area, the United Nations Emergency Force will assure that there are no military or para-military forces of any kind, military fortifications and military installations; it will establish checkpoints and have the freedom of movement necessary to perform this function.

(b) Egyptian civilians and third-country civilian oil field personnel shall have the right to enter, exit from, work, and live in the above indicated area, except for Buffer Zones 2A, 2B and the United Nations Posts. Egyptian civilian police shall be allowed in the area to perform normal civil police functions among the civilian population in

such numbers and with such weapons and equipment as shall be provided for in the Protocol.

(c) Entry to and exit from the area, by land, by air or by sea, shall be only through the United Nations Emergency Force checkpoints. The United Nations Emergency Force shall also establish checkpoints along the road, the dividing line and at other points, with the precise locations and number to be included in the Protocol.

(d) Access to the airspace and the coastal area shall be limited to unarmed Egyptian civilian vessels and unarmed civilian helicopters and transport planes involved in the civilian activities of the area as agreed by the Working Group.

(e) Israel undertakes to leave intact all currently existing civilian installations and infrastructures.

(f) Procedures for use of the common sections of the coastal road along the Gulf of Suez shall be determined by the Working Group and detailed in the Protocol.

4. Aerial Surveillance

There shall be a continuation of aerial reconnaissance missions by the United States over the areas covered by the Agreement (the area between Lines F and K), following the same procedures already in practice. The missions will ordinarily be carried out at a frequency of one mission every 7-10 days, with either Party or the United Nations Emergency Force empowered to request an earlier mission. The United States Government will make the mission results available expeditiously to Israel, Egypt and the Chief Coordinator of the United Nations Peacekeeping Missions in the Middle East.

5. Limitation of Forces and Armaments

(a) Within the Areas of Limited Forces and Armaments (the areas between Lines J and K and Lines E and F) the major limitations shall be as follows:

- (1) Eight (8) standard infantry battalions.
- (2) Seventy-five (75) tanks.
- (3) Seventy-two (72) artillery pieces, including heavy mortars (i.e., with caliber larger than

120 mm.), whose range shall not exceed twelve (12) km.

(4) The total number of personnel shall not exceed eight thousand (8,000).

(5) Both Parties agree not to station or locate in the area weapons which can reach the line of the other side.

(6) Both Parties agree that in the areas between Lines J and K, and between Line A (of the Disengagement Agreement of January 18, 1974) and Line E, they will construct no new fortifications or installations for forces of a size greater than that agreed herein.

(b) The major limitations beyond the Areas of Limited Forces and Armaments will be:

(1) Neither side will station nor locate any weapon in areas from which they can reach the other line.

(2) The Parties will not place anti-aircraft missiles within an area of ten (10) kilometres east of Line K and west of Line F, respectively.

(c) The United Nations Emergency Force will conduct inspections in order to ensure the maintenance of the agreed limitations within these areas.

6. Process of Implementation

The detailed implementation and timing of the redeployment of forces, turnover of oil fields, and other arrangements called for by the Agreement, Annex and Protocol shall be determined by the Working Group, which will agree on the stages of this process, including the phased movement of Egyptian troops to Line E and Israeli troops to Line J. The first phase will be the transfer of the oil fields and installations to Egypt. This process will begin within 2 weeks from the signature of the Protocol with the introduction of the necessary technicians, and it will be completed no later than 8 weeks after it begins. The details of the phasing will be worked out in the Military Working Group.

Implementation of the redeployment shall be completed within 5 months after signature of the Protocol.

For the Government of the Arab Republic of Egypt

For the Government of Israel

WITNESS

PROTOCOL TO AGREEMENT BETWEEN EGYPT AND ISRAEL

The Parties to the present Protocol,

Having met in the Military Working Group of the Middle East Peace Conference at Geneva under the Chairmanship of Lieutenant-General Ensio Siilasvuo, Chief Co-ordinator of the United Nations Peace-keeping Missions in the Middle East,

Taking into account that the preparation of a detailed Protocol is essential for the implementation of the Agreement between Egypt and Israel in all its parts which constitutes a significant step towards a just and durable peace according to the provisions of Security Council resolution 338 of 22nd October 1973,

Conscious of the fact that the Agreement enters into force upon the signature of this Protocol,

Having been guided by principles contained in the Annex to the Agreement,

have Agreed as follows:

Article IREDEPLOYMENT OF FORCES

See Maps : 'R' (1/500,000) and 'Q' (1/100,000)

1. Area South of Line E and West of Line M (see Map 'Q')
 - a. 15th November 1975, 1200 hours
 - (i) The transfer to UNEF of the Area R1C (marked on Map 'Q').
 - (ii) The transfer to UNEF of the Ras Sudar area (marked on Map 'Q' as Area R2).
 - b. 16th November 1975, 1200 hours
 - (i) The transfer by UNEF to Egypt of the Areas R1C and R1D. In these areas there will be no Egyptian military forces and military infrastructures until:
 - in area R1D : 15th December 1975.
 - in area R1C : 16th January 1976.
 - (ii) The transfer by UNEF to Egypt of the area of Ras Sudar (Area R2). From 5th October 1975, Egypt may introduce technicians to the Ras Sudar oil installations.
 - c. 24th - 30th November 1975
 - (i) UNEF entering to the rest of the area South of Line E and West of Line M. Egypt may introduce technicians to the Abu Rodeis oil installations.
 - (ii) Israel forces leaving this area at 1200 hours, 30th November 1975.
 - d. 1st December 1975

At 1200 hours the transfer by UNEF to Egypt of the rest of the area South of Line E and West of Line M.

2. Northern Area (See Map 'Q' - 1/100,000)

Basic Timetable

- a. 12th-13th January 1976 (Sector S-1)
 - (i) At 0900, 12th January 1976, UNEF entering area S1D.
 - (ii) At 1400, 13th January 1976, Israel forces leaving area S1D.

b. 16th January 1976

At 0900 the transfer by UNEF to Egypt of the Area S1C.

c. 26th January-2nd February 1976

(i) At 0900, 26th January 1976, the transfer by UNEF to Egypt of the Area S4D.

(ii) At 1200, 2nd February 1976, the transfer by UNEF to Egypt of the Area S3D.

d. 14th-19th February 1976 (Sectors S-1 and S-4)

(i) At 0900, 14th February 1976, UNEF entering Area S1B.

(ii) At 0900, 15th February 1976, UNEF entering Area S4B.

(iii) At 1200, 17th February 1976, Israel forces leaving Area S1B.

(iv) At 1200, 18th February 1976, Israel forces leaving Area S4B.

(v) At 1200, 19th February 1976, the transfer by UNEF to Egypt of Area S4C.

e. 16th-20th February 1976 (Sector S-3)

(i) At 0900, 16th February 1976, UNEF entering Area S3B.

(ii) At 1200, 19th February 1976, Israel forces leaving Area S3B.

(iii) At 1200, 20th February 1976, the transfer by UNEF to Egypt of Area S3C.

f. 18th-22nd February 1976 (Sector S-2)

(i) At 0900, 18th February 1976, UNEF entering Area S2B.

(ii) At 1200, 21st February 1976, Israel forces leaving Area S2B.

(iii) At 1200, 22nd February 1976, the transfer by UNEF to Egypt of Area S2C.

3. Demarcation of the Lines

a. The demarcation of Line J on the ground will be carried out between 1st October 1975 and 31st October 1975 by UN and Israeli teams.

b. The demarcation of Line M on the ground will be carried out between 25th October 1975 and 21st November 1975 by UN teams. (Line M in Area R-2 will be demarcated by 10th November 1975).

c. Egyptian and Israeli checking of demarcation of Line M on the ground will be carried out after 1st December 1975. The time schedule for checking of Line M will be co-ordinated between Egypt and Israel with UNEF.

d. The redemarcation of Line E on the ground will be carried out between 1st January 1976 and 15th January 1976 by UN. The demarcation of Line E in Area R1C will be carried out between 01 November 1975 and 14th November 1975.

e. Egyptian and UN teams will check Line E according to the basic timetable of the Egyptian deployment in each sector (see paragraph 2).

Article IISOUTHERN AREA/ (AREA SOUTH OF LINE E AND WEST OF LINE M)1. General

a. The armed forces or any other armed personnel of either Party or of any other third party other than Egyptian policemen and the UNEF may neither enter, stay nor pass through the area or the airspace above the area.

b. Egyptian civilians and third country civilian oilfield personnel shall have the right to enter, exit, work and live in the area.

c. Entry to and exit from the area by land, sea and air shall be only through UNEF checkpoints.

d. Access to the airspace and the coastal area shall be limited to unarmed Egyptian civilian vessels and unarmed civilian helicopters and transport planes involved in the civilian activities of the area. A limited number of Egyptian civilian helicopters and civilian transport planes may be stationed within the area for emergency cases and for the operation of the oilfields.

2. The Functions of UNEF in the Area

a. UNEF will perform its responsibilities in accordance with the relevant Security Council resolutions, the provisions of the Agreement, the Annex and Protocol. The Force shall enjoy the freedom of movement and communication and other facilities that are necessary for the performance of its tasks.

b. UNEF will assure that no military or para-military forces of any kind, military fortifications and military installations are in the area. The UNEF shall allow entry to and exit from the area by land, by air or by sea, through UNEF checkpoints to authorized persons and cargoes only.

c. In order to perform its functions, UNEF -

(i) will establish checkpoints and observation posts (see Map 'C')

(ii) will patrol throughout the area by land, coastal and air patrols.

d. UNEF will carry out verification at the checkpoints through the Egyptian civilian police in the presence and under the supervision of UNEF personnel.

e. UNEF will report its findings to both Parties to the Agreement.

3. Buffer Zones 2A, 2B and UNEF posts in the Hammam Faroun Area

a. The zones designated on the Map attached to the Agreement as Zones 2A and 2B will be Buffer Zones. In these zones UNEF shall be stationed and shall perform the same functions as determined in Buffer Zone 1.

b. The UNEF posts in Hammam Faroun area are as indicated on the Map attached to the Agreement. Egyptian personnel and civilians will not enter UNEF posts in this area.

c. UNEF shall maintain permanent checkpoints on the routes leading into the Buffer Zones and on the Buffer Zone lines.

4. Egyptian Civilian Police

a. Egyptian civilian police shall be allowed in the area, to perform normal police functions among the civilian population.

b. This police unit will be equipped with revolvers, sub-machine guns, rifles and light unarmed vehicles marked with the distinctive marking of civilian police.

c. The police unit will be composed of 700 policemen: 500 of them armed and 200 are Police Administrative personnel.

5. Road Sections for Common Use

a. The sections for common use on the coastal road along the Gulf of Suez are as indicated on the Map attached to the Agreement and will be opened to traffic as detailed in the Statement of the Chairman.

b. The maintenance of the common sections of the road within Buffer Zones 2A and 2B and West of Line M shall be maintained by UNEF. Other sections of the common road East of Line M shall be maintained by Israel.

c. Egypt and Israel will have access to these road sections within Buffer Zones 2A and 2B from all directions, i.e. also from the side roads West and East of these sections as indicated on Map 'C' attached to the Protocol and this in accordance with an established time schedule - to and from their respective areas. Vehicles entering the side roads will be accompanied by UNEF.

d. UNEF will assure, through checkpoints on the road sections for common use (as indicated on Map 'C' attached to the Protocol) and through patrols along these sections, that the traffic on these sections will be conducted in accordance with paragraph (c) above and as detailed in the Statement by the Chairman.

6. Transfer of Oilfields, Installations and Infrastructures

a. Israel undertakes to leave intact all currently existing oilfields, installations and infrastructures.

b. Egypt will be represented in the transfer:

(i) with respect to the Ras Sudar area by Mobil

(ii) with respect to the Abu Rodeis area by IEOC.

c. The technicians introduced to the area will have the necessary vehicles for their movements and have the necessary means of communications with Egyptian authorities.

d. The transfer will be carried out by a procès verbal to be signed by Israel and the above-mentioned representative of Egypt and to be witnessed by the Chief Co-ordinator or his representative.

e. The third party technicians will be responsible for whatever oilfield installations and infrastructures they receive.

Article IIITHE NORTHERN AREA1. Buffer Zone 1

a. The zone between the lines designated on the Map attached to the Agreement as Lines E and J will be a Buffer Zone. In this zone the UNEF shall be stationed and continue to perform its functions as under the Egyptian-Israeli Agreement of 18th January 1974, and carry out other activities as detailed in the Agreement, Annex and Protocol.

b. UNEF will maintain checkpoints, observation posts and reconnaissance patrols along the lines of the Buffer Zone and within the area, in order to prevent any unauthorized entry into the area of any person. Access will be only through the checkpoints controlled by UNEF.

c. In Buffer Zone 1 there will be established an Early Warning System entrusted to United States civilian personnel.

d. UNEF shall have complete freedom of movement within Buffer Zone 1, except that UNEF personnel shall not enter the perimeter of the Surveillance Stations.

2. Limitation of Forces and Armaments

a. The major limitations on Forces and Armaments are as provided for in article IV B of the Agreement and paragraph 5 of the Annex.

b. UNEF supervision

(i) UNEF will conduct inspections as follows:

(a) In areas between Lines E and F and Lines K and J as regards limitations of forces and armaments.

(b) In the area between Line E up to ten (10) kilometres West of Line F and in the area between Line J up to ten (10) kilometres East of Line K to assure that anti-aircraft missiles are not placed in the areas.

(ii) UNEF shall conduct bi-weekly inspections in the areas referred to in b.(i)(a) and b.(i)(b) above in order to ensure the maintenance of the agreed limitations within these areas.

- (iii) UNEF shall inform both Parties of the results of such inspections.
- (iv) UNEF inspection teams shall be accompanied by liaison officers of the respective Parties.
- (v) UNEF shall carry out additional inspections within twenty-four (24) hours after the receipt of such a request from either Party, and will promptly furnish both Parties with the results of each inspection

3. Early Warning System

a. The Early Warning System, based on the Agreement, the Annex and the accepted proposal which constitutes an integral part of the Agreement, will include:

- (i) Two (2) Surveillance Stations operated by each Party respectively.
- (ii) Three (3) U.S. Watch Stations and four (4) unmanned electronic sensor fields.

b. The location of the system and the approach roads are indicated on Map A attached to the Protocol.

c. Surveillance Stations

(i) General

- (a) Each Party shall maintain a Surveillance Station in Buffer Zone 1, to provide strategic early warning.
- (b) UNEF personnel will not enter the Surveillance Stations of each Party.
- (c) Each Party may visit its respective Surveillance Station and may freely supply and replace personnel and equipment situated therein, in accordance with the following procedures:
 - UNEF will escort from its checkpoints to the perimeter of the Station and back.
 - From that point escort and verification will be as described in paragraph 3.d.(ii).

- (d) Each Party will be permitted to introduce into its Station items required for the proper functioning of the Station and personnel.

(ii) The Stations

- (a) Each Surveillance Station shall be manned by not more than two hundred and fifty (250) technical and administrative personnel, equipped with small arms (revolvers, rifles, sub-machine guns, light machine guns, hand grenades and ammunition) required for their protection.
- (b) Each Party will be permitted to maintain in its respective Surveillance Station, fifteen (15) administrative vehicles, two to three (2-3) mobile engineering equipment for the maintenance of the site and the road and fire-fighting and general maintenance equipment. All vehicles shall be unarmed.

(iii) Access to and exit from the Stations

- (a) Access to and exit from the Surveillance Stations shall be as follows (as indicated on Map 'A' attached to the Protocol):
 - To E-1: From West of Line E to the Giddi Route, through the UN Alpha checkpoint, to the junction leading to the Um Hashiba, and thereafter South-Eastwards on the route to E-1.
 - To J-1: From East of Line J to the Um Hashiba Route to J-1.
- (b) Each Party will inform UNEF at least one hour in advance of each intended movement to and from the respective Surveillance Station. UNEF will co-ordinate with the appropriate Watch Station.
- (c) As to escort arrangements of personnel to the Surveillance Stations, see paragraph 3.d.(ii).
- (d) Such movement to and from the respective Surveillance Stations shall take place only during daylight.
- (e) Each Party shall be entitled even during the night to evacuate sick and wounded and summon medical experts and medical teams after giving immediate notice to the nearest Watch Station and UNEF.

(iv) Maintenance of Communication Cables and Water Lines

Communication cables and water lines passing through Buffer Zone 1, to the respective Surveillance Stations, shall be inviolable. Both Parties will be permitted to carry out maintenance and repairs along the routes of the communication cable and water lines. Notification of such maintenance team shall be given four (4) hours in advance, through the UN Alpha and Bravo checkpoints respectively, to the nearest Watch Station. UNEF personnel will accompany each team in the same manner as detailed in paragraph 3.d.(ii).

(v) Communication and Co-ordination between UNEF and the Parties

Technical arrangements, including the laying of telephone lines, will be arranged in order to facilitate communication and co-ordination between the UN checkpoints, the Watch Stations and each of the Parties.

d. U.S. role in Early Warning System

- (i) The U.S. role in the Early Warning System will be as provided for in the U.S. proposal attached to the agreement.
- (ii) The UNEF will escort Egyptian and Israeli personnel to the perimeter of each Surveillance site where U.S. civilian personnel will verify that access by the Parties is in accordance with the provisions regarding access to the Surveillance sites.
- (iii) If experience suggests changes in locations or procedures, the U.S. shall be able to work out such changes in consultation with the Parties.

e. The establishment of an Egyptian Surveillance Station at E-1.

- (i) As of 20th December 1975, Egypt may introduce a Working team into the Buffer Zone for the construction of a Surveillance Station at E-1, as detailed in the Statement of the Chairman.
- (ii) The building site at E-1 will be guarded at all times by UNEF whilst construction work is in process.

Article IVJOINT COMMISSION

1. The Joint Commission, referred to in Article VI of the Agreement between Egypt and Israel signed on the 4th September 1975, shall function in accordance with the following rules:

a. The Commission shall meet under the Chairmanship of the Chief Co-ordinator of the United Nations Peace-keeping Missions in the Middle East or his representative and shall be composed of representatives of each Party to the Agreement.

b. For the duration of the Agreement, the task of the Commission is to consider any problem arising from the Agreement and to assist the United Nations Emergency Forces in the execution of its mandate.

c. Ordinary meetings of the Commission shall be held at agreed dates. Invitations for the meetings shall be issued by the Chief Co-ordinator or his representative. In the event that either Party, or the Chief Co-ordinator, requests a special meeting, it will be convened within 24 hours.

d. The Commission shall hold its meetings in the Buffer Zone under the Chairmanship of the Chief Co-ordinator or his representative where liaison officers of the Parties will be available.

e. The Parties to the Agreement shall consider problems before the Commission in order to reach agreement.

f. The Commission may supplement these rules as it deems necessary.

g. It will hold its first meeting not later than one month after the signing of the Protocol.

Article VFLIGHTS AND AERIAL RECONNAISSANCE

1. Aircraft of either Party will be permitted to fly freely up to the forward line of that Party (Lines E and J respectively).
2. Reconnaissance aircraft of either Party may fly up to the Median Line of Buffer Zone 1 (designated on Map 'D', 1/500,000, US edition, attached to the Protocol) in accordance with the following principles:
 - a) Reconnaissance flights will be carried out by planes at a height of not less than 15,000 feet and on a straight course (along the median line of Buffer Zone 1). No manoeuvre should occur in the Buffer Zone that may involve the crossing of lines of the other Party.
 - b) Each reconnaissance flight shall not be made by more than two (2) planes.
 - c) There shall be seven (7) reconnaissance flights every week for each Party.
 - d) For these flights each Party will have at its exclusive disposal periods of 24 hours beginning at 1215 until 1145 the following day. The Parties will alternate in the use of the allocated periods. No flights will be carried out between 1145 and 1215 daily.
 - e) Egypt will be the first to exercise the right of carrying out flights on 22nd February 1976, starting from 1215. Israel will carry out its first flight on 23rd February 1976, starting from 1215, etc.
 - f) Notice shall be given to a representative of the Chief Co-ordinator not less than six (6) hours before each reconnaissance flight.
 - g) For reasons of weather limitations or other technical reasons, notice of a reconnaissance flight will specify a span of four (4) hours, during which time the reconnaissance flight will take place. (For example: a reconnaissance flight will take place on date, between 1000 and 1400).

Article VI

GENERAL

This Protocol and the Maps attached thereto are an integral part of the Agreement. The Statement of the Chairman is equally binding on the Parties.

The present Protocol shall enter into force upon signature by both Parties.

Done at Geneva on the 22nd of September 1975, in four original copies.

For the Government of the
Arab Republic of Egypt

Taha El-Mardoub
Major-General

For the Government of Israel

Avraham Kidron
Herzl Shafir
Major-General

WITNESS

General Ensio Siilasvuo

Title 3—The President

Executive Order 11896

January 13, 1976

Establishing the United States Sinai Support Mission

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Joint Resolution of October 13, 1975 (Public Law 91-110, 89 Stat. 572, 22 U.S.C. 2441 note), the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2151 *et seq.*), including but not limited to Sections 531, 621, 633, 901, and 903 thereof (22 U.S.C. 2346, 2381, 2393, 2441, 2443), and section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) In accordance with the Foreign Assistance Act of 1961, as amended, and notwithstanding the provisions of Part I of Executive Order No. 10973, as amended, there is hereby established the United States Sinai Support Mission, hereinafter referred to as the Mission.

(b) The Mission shall, in accordance with the Foreign Assistance Act of 1961, as amended, the Joint Resolution of October 13, 1975, and the provisions of this order, carry out the duties and responsibilities of the United States Government to implement the "United States Proposal for the Early Warning System in Sinai" in connection with the Basic Agreement between Egypt and Israel, signed on September 4, 1975, and the Annex to the Basic Agreement, subject to broad policy guidance received through the Assistant to the President for national security affairs, and the continuous supervision and general direction of the Secretary of State pursuant to Section 622(c) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2382(c)).

(c) It shall be the duty and responsibility of the Mission to ensure that the United States role in the Early Warning System enhances the prospect of compliance in good faith with the terms of the Egyptian-Israeli agreement and thereby promotes the cause of peace.

(d) At the head of the Mission there shall be a Director, who shall be appointed by the President. The Director shall be a Special Representative of the President. There shall also be a Deputy Director, who shall be appointed by the President. The Deputy Director shall perform such duties as the Director may direct, and shall serve as the Director in the case of a vacancy in the office of the Director, or during the absence or disability of the Director.

(e) The Director and Deputy Director shall receive such compensation, as permitted by law, as the President may specify.

SEC. 2. (a) The Director shall exercise immediate supervision and direction over the Mission.

(b) The Director may, to the extent permitted by law, employ such staff as may be necessary.

(c) The Director may, to the extent permitted by law and the provisions of this order, enter into such contracts as may be necessary to carry out the purposes of this order.

THE PRESIDENT

(d) The Director may procure the temporary or intermittent services of experts or consultants, in accordance with the provisions of Section 626 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2386), and section 3109 of title 5 of the United States Code.

(e) As requested by the Director, the agencies of the Executive branch shall, to the extent permitted by law and to the extent practicable, provide the Mission with such administrative services, information, advice, and facilities as may be necessary for the fulfillment of the Mission's functions under this order.

SEC. 3. (a) In accordance with the provisions of Section 633 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2393), it is hereby determined to be in furtherance of the purposes of the Foreign Assistance Act of 1961, as amended, that the functions authorized by that act and required by this order, may be performed, subject to the provisions of subsection (b) of this Section, by the Director without regard to the following specified provisions of law and limitations of authority:

- (1) Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529).
- (2) Section 3710 of the Revised Statutes (41 U.S.C. 8).
- (3) Section 2 of Title III of the Act of March 3, 1933 (47 Stat. 1520, 41 U.S.C. 10a).

(4) Section 3735 of the Revised Statutes (41 U.S.C. 13).

(5) Section 3679 of the Revised Statutes, as amended (31 U.S.C. 665, Section 3732 of the Revised Statutes, as amended (41 U.S.C. 11) and Section 9 of the Act of June 30, 1906 (34 Stat. 764, 31 U.S.C. 627), so as to permit the indemnification of contractors against unusually hazardous risks, as defined in Mission contracts, consistent, to the extent practicable, with regulations prescribed by the Department of Defense pursuant to the provisions of the Act of August 28, 1958, as amended (50 U.S.C. 1431 *et seq.*) and Executive Order No. 10789 of November 14, 1958, as amended.

(6) Section 302(a) of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 252(a)), so as to permit the Sinai Support Mission to utilize the procurement regulations promulgated by the Department of Defense pursuant to Section 2202 of Title 10 of the United States Code.

(7) Section 304(b) of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 254(b)), so as to permit the payment of fees in excess of the prescribed fee limitations but nothing herein contained shall be construed to constitute authorization hereunder for the use of the cost-plus-a-percentage-of-cost system of contracting.

(8) Section 305 of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 255).

(9) Section 901(a) of the Merchant Marine Act, 1936, as amended (16 U.S.C. 1241(a)).

(b) It is directed that each specific use of the waivers of statutes and limitations of authority authorized by this Section shall be made only when determined in writing by the Director that such use is specifically necessary and in furtherance of the purposes of this Order and in the interests of the United States.

SEC. 4. (a) There is hereby established the Sinai Interagency Board, hereinafter referred to as the Board, which shall be composed of the following:

- (1) The Secretary of State or his representative.
- (2) The Secretary of Defense or his representative.

THE PRESIDENT

(3) The Administrator, Agency for International Development, or his representative.

(4) The Director of the United States Arms Control and Disarmament Agency or his representative.

(5) The Director of Central Intelligence or his representative.

(6) The Director of the United States Sinai Support Mission or his representative.

(b) The Director of the United States Sinai Support Mission or his representative shall be Chairman of the Board.

(c) The President may from time to time designate others to serve on, or participate in the activities of, the Board. The Board may invite representatives of other departments and agencies to participate in its activities.

(d) The Board shall meet at the call of the Chairman to assist, coordinate, and advise concerning the activities of the United States Sinai Support Mission.

SEC. 5. The Secretary of State shall, pursuant to the provisions of Executive Order No. 10973, as amended, including Part V thereof, and this order, provide from funds made available to the President the funds necessary for the activities of the United States Sinai Support Mission.

SEC. 6. All activities now being undertaken by the Secretary of State to implement the "United States Proposal for the Early Warning System in Sinai" shall be continued until such time as the Mission has become operational and the Director requests the transfer of those activities to the Mission. The Secretary of State may exercise any of the authority or responsibility vested in the Director, by this order, in order to continue the performance of activities related to the Early Warning System until transferred to the Director. All such activities undertaken by the Secretary of State shall be deemed to have been taken by the Director.

Gerald R. Ford

THE WHITE HOUSE,
January 13, 1976.

[FR Doc 76 1302 Filed 1-13-76; 11:40 am]



Public Law 94-110
94th Congress, H. J. Res. 683
October 13, 1975

Joint Resolution

To implement the United States proposal for the early-warning system in Sinai.

Whereas an agreement signed on September 4, 1975, by the Government of the Arab Republic of Egypt and the Government of Israel may, when it enters into force, constitute a significant step toward peace in the Middle East; 22 USC 2441 note.

Whereas the President of the United States on September 1, 1975, transmitted to the Government of the Arab Republic of Egypt and to the Government of Israel identical proposals for United States participation in an early-warning system, the text of which has been submitted to the Congress, providing for the assignment of no more than two hundred United States civilian personnel to carry out certain specified noncombat functions and setting forth the terms and conditions thereof;

Whereas that proposal would permit the Government of the United States to withdraw such personnel if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary; and

Whereas the implementation of the United States proposal for the early-warning system in Sinai may enhance the prospect of compliance in good faith with the terms of the Egyptian-Israeli agreements and thereby promote the cause of peace: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to implement the "United States Proposal for the Early Warning System in Sinai": *Provided, however,* That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary. Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution.

Sinai agreement.
Early-warning system.
U.S. civilian personnel.
22 USC 2441 note.

Sec. 2. Any concurrent resolution of the type described in the first section of this resolution which is introduced in either House of Congress shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of Public Law 93-148 is privileged under section 7 of such law. 22 USC 2441 note.

Sec. 3. The United States civilian personnel participating in the early warning system in Sinai shall include only individuals who have volunteered to participate in such system. 50 USC 1544, 1546.
22 USC 2441 note.

Sec. 4. Whenever United States civilian personnel, pursuant to this resolution, participate in an early warning system, the President shall, so long as the participation of such personnel continues, submit written reports to the Congress periodically, but no less frequently than once 22 USC 2441 note.

Hearings;
report to
Congress.

22 USC 2441
note.

every six months, on (1) the status, scope, and anticipated duration of their participation, and (2) the feasibility of ending or reducing as soon as possible their participation by substituting nationals of other countries or by making technological changes. The appropriate committees of the Congress shall promptly hold hearings on each report of the President and report to the Congress any findings, conclusions, and recommendations.

SEC. 5. The authority contained in this joint resolution to implement the "United States Proposal for the Early Warning System in Sinai" does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

Approved October 13, 1975.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-532 (Comm. on International Relations).
SENATE REPORT No. 94-415 accompanying S. J. Res. 138 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 121 (1975):
 Oct. 8, considered and passed House.
 Oct. 9, considered and passed Senate, in lieu of S. J. Res. 138.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 11, No. 42:
 Oct. 13, Presidential statement.

89 STAT. 573

THE U.S. PROPOSAL

In connection with the Early Warning System referred to in Article IV of the Agreement between Egypt and Israel concluded on this date and as an integral part of that Agreement, (hereafter referred to as the Basic Agreement), the United States proposes the following:

1. The Early Warning System to be established in accordance with Article IV in the area shown on the map attached to the Basic Agreement will be entrusted to the United States. It shall have the following elements:
 - a. There shall be two surveillance stations to provide strategic early warning, one operated by Egyptian and one operated by Israeli personnel. Their locations are shown on the map attached to the Basic Agreement. Each station shall be manned by not more than 250 technical and administrative personnel. They shall perform the functions of visual and electronic surveillance only within their stations.
 - b. In support of these stations, to provide tactical early warning and to verify access to them, three watch stations shall be established by the United States in the Mitla and Giddi Passes as will be shown on the map attached to the Basic Agreement. These stations shall be operated by United States civilian personnel. In support of these stations, there shall be established three unmanned electronic sensor fields at both ends of each Pass and in the general vicinity of each station and the roads leading to and from those stations.
 - c. The total number of United States civilian personnel assigned to functions under this Proposal shall not exceed 200. Only civilian personnel shall be assigned to functions under this Proposal.
2. The United States civilian personnel shall perform the following duties in connection with the operation and maintenance of these stations:
 - a. At the two surveillance stations described in paragraph 1 a. above, United States civilian personnel will verify the nature of the operations of the stations and all movement into and out of each station and will immediately report any detected divergency from its authorized role of visual and electronic surveillance to the Parties to the Basic Agreement and to the United Nations Emergency Force.
 - b. At each watch station described in paragraph 1 b. above, the United States civilian personnel will immediately report to the Parties to the Basic Agreement and to the United Nations Emergency Force any movement of armed forces, other than the United Nations Emergency Force, into either Pass and any observed preparations for such movement.
3. No arms shall be maintained at the stations and other facilities covered by this Proposal, except for small arms required for their protection.
4. The United States personnel serving the Early Warning System shall be allowed to move freely within the area of the System.
5. The United States and its personnel shall be entitled to have such support facilities as are reasonably necessary to perform their functions.
6. The United States personnel shall be immune from local criminal, civil, tax and customs jurisdiction and may be accorded any other specific privileges and immunities provided for in the United Nations Emergency Force Agreement of February 13, 1957.
7. The United States affirms that it will continue to perform the functions described above for the duration of the Basic Agreement.
8. Notwithstanding any other provision of this Proposal, the United States may withdraw its personnel only if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary. In the latter case the Parties to the Basic Agreement will be informed in advance in order to give them the opportunity to make alternative arrangements. If both Parties to the Basic Agreement request the United States to conclude its role under this Proposal, the United States will consider such requests conclusive.
9. Technical problems including the location of the watch stations will be worked out through consultation with the United States.

Accepted by:

Henry A. Kissinger
Secretary of State



DEPARTMENT OF STATE

Washington, D.C. 20520

March 4, 1977

Mr. J. K. Fasick
Director
International Division
U.S. General Accounting Office
Washington, D.C. 20548

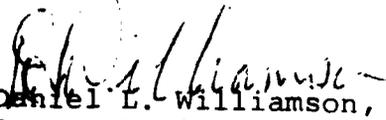
Dear Mr. Fasick:

I am replying to your letter of January 25, 1977, which forwarded copies of the draft report: "An Evaluation of the U.S. Early Warning System in the Sinai."

The enclosed comments to the draft report were prepared by the Special Representative of the President and Director for the United States Sinai Support Mission.

We appreciate having had the opportunity to review and comment upon the draft report. If I may be of further assistance, I trust you will let me know.

Sincerely,


Daniel L. Williamson, Jr.
Deputy Assistant Secretary
for Budget and Finance

Enclosure:

Comments



UNITED STATES SINAI SUPPORT MISSION

c/o Department of State
Washington, D.C. 20520

March 1, 1977

Mr. J.K. Fasick, Director
International Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fasick:

We appreciate very much having an opportunity to review the GAO Draft Report on the Sinai Support Mission, which, on the whole, we find positive and constructive. There are, however, a few points where, in my view, the report could be strengthened and made more precise. We hope the attached comments, which include those of other interested agencies, can help serve this purpose.

There are in particular two areas where I believe the draft report could be improved in its final version:

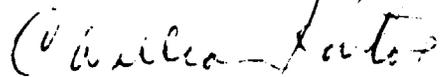
First, it should make clear, both in the Digest and in the Introduction, the time frame of the review. The Sinai Field Mission had only been in existence less than six months and had been operating from temporary quarters and facilities for less than five months. Over the ensuing eight months since the GAO review, many of the issues raised in the draft have been solved.

The second is in the treatment of the contractor selection process. A comprehensive and detailed array of documents relating to every phase of the selection process was provided the GAO team. We feel these documents show that informed judgment was applied throughout the process of contractor selection through competitive negotiation.

As regards the discussion of the implications for the U.S. of its commitment to participate in the early warning arrangements in the Sinai, it should be emphasized that the U.S. early warning system is an integral part of the Sinai II Disengagement Agreement. To the extent that its

operations continue to contribute to maintaining regional stability and enhancing the prospects for progress toward peace, it serves basic U.S. policy objectives in the Middle East.

Sincerely yours,



C. William Kontos
Special Representative
of the President and
Director

Attachment

Comments on the GAC Draft Report: "An Evaluation of the U.S. Early Warning System in the Sinai"

GAO DRAFT REPORT: "AN EVALUATION OF THE
U.S. EARLY WARNING SYSTEM IN THE SINAI"

I have reviewed the GAO Draft Report to the Congress evaluating the establishment and initial operations of the U.S. early warning system in the Sinai and take this opportunity to offer a number of comments which would, in my judgment, clarify issues addressed in the draft and correct a few errors of fact.

The GAO review took place during the period from mid-April to mid-July 1976, a most hectic time for the U.S. Sinai Support Mission (SSM). SSM was then in the midst of constructing the permanent facilities for the Sinai Field Mission (SFM). The building phase of the project was essentially complete by July 4, 1976 when the base camp and watch stations were formally dedicated.

The GAO field visit took place in late June/early July, i.e., just after the SFM staff had moved into its new facilities and at a time when it was still in the process of organizing for routine, normal operations.

At that time, the SFM had been in existence less than six months and had been operating, from temporary quarters and facilities, for less than five months. Many of the growing pains experienced in setting up this unique foreign policy operation that were then evident, have been relieved in the succeeding eight months. In my judgment, the GAO draft is misleading because it creates the impression that it addresses current problems and circumstances, many of which, in fact, have been overcome, e.g.:

- A comprehensive vehicle maintenance program has been established and in operation for several months.
- Problems with the communications link between SFM and the Ministry of War in Cairo have been corrected.
- Although the attrition rate among contractor personnel was high during the first months of the program, the composite average rate per month through January, 1977 has been only 3.19 percent.

- The incidence of medical problems has improved greatly since occupation of the permanent base camp facilities.
- An historical account of the establishment of the SSM and a "lessons learned analysis" have already been drafted.
- The E-1 and J-1 surveillance sites are inspected by the Director or the Deputy Director of SFM, accompanied by up to three other members of the SFM staff.

In my judgment, the report should make clear at the outset the fact that the evaluation is based on material gathered in April through July, 1976, i.e., essentially prior to the completion of the permanent facilities and before the establishment of normal operations. There follow specific comments on a number of issues raised in the report.

With respect to other U.S. Government commitments resulting from the Sinai II Agreement, the Congress appropriated \$13 million to assist the Egyptians to "establish and equip" a surveillance station in the early warning area. It is my understanding that the U.S. role is limited to providing technical assistance and advice during the construction phase of the project. Neither SSM nor SFM is in any way involved with this commitment.

The SFM presence in the early warning area does not detract from the UN's over-all responsibilities in the Buffer Zone; rather, it complements them. During the course of negotiations which led to the Sinai II Agreement, the two parties specifically requested American participation in the early warning arrangements. The limited functions assigned to the U.S. Mission supplement the broader peacekeeping role exercised by the UNEF throughout the Buffer Zone. To the best of my knowledge there is no evidence to support a judgment that U.S. participation has weakened confidence in the UN. Relations between the SFM and UN staffs have been both cordial and mutually supportive. I believe the report should be modified to reflect these views.

It is not possible at this time to anticipate when the American presence in the Sinai will end. The U.S. commitment

to participate in the early warning arrangements in the Sinai became an integral part of the Agreement, which is to remain in force until superseded by another agreement. Thus, it is generally understood that the U.S. will continue its involvement in the Sinai as long as it proves helpful in assuring compliance with the Agreement and in maintaining circumstances conducive to further progress toward a Middle East peace settlement, and as long as the U.S. continues to enjoy the confidence and support of both sides.

In keeping with the intent of P.L. 94-110, the Sinai Support Mission has looked at several ways to reduce the United States staff in the Sinai without sacrificing the objectives of the Mission. The SSM has adopted a plan of gradually reducing staff, where possible, without sacrificing performance. Three methods of staff reduction have been and continue to be explored. These are:

- Improved efficiency of operation by combining functions and changing operational procedures. By this method we have been able to reduce the staff in the Sinai from 174 at the time of the GAO visit to the present 167. Additional changes, presently being considered, may permit a further modest staff reduction.
- Substitution of foreign nationals for United States civilians. Both Egypt and Israel have been reluctant to accept the substitution for United States civilians of foreign nationals other than residents of the Buffer Zone who, for the most part, are Bedouins. SFM positions for which Buffer Zone residents might qualify are mainly custodial. Upon investigation, however, it was found that they could not be employed without a health certificate from the UN and background security checks and documentation from both Egypt and Israel. These requisites presented all but insurmountable problems, and efforts at substituting foreign nationals for United States civilians were discontinued. The possibility will be reexamined from time to time to determine whether the political situation has changed sufficiently to make it feasible.

- Technological changes which result in labor savings. We have recently completed a review of technological changes which could be made to reduce the number of United States civilians in the Sinai. All functional areas were examined, and the staff responsible for operation and maintenance of the early warning system (31 percent of the positions) was identified as the one most amenable to the introduction of advanced technology. However, as the surveillance, inspection, and reporting functions of the SFM are of central importance (not "secondary" as stated on page 17 of the draft), our approach has been to proceed cautiously in considering manpower reduction through the introduction of new technology. Before an actual change in operations is made, an alternative system will be set up and operated for a sufficient period of time to validate its performance and to demonstrate its capability to both parties.

The Draft Report suggests a lack of preparedness on the part of the SSM to protect and, if necessary, to evacuate the U.S. civilians in the Sinai. It does not mention that an initial ad hoc emergency and evacuation plan was drafted in mid-February, 1976. Furthermore, a number of steps were taken to test the feasibility of the plan in the event of an emergency:

- Convoys were organized and key personnel designated,
- Procedures to ensure destruction of classified files and equipment were drawn up.
- Exercises were held to ensure the ability to maintain communications between the base camp and the convoys until they were outside the Buffer Zone.
- Emergency rations of water and food were procured.

A comprehensive E&E plan, fully coordinated within the Departments of State and Defense, was completed in July, 1976. Detailed instructions include procedures for marshalling of personnel and vehicles, alternative routes of evacuation, maintenance of emergency supplies, and destruction of classified material. Drills are conducted regularly and the results reported to Washington by telegram. During a recent full rehearsal, the camp was completely evacuated within 40 minutes. Every aspect of the plan has been tested and both governments have been briefed on the routes the SFM would use in the event an emergency required evacuation of the Mission.

The observation on page 25 of the draft that "Israel has consistently introduced additional men and vehicles into J-1 since March, 1976" is not entirely accurate. As indicated, the Protocol to the Agreement allowed the Egyptians to introduce construction teams into the Buffer Zone to work on E-1 who would add to personnel regularly stationed at the site. In return, informal agreement was reached that permitted Israel to bring in additional transient personnel at J-1 in connection with specific construction-related purposes, such as the installation of new equipment. In both cases, these exceptions to the 250-man limitation at each site were permitted for temporary periods and the extra personnel are not allowed to remain in the Buffer Zone overnight.

In discussing contractor selection, the draft report states on page 36, without elaboration, that "complete documentation and rationale for all evaluation processes were not available and the final selection appeared to be subjective in nature." In fact, the documentation made available to the GAO included the detailed Source Selection Plan, prepared prior to receipt of proposals, which described the procurement process and included the following:

- The organization of the Evaluation Team;
- the process to be followed in evaluating proposals;
- the rules of conduct for evaluators;
- a schedule for the entire procurement process;
- a detailed numerical scoring plan; and
- a narrative description of evaluation factors to be used.

In addition to the foregoing, we made available the Source Evaluation Report, which documented the contractor selection process, including the numerical scoring and the basis for judgments reached in the evaluation. This report was accompanied by two price cost evaluations, two management evaluations, and a technical evaluation. It is our view that this documentation thoroughly covered the steps taken and the basis upon which contractor selection was made.

We do not agree that the selection was "subjective in nature." The source evaluation and selection processes were conducted, as outlined in the plan and in the RFP, by knowledgeable individuals who, for the most part, had no prior or subsequent connection with SSM. The results of the evaluation were carefully documented. We agree that informed judgment was applied throughout the process as this is inherent in competitively negotiated procurement. In fact, on May 28, 1976 the Comptroller General denied a protest alleging improper proposal evaluation on the part of the Government because the evaluation was based on the reasoned judgment of the Government's source selection personnel, supported by well documented findings and in accordance with RFP's evaluation criteria. (Decision No. B-185339) (Emphasis added).

The GAO Report also notes inconsistencies between points awarded for realism in the cost evaluation and related written comments prepared by the Cost Evaluation Team. An evaluation process is, in short, a synthesis of varying views of individual evaluators. The Cost Evaluation Team agreed unanimously with the conclusions of the price/cost evaluation report.

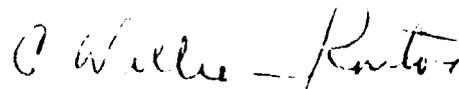
The draft observes that no attempt was made to determine the reasonableness of the proposals even though points were awarded for realism. The realism evaluation was intended to prevent significant understatements of cost and subsequent cost overruns by comparing proposed costs with independent government estimates. A separate analysis of cost reasonableness was deemed unnecessary where a cost-reimbursement type contract was planned since effective cost competition was present.

Although not specifically stated in the final Management Evaluation Report, the scoring was based on revised offers, submitted in writing, following discussion of questions raised by the initial evaluation of the proposals.

The changes which occurred in the cost evaluation were the result of changes in the offeror's proposed cost in final offers. The same methodology was used in scoring as that used in the initial evaluation. Essentially, the final evaluation represented a numerical recomputation of scores, the formula for which remained unchanged.

Finally, we do not agree with the assertion that the SFM base camp facilities could have been provided at less cost and fewer problems if the temporary facilities had merely been expanded and upgraded. It was not feasible to consider upgrading the temporary structures prior to the scheduled shipment of the precast concrete modules (March 10, 1976) because not enough was known about the Kelly Klosures at that time. Furthermore, those that were subsequently upgraded are difficult to heat in winter and to cool in summer. They are also permeable to blowing sand and dust. A substantially larger number of temporary buildings would have been required to meet the needs of the permanent camp, and since additional lumber, insulation, and other building materials would have been needed to upgrade the structures, costs would have risen. Further, a potentially serious fire hazard would have been created in the dry and windy atmosphere of the Sinai.

I trust that these comments will be helpful in your revision of the Draft Report.



C. William Kontos
Special Representative
of the President and
Director

GAO note: Page references in this appendix may not correspond to page numbers in the final report.

PRINCIPAL OFFICIALS
RESPONSIBLE FOR ACTIVITIES
DISCUSSED IN THIS REPORT

Tenure of office
From To

SINAI SUPPORT MISSION

DIRECTOR:

C. William Kontos Jan. 1976 Present

DEPARTMENT OF STATE

SECRETARY OF STATE:

Cyrus R. Vance Jan. 1977 Present

Henry A. Kissinger Sept. 1973 Jan. 1977

AMBASSADOR, U.S. EMBASSY,
CAIRO, EGYPT:

Herman E. Eilts, Jr. Mar. 1974 Present

AMBASSADOR, U.S. EMBASSY,
TEL AVIV, ISRAEL:

Malcolm Toon June 1975 a/Dec. 1976

DIRECTOR, BUREAU OF INTELLIGENCE
AND RESEARCH:

Harold H. Saunders Dec. 1975 Present

ASSISTANT SECRETARY OF STATE,
BUREAU OF INTERNATIONAL
ORGANIZATION AFFAIRS:

C. William Maynes, Jr. Mar. 1977 Present

Samuel W. Lewis Dec. 1975 Jan. 1977

DEPARTMENT OF DEFENSE

SECRETARY OF DEFENSE:

Harold Brown Jan. 1977 Present

Donald Rumsfeld Nov. 1975 Jan. 1977

James R. Schlesinger July 1973 Nov. 1975

a/No replacement as of April 1, 1977.

Tenure of office
From To

DEPARTMENT OF DEFENSE (cont.)

ASSISTANT SECRETARY OF DEFENSE,
INTERNATIONAL SECURITY AFFAIRS:

Eugene V. McAuliffe	May 1976	Present
Amos A. Jordan (acting)	Dec. 1975	May 1976
Robert E. Ellsworth	June 1974	Dec. 1975

COMMANDER IN CHIEF, EUROPE:

Gen. Alexander M. Haig, Jr.	Nov. 1974	Present
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