

**MULTINATIONAL FORCE AND OBSERVERS  
DIRECTOR GENERAL'S REPORT TO  
THE 2010 TRILATERAL MEETING**



**PLENARY MEETING  
22 NOVEMBER 2010  
ROME, ITALY**

Cover photograph from Force Commander Change of Command Ceremony,  
North Camp, Sinai, Egypt, 1 March 2010 (left to right): the new MFO Force Commander,  
Major General Warren Whiting and the MFO Director General, Ambassador David M. Satterfield.

## MFO FY 2010: INTRODUCTION BY THE DIRECTOR GENERAL

The Multinational Force and Observers (MFO) has completed a successful fiscal year 2010 (FY 10) – 1 October 2009-30 September 2010 – in the service of Peace, and I have completed my first full year as Director General.

The quiet but significant accomplishment of the MFO mission, and the example it offers, is one of the fundamental building blocks of the broader regional peace for which efforts have once again been renewed and hopes have been raised. The Foreign Minister of New Zealand, the Hon. Murray McCully, in addressing the U.N. General Assembly on 25 September 2010, remarked that,

*“I recently visited Sinai where a New Zealand officer has command of the Multinational Force and Observers. I was reminded that there has been peace between Israel and Egypt for over 30 years, a prospect once unthinkable.”*

The difficulties facing those striving to achieve a just, lasting and secure peace are well known. Great courage and leadership are required now as in the past. The MFO is a living symbol of the spirit of “no more war, no more violence” that is at the center of the Egypt-Israel Treaty of Peace, which the MFO serves. We trust that this example can and will serve to advance the cause of a comprehensive peace in the Middle East.

Regional uncertainty and threat have an impact on the work of the MFO. While the Sinai remains quiet, we face risks to Force security. Force protection is a priority in the accomplishment of the mission and we are never complacent. Since the Force is stationed in Egypt, the excellent cooperation of the Liaison Agency with International Organizations (LAWIO) headed by MG Amir el Damhougy and other Egyptian Government agencies is critical in ensuring the protection of MFO

personnel. We receive full cooperation from both Treaty Parties in assessing threats to the Force as we carry out our mission in both countries, and I wish to record here our appreciation for the constant and essential support we receive from this exceptional partnership.

My report will detail a very active year for the MFO in many areas. Some highlights:

- **No-real-growth Budgets:** Peacekeeping requires both adequate funding and prudent financial stewardship of the funds provided. Last year, I committed to the three primary Funds Contributing States (FCS) – the two Parties to the Treaty of Peace, Egypt and Israel, and the United States – to budget on the basis of no-real-growth, with changes only to cover inflation, including the cost of petroleum products, and currency exchange differences unless there were to be an unexpected and extraordinary change to the mission. In June of this year, I expanded that commitment and pledged to hold the FY 11 commitments requested of the three FCS to a constant \$25M. Reversing the trend in FY 07-FY 10, their contribution in real terms is declining this FY. We have put into place, starting with last year’s annual meeting, new consultative processes including a mid-year fiscal review, to jointly forecast budget performance and out-year requirements and to review major project activity. My intent has been to provide the FCS with enhanced predictability and understanding of our medium-term financial planning. We have shared a five-year rolling forecast of requirements based on stable mission and personnel assumptions.
- **Budget Stabilization Reserve Fund:** We must also produce and capture

savings wherever and whenever we can in order to help offset future costs and inflation. At the initiative of LAWIO and with the support of the other FCS, beginning with the just-concluded FY 10, a new budget stabilization fund will capture savings in any fiscal year to offset budget pressures in succeeding years, in order to assist me to both sustain a no-real-growth budget and to stabilize FCS funding requests unchanged from current levels insofar as possible into the future. I welcome this initiative.

- **Donor Campaign:** Since even low inflation adds to expenses, and since the Parties have made it clear that they wish no reductions in the MFO mission or its capabilities, a necessary part of transition to a new budget paradigm has been a concerted diplomatic effort to raise additional donations to fund our work. The three FCS and I have worked together to reach out as actively as possible to potential new donors over the past year. Our efforts to date have produced an additional donor, Finland, whom we welcome in FY 11 into the family of MFO Supporting States. In addition, we have secured continuing financial support from Germany, Japan, the Netherlands, Norway and Switzerland. We are continuing discussions with other countries, with the goal of generating several new multi-year or annual pledges of financial support. An accompanying section highlights the arguments we have used to broaden the base of MFO financial support. I am pleased to report that this initiative has strengthened understanding of our mission, communicated the Parties' clear views on the importance to them of sustaining the MFO mission, and produced concrete results – and I hope for more.
- **Key Personnel Changes:** Significant leadership changes occurred in 2010.

On 1 March, MG Warren Whiting of New Zealand assumed command of the Force in the Sinai. He has championed collaborative teamwork, overseen a successful summer rotation of all his senior military staff, and established solid relationships with the Parties' Liaison Chiefs. At our Headquarters, we welcomed a new General Counsel, James Lindsay, who had previously served as our legal counsel in the Force and prior to that as General Counsel of the United Nations Relief and Works Agency (UNRWA). In December, my Representative in Cairo, Mr. Normand St. Pierre, will depart the MFO after six years of faithful service. He will be replaced by Kathleen Riley, a just-retired U.S. Foreign Service veteran with experience in Egypt, Israel, Jordan, Saudi Arabia and Morocco and a former Chief of the Civilian Observer Unit (COU). In one of our key partnerships, I also take note that the Chief of the Israel Defense Forces Strategic Division (IDFSD), BG Yossi Heymann, retired in August and has been replaced by BG (selected) Hanny Caspi.

- **New Fixed Wing Aviation Support:** Last June, the French-contributed Fixed Wing Aviation Unit departed, and there was a seamless transition to a new aircraft supplied by the U.S. Army National Guard. We appreciate and honor the long French record of MFO service since 1982 and are grateful that the U.S. Department of Defense has agreed to assume the fixed wing aviation mission. The new platform, a C-23B Sherpa, has proven itself an ideal aircraft for the COU and other missions. We are completing a financial arrangement with the U.S. Army which means that the U.S. incurs little incremental cost in making this aircraft available to us, and we in turn benefit from an arrangement that meets all our fixed wing mission operational, financial and safety of flight criteria.

- **Shifts in Contingent Strength:** We have seen several small adjustments to Force strength in the past year. By far the most significant of these was the withdrawal of the French Fixed Wing Aviation Unit, which reduced the French contingent to two officers serving in our Liaison Branch. To assume this aviation mission, the U.S. Contingent increased by six personnel, and one additional Canadian officer also joined us to help manage aviation operations. Overall, these and other changes have resulted in a net decrease of six personnel from this time last year. A table on page four shows our current military contingent authorized strengths.
- **Funding for Force Protection:** With exceptional funding support from the United States – and here I must thank the gratifying bipartisan interest and support I have found in the U.S. Congress – we have been able to maintain a modest fund dedicated to meeting our force protection requirements. In addition, we continue to receive substantial and important technical advice and in-kind support from the U.S. Army Central Command to sustain our force protection program and accomplish needed projects. I cannot say enough here to record our great appreciation. Without it, our budget would be truly pressed to meet all our force protection expenses.
- **Enhancing Operational and Industrial Safety:** Safety issues have received renewed emphasis after a fire at our South Camp medical dispensary in September 2009. With the cooperation of a U.S. Army specialist team, we conducted a review of electrical safety in our buildings, and we have begun a rewiring program in our older facilities. We have reviewed how we oversee operational and industrial safety at the Force, how we staff our Senior Staff Officer-Safety position, and how best to enhance safety expertise in our facilities and engineering branch as we undertake new hiring. Our support services contractor, Holmes and Narver Services, Inc. (HNSI), a subsidiary of AECOM, also has an important role to play as we review industrial safety practices, and we are working with AECOM management and their new on-site program manager to engage them in this review.
- **Renovating Remote Sites:** We have initiated a multi-year project to renew our remote sites. One site has been completed and a second is nearing completion. At each site, this comprehensive review and renewal affects living and working facilities, force protection features and fencing. Over time, all remote sites, 28 excluding the two newest Temporary Observation Posts (TOPs) emplaced after the 2005 Border Guard Force (BGF) Agreed Arrangements, will be reviewed and renovated as needed or, given a few inaccessible pinnacle locations, as feasible. The Force Commander and I consider good support, security, and quality of life for our soldiers at the remote sites to be an essential priority.

As I look back over a busy year, I have been ever more convinced that our success is based on the dedication and professionalism of the many people who make all this work:

- the Force Commander and his senior staff;
- the soldiers, aviators and sailors assigned to the mission;
- the COU which is key to Treaty verification in all the Treaty Zones;
- our 41 able civilian professional staff in the Sinai, whose combined 240 years of MFO experience provide an essential backbone for the Force amidst the annual rotation of military personnel;
- my Representatives in Cairo and Tel Aviv who, with their procurement,

liaison and finance staffs, 27 in Cairo and 19 in Israel, offer so much dedicated support and, respectively, 384 and 365 years of accumulated MFO experience to the Force;

- our partners in LAWIO and IDFSD;
- the personnel of our support services contractor and of our labor services sub-contractor Care Services; and
- my 22 colleagues at the Headquarters in Rome who have a combined 399 years of MFO corporate memory and specialized expertise; 60% of the senior staff have also lived and worked in the Sinai.

I thank them all – our achievements are a collective, cooperative effort. We are a small but complex organization, which faces a particular challenge to offset the impact of annual rotation of almost all military personnel at the Force. In this report, I hope to properly recognize in greater detail our accomplishments and notable developments over the past year, and key contributors.

**PARTICIPATION AND DONOR SUPPORT**

During FY 10, the family of MFO Participating and Donor States remained unchanged.

**PARTICIPATING STATES**

A significant event for us in the past year was the orderly withdrawal last July of the French Fixed Wing Aviation Unit and its CASA CN-235, and its replacement by a U.S. Army National Guard Sherpa C-23B aircraft and crew. This change reduced the French contingent from 18 personnel to two senior officers serving in our Liaison Branch. To assume the fixed wing aviation mission, the U.S. Contingent increased by six personnel. One additional Canadian officer also joined us to help oversee aviation operations, replacing a departing French officer.

After an internal management review of our military police support requirements,

**MFO CONTINGENT AUTHORIZED STRENGTH (AS OF NOVEMBER 2010)**

<u>UNIT</u>	<u>MAIN DUTIES</u>	<u>STRENGTH</u>	
Australia	Staff	25	
Canada	Liaison, Air Traffic Control	28	
Colombia	Infantry Battalion	358	
Czech Republic	Staff	3	
Fiji	Infantry Battalion	338	
France	Liaison	2	
Hungary	Military Police	42	
Italy	Coastal Patrol Unit	78	
New Zealand	Training, Transport	28	
Norway	Staff	3	
Uruguay	Engineering, Transport	58	
United States	Infantry Battalion	425	} 693
	Composite Logistics Battalion	228	
	Staff	40	
<b>TOTAL</b>		<b>1656</b>	

Figure One

we concluded that the Force Military Police Unit required augmentation, and we requested Hungary to increase its contingent by four personnel, which it has kindly done.

With the change of command last March, two positions that normally follow the nationality of the Force Commander, a military executive assistant and a driver, transitioned from the Norwegian to the New Zealand Contingent.

I am very grateful to Canada, Hungary, New Zealand, Norway and the United States for their full cooperation in these adjustments.

FY 10 marked the first full year of Czech participation in the MFO. We have three Czech officers, one serving as Assistant to the Chief of Staff, and the other two in force protection and engineering, respectively.

As previously noted, the effect of these shifts was a net decrease of six authorized positions from this time last year. The table on the preceding page shows current contingent authorized strengths. The Force military personnel authorized strength now stands at its lowest level ever.

The many significant contributions to the mission made by our twelve national contingents will be described throughout this report and in its Annex.

The MFO and the Treaty Parties are very grateful for the stability of support by our Participating States, including France's provision of fixed wing aviation support from 1982 until this year. This is a remarkable testament to their political will and commitment to this mission, and their recognition of its significance. This support is all the more appreciated knowing the competing demands that so many of them face in Afghanistan, Iraq and other NATO and U.N. missions.

## DONOR STATES

Our five long-term Donor States, Japan, Germany, the Netherlands, Norway and Switzerland maintained, and in the case of Japan and Switzerland, increased their fiscal support in FY 10.

- Japan is our original Donor State, and began its relationship with the MFO in our FY 89. Japan continued earmarking its donation towards civilian salaries and food purchases.
- Germany, which became a donor in FY 92, continues to provide €400K in annual support, which is unrestricted.
- The Netherlands, which has had many roles in the MFO since 1982, continues as a donor, contributing \$675K in FY 10. This contribution is also unrestricted. The Netherlands was a troop contributor from 1982-1994 and provided one of our Force Commanders; the Netherlands re-associated itself with the MFO as a Donor State in FY 06.
- Norway made the first of three planned annual \$1M contributions towards the work of the COU, continuing an association with the Unit that began in MFO FY 07. This is a further demonstration of Norway's deep commitment to the MFO, which goes back to the MFO's inception in 1981. This commitment has included political and financial support, the provision of four Force Commanders and the staffing of three important staff positions in the Sinai, including the Force's Chief of Operations.
- Switzerland, a Donor State since FY 95, increased its donation with funds combined from the Federal Department of Defence and the Federal Department of Foreign Affairs which have jointly agreed to support our mission. The

donation is earmarked towards the expenses of the COU.

- The United States, and here again I must thank the bipartisan Congressional support I have found for our mission, has continued to provide us with additional funding, beyond the request we make to all three FCS, to meet expenses related to force protection. In FY 10, this amounted to \$3M. This report will later describe how U.S. force protection monies are managed and allocated; but this is the occasion to underline our appreciation to the U.S. State Department and to the U.S. Congress. We are insistent that all MFO members carrying out the mission be made as secure as possible in doing so, but we are also cognizant that many aspects of force protection can be very expensive. This additional money has allowed us to fund needed measures without drawing from the main operating budget and avoiding conflict with other spending priorities.

The MFO welcomes all contributions, such as the one-time Spanish contribution in FY 09 towards the purchase of Fully Armored Vehicles (FAVs), but for planning and program purposes, multi-year commitments or budget plans surely help us the most. We are very grateful to our Donors, and in our new environment of no-real-growth budgets and stabilized FCS contributions, donor support will play an ever more critical role in helping us offset inflation and adverse currency moves

against our operating currency, the U.S. dollar, and in maintaining the mission. The fact that, overall, the level of donations this FY declined from FY 09 has added impetus to our efforts to recruit additional sources of fiscal support.

Thus, I am very pleased to report that in FY 11, an additional donor will join the MFO family:

- Finland has made an unrestricted contribution of €100K. This is a very positive event and I went to Helsinki in October to discuss our work and to explore a continuing relationship. We also welcome at our annual meeting for the first time a Finnish observer.

In addition, Denmark is giving favorable consideration to a proposal to help fund the work of the COU with a donation of \$500K in each of FY 11 and FY 12 and I am hopeful that this contribution will come to fruition in the near future. I am pleased that Denmark recognizes the central role played by our 16 Civilian Observers in executing the MFO verification mission under the Treaty. I had a very productive visit to Copenhagen in July 2010 to encourage Danish support of the MFO, and today, it is my pleasure in turn to welcome, for the first time, Danish attendance at our annual meeting.

I will continue to work closely with the three FCS in order to increase further our base of financial support for the MFO's important work. I am very grateful for the

active diplomatic intervention of all of them in helping to canvass for additional donors.



## THE CASE FOR MFO DONOR FUNDING

- The MFO is a highly successful peacekeeping mission that, through its mandate and the performance of its mission under the Egyptian-Israeli Treaty of Peace, plays a critical stabilizing role in the border areas between Israel and Egypt, including the Gaza border, and throughout the Sinai itself. It enjoys the complete confidence of the Treaty Parties, Egypt and Israel, and support of the MFO is a matter of total bilateral agreement between them.
- The MFO's verification and monitoring work is its core mission under the Treaty of Peace, its Protocol, and Agreed Arrangements of 2005 (as amended) on Egyptian Border Guard deployment opposite Gaza. Its mandate also provides for a "best efforts" function to consolidate the peace between the two Parties, and in this respect the MFO plays a number of confidence-building roles.
- The MFO role is much more than mechanical verification. It also plays a central role as a channel of dialogue and cooperation. An active liaison system links the MFO and the Parties. The MFO facilitates bilateral meetings and visits and, as stipulated by the Treaty, uses its best efforts to avoid any violation of its terms. The MFO's diplomatic and liaison role engages the Director General, the Force Commander, the Force Liaison Branch and the Director General's Representatives (DGRs) in each country every day, in the field, and in the capitals.
- The MFO is the Parties' indispensable agent to help them manage change in their security relationship. An increased MFO verification role was an essential element in achieving the Agreed Arrangements on Egyptian Border Guard deployment opposite Gaza.
- Securing the Force and enhancing force protection, the MFO's aging infrastructure in the Sinai, and even modest cumulative inflation, have combined to put significant pressure on the MFO budget in recent years. The MFO needs additional sources of financial help.
- The Parties' commitment to the MFO and the value they place on the MFO's key role in their relationship cannot be more concretely demonstrated than by their own increasing financial contributions. Under MFO funding formulas, whatever part of the budget is not contributed by other donors is shared equally among Egypt, Israel and the U.S. The Parties' and the U.S.'s individual contributions to the MFO budget have increased in MFO FY 07 and FY 09, and increased again this FY 10 to \$25M each, to keep pace with inflation and to ensure that the capabilities of the MFO to serve the Peace remain, as the Treaty Parties wish, undiminished.
- Other Governments can help by making a significant annual financial contribution to demonstrate visible and strong commitment to the peace between Egypt and Israel and to regional stability, and to ensure that the MFO can continue to accomplish its mission. Substantial financial support would provide relief for Egypt and Israel who meet most of the costs of the MFO; as the cost of the MFO inevitably increases, the principle of other countries sharing the burden with the Treaty Parties in financing MFO peacekeeping takes on increased urgency.

OPERATIONS

**SIGNIFICANT EVENTS**

During FY 10, the Force continued to focus on successfully accomplishing its mission while maintaining the safety of its operations and protecting its members from any external threat. The single greatest challenge faced by the Force this year was the worst flooding experienced in the Sinai in 16 years.

The rain began on 18 January 2010 and not since January 1994 had the Sinai seen such heavy storms, which claimed several victims on both sides of the border; however, the MFO was fortunate not to have suffered any losses. The storms created flash floods with water rushing from the mountains to the sea, bringing sand, soil and other hazards which covered major roads and weakened road foundations. Sand-covered roads, sink holes, and collapsed bridges posed the greatest danger, and the main supply

routes to both Cairo and Tel Aviv were severed for a period of time. For several weeks, the Force relied almost exclusively on helicopter support to resupply many remote sites and for travel between the MFO's North and South Camp. Travel by road between the two camps was not possible until April 2010 and, even then, was restricted to light vehicles. Until roads began to open, the Force limited movement, introduced reduced speeds and used alternative routes; as a result, there were no serious accidents during this challenging period.

The MFO's success in overcoming this challenge was directly attributable to



cooperation and communication within the Force and among the Force, both DGR offices and Egyptian and Israeli authorities. The Force immediately identified all operational routes and prioritized efforts by the U.S. Army First Support Battalion's (1SB) Explosive Ordnance Disposal (EOD) Detachment and the Uruguayan Transport and Engineering Unit (TREU) to clear debris or hazards from key, washed-out roads frequently used by the MFO as well as the local population. The Force Operations Center tracked road conditions and improvements throughout the period of transport disruption. Continuous dialogue with Egyptian and Israeli authorities helped ensure knowledge

of up to date conditions as routes were restored across the Sinai and in Israel.

### **AVIATION SUPPORT**

As noted earlier in this report, the MFO underwent a notable transition with the departure of the French-supplied CN-235 CASA and its crew in June 2010. France had provided the Fixed Winged Aviation Unit since the inception of the MFO. The MFO greatly appreciates the commitment and service of the French Air Force over the past 28 years and is equally grateful to the U.S. for taking on this critical mission with the provision of a C-23B Sherpa and its crew.



### **FORCE PROTECTION SUPPLEMENTAL FUND**

Demonstrating a deep and bipartisan commitment to the MFO, the United States Congress has provided the MFO with supplemental funding in FYs 05 and 08 to address force protection requirements. In FY 10, an additional \$3M in support were received. This fund is strictly managed at MFO Headquarters and the Director



General holds exclusive approval authority for all expenditures. This fund is separate from the MFO's operating budget and is intended only to address needed force protection improvements. It is not intended that this money be used to address the routine replacement or maintenance of existing security measures which should be covered by the regular Force budget. Rather, this fund provides the Director General with the ability to acquire force protection enhancements to address emerging concerns and requirements.

Current projects underway at the Force, resourced partially or fully by this special fund, are outlined below.

### REMOTE SITE RENOVATIONS

As advised in last year's report, the MFO initiated this FY a multi-year, rolling plan to review and renovate remote sites. The plan currently underway by the Force Engineering Office (FEO) takes into account quality of life, including work, accommodation and daily living needs,

as well as force protection enhancements. As living conditions at the remote site are systematically renovated, upgrades will be carried out to the protective system including protective blast walls, bunkers, perimeter fencing and ballistic towers. All enhanced force protection work carried out in connection with the remote site renovation project will be funded from the force protection supplemental fund. Other work will be funded from the MFO's operating budget.

This year, significant improvements were made at both Sector Control Center 1 (SCC-1) and Checkpoint (CP) 1-B. Each site now contains a single modular building that encompasses what was previously contained in five or six separate buildings. The modular building contains all accommodations as well as the latrines, Tactical Operation Center and kitchen/dining area. Additional work completed at CP1-B includes the installation of a ballistic tower, replacement perimeter fencing, protective blast walls and bunkers. Similar



Renovation work at CP1-B with new, singular, modular building and protective blast walls

force protection improvements are ongoing at SCC-1 with completion expected early in FY 11. The next remote site scheduled for renovation in FY 11 is CP1-F.

### ENHANCED COMMAND AND CONTROL

In a further effort to enhance our force protection and facilitate better control over the whereabouts of our personnel, we began several projects in FY 10 that will provide us better command and control procedures.

**New Operations Center (NOC):** As discussed in last year's report, in January 2010, we began construction of the NOC. This project includes a new 500m<sup>2</sup> building to house Force operations and all affiliate functions. It was completed in early November and the NOC is expected to "go live" in December. The NOC will centralize all operational elements, facilitating command and control of MFO assets, and utilize new technologies – such as Radio over Internet Protocol (RoIP) and a Vehicle Tracking System (VTS) – to improve operational effectiveness. The NOC will also streamline operations to create a safer and more reactive mission environment. The NOC building also includes a conference room and VTC capability.

**RoIP:** The RoIP project is almost complete and is expected to commence functioning when the NOC is inaugurated in early December. The project will bring the majority of MFO sites onto one communications net, using the MFO's existing "canopy" network (a point to point wireless, data/voice network), so that communications can be monitored and controlled by the Operations Branch from the NOC (e.g., allows radio users to transmit directly to the NOC without the need to relay messages through remote sites, thereby avoiding language barriers). The Information and Communications Technology (ICT) Branch has completed the required antenna, radio and switch upgrades to support the RoIP system and all hardware and software were



New Operations Center  
(above, exterior of building; below, interior)



successfully installed by the end of the FY. The system has minimal user interaction which eases training requirements; however, ICT technicians are being trained on equipment installation and maintenance and on problem-solving, and all Operations Staff will be trained on software use.

**Web Portal:** The web portal project, too, is in its final phase and is expected to be completed before the end of November 2010. The portal will provide MFO members with a single entry point where it will be possible to obtain critical information on the Force's resources and activities from across the organization.

**VTS:** The Force is currently completing its technical evaluation of the three systems being considered. Each company provided a demonstration of its system and the Operations Branch has conducted a week-

long, live field trial with each system using COU vehicles. If a suitable system is identified and selected, all MFO vehicles will be equipped with a tracking device that will feed their location to the NOC. This will extend coverage beyond the 88 vehicles currently monitored by a trial U.S. Government-provided Movement Tracking System installed in June 2009. MFO ships, fixed winged aircraft and rotary wing aircraft will all undergo a separate suitability study to ensure that the selected system does not interfere with on-board navigational and communications systems. The goal is to identify a suitable VTS that could be brought into operation in FY 11. The systems all work via existing cellular phone infrastructure or satellite links.

### FY 11

**FAVs:** The Director General has recently approved the purchase of five additional FAVs using money from the force protection supplemental fund. This followed an evaluation of the Force's FAV needs including emergency response as well as expected maintenance requirements as some of the current fleet will begin to require extensive servicing. The new vehicles, once received, will bring the total number of FAVs in service at the Force to 23.

### OTHER FORCE PROTECTION PROJECTS

**North Camp Perimeter Fencing.** The United States Army continues to support the MFO with expert force protection advice and in-kind enhancements. Following the identification of degradation to the North Camp perimeter fence because of age and January's rains, the MFO asked the U.S. Army Central Command (ARCENT) for an assessment of its fencing and recommendations on improvements. Based on their inspection, ARCENT pledged to pay for reestablishment of the outer North Camp perimeter fence at no cost to the MFO. Work on the new fencing began in November 2010 and is projected for completion by March 2011.



### EOD

This year, the 1SB EOD detachment responded to nine incidents and conducted fifteen operations. The detachment removed and disposed of seven active landmines found in the vicinity of MFO facilities without damage to property or injury to personnel. The detachment also conducted EOD reconnaissance over more than 9,800 km<sup>2</sup> in the MFO's area of operations without incident and provided updates to the Operations Branch.

### COU

The COU is the personification of the "O" in the MFO. Its 16 Observers, all U.S. citizens, monitor the four Treaty Zones and the BGF area of operations, providing the MFO with timely and accurate treaty verifications. Observers crisscross all Treaty Zones by land and air in sometimes challenging conditions to verify the presence of military personnel and accountable items such as tanks and artillery, a mission that they once again accomplished in FY 10 with dedication and professionalism.

FY 10 witnessed a significant change in the COU's operations: the departure of the French contingent's fixed wing air unit, which had supplied the COU's reconnaissance platform since 1982, and its



**The MFO Director General (center) with COU members and the new, U.S.-provided fixed winged aerial platform for COU reconnaissance missions, the C23B Sherpa**

most recent aircraft, a CASA CN-235. In April, the United States agreed to provide a replacement: an Army National Guard C-23B Sherpa aircraft. The new airframe has proven to be ideally suited to the COU's mission. The Sherpa's ability to fly "slow and low" significantly contributed to accomplishing the Observers' tasks of identifying accountable equipment in the vastness of the Sinai desert. In addition to the airframe, the U.S. Army National Guard provided an outstanding six person crew of experienced pilots, mechanics and support personnel, whose contributions were crucial to the seamless transition from the CASA to the Sherpa.

Security continues to be a central element of concern in accomplishing the COU's mission. FY 10 witnessed the shooting of an Egyptian soldier guarding the wall separating Gaza from Egypt, an area regularly traveled by the COU, and there were other potential threats in the same general area. As it is the only unit whose scope of operations covers all four Treaty Zones, the Observers and the Chief of the Unit are constantly reevaluating security

for COU missions in close coordination with other elements of the MFO.

The COU looks forward to another year of challenges and solutions, building on its reputation for excellence and rising to meet the changing demands of the mission environment.

## LIAISON

### **UNDERSTANDING THROUGH LIAISON**

For more than 28 years, the MFO has depended upon the determination of the two Treaty Parties to cooperate effectively to support the MFO in the conduct of its peacekeeping mission. As an impartial entity, the MFO provides the Parties with a supportive and confidential environment that helps to promote trust and confidence-building. The MFO Liaison system is a critical element in this area. Over the years, a unique and robust Liaison system based

on a multi-faceted structure has evolved. Today, there are three distinct levels of Liaison interaction within the MFO: the strategic level involving the Director General and his interaction with senior officials at foreign and defence ministries, as well as other governmental and non-governmental agencies; the operational level engaging the Force Commander, the DGRs and the Chief of Liaison with senior counterparts in the military liaison branches both in Cairo and Tel Aviv; and the tactical level which involves MFO Field Force Liaison Officers (FFLO) and the respective local military Liaison units.

The activities of the Director General are instrumental in setting policy and creating the working environment for the Force Commander, the DGRs and the MFO Liaison staff. Building on that environment, MG Whiting has established a close rapport and friendship with his respective counterparts. The Force Commander conducts separate monthly meetings with both Parties' Liaison Chiefs to keep open channels of communication and promote proactive solutions to issues. These meetings allow for consultation on a wide variety of Treaty matters and help facilitate understanding between the MFO and the Parties.

While these meetings are planned routinely as a measure to encourage dialogue, 2010 also saw the MFO respond to a request to host the Joint Military Committee. In addition to providing a suitable venue,

the MFO also provided the participants with air transport to North Camp so that they could better exploit the time available and focus on the issues at hand. Similarly, the Force supported bilateral meetings in both Cairo and Tel Aviv.

The MFO Liaison Branch focuses the bulk of its efforts at the tactical level, where it strives to anticipate challenges and respond to any issues affecting the Parties or the Force. Led by the Chief of Liaison, a Canadian Colonel, the team of FFLOs, representing nine of the twelve participating nations, operates from North Camp, South Camp and on a rotational basis at the Taba/Eilat border crossing. Their motto is "No Problems - Only Solutions."

The Force Liaison Branch, assisted by a civilian Egyptian Liaison Officer and three assistants, works hard to maintain close relations and promote an understanding of the MFO. The Chief of Liaison conducts separate weekly meetings with his counterparts in LAWIO and IDFS to clarify, explain and resolve proactively local issues that may impact upon MFO operations. The majority of these issues involve the safe and timely movement of personnel and equipment inside the MFO area of operations by vehicle or by fixed or rotary wing aircraft.

MFO Liaison also must deal with extraordinary issues that require immediate attention, often with the able assistance



Joint Military Committee Meeting, April 2010, North Camp



The Force Commander and his guests at the North Camp *Iftar*, 22 August 2010

of our DGR Liaison Officers working from the Representative's offices in Cairo and Israel. The Force's agile response to last winter's flooding was an excellent example of MFO Liaison, in cooperation with LAWIO and IDFSO counterparts, coordinating efforts to overcome resupply challenges throughout the Sinai, exploiting established and temporary land and air routes to ensure the mission was not unduly affected. This year's commencement of a remote site renovation project also required extensive coordination with LAWIO, both locally and in Cairo.

The Force continues its policy of being a good neighbor to the other residents of the Sinai and recognizes that we are guests there. In support of our outreach program, the Force Commander routinely meets with the Governors of North and South Sinai and other local leaders to foster good relations and to help maintain awareness of the MFO's peacekeeping role.

During the 2010 Ramadan period, the Force Commander hosted senior government, military and local dignitaries including tribal Sheikhs at an *Iftar* (the evening meal to break the daily fast) at both North and South Camp. The North Camp *Iftar* has become a tradition in the northern Sinai region and this year marked the fifth such event. Held on 22 August, the North Camp *Iftar* was attended by more than 50 guests including the Governor of

North Sinai and the Chief of LAWIO. The South Camp *Iftar* was held on 29 August and was attended by the Governor of South Sinai, the Chief of LAWIO and more than 40 local officials. These events have served to establish and strengthen a strong bond of trust and friendship between the MFO and our Sinai neighbors. This year, the MFO provided its guests with entertainment from the FIJIBATT choir, a New Zealand Maori cultural group, Colombian dancers and a U.S. solo guitarist. At North Camp, Bedouin entertainers offered local music and dance.

In addition to fostering good relations with its neighbors in the Sinai, the Liaison Branch also promotes events with both Parties' liaison organizations. These include contributing to professional development courses for the Arab Republic of Egypt (A.R.E.) and IDF military forces, to ensure senior officers understand the MFO's role in the region. This past year the MFO also participated in sporting activities with representatives from the A.R.E. 2nd and 3rd Field Armies and the North Sinai Governate.

In sum, the Force Liaison Branch has taken significant steps over the past year to encourage and facilitate dialogue, work cooperatively to solve problems, and build confidence and trust by fostering outreach activities.

DIRECTOR GENERAL'S  
REPRESENTATIVE OFFICES

The DGR offices in Cairo and Israel support the MFO in a myriad of ways. They represent the Director General both politically and diplomatically in their respective countries, provide technical expertise for the whole organization in the areas of logistics, procurement and disbursement and also offer valuable regional knowledge and continuity.

Highlights of the DGR Cairo office in FY 10 include:

- Strengthening relations with multiple agencies to enhance our knowledge of the security situation in the Sinai.
- Assisting in arranging installation of an Aeronautical Fixed Telecommunications Network to enhance safety of flight.
- Organizing helicopter access to the International Medical Center in Cairo.
- Coordinating, within hours, emergency alternative air routing during the height of the flooding.
- Coordinating completion of an electrical infrastructure project at El Gorah substation to stabilize power at North Camp.
- Completing a two year negotiation with Misr Petroleum to standardize prices and billing for Jet A-1 fuel.
- Re-initiating and re-negotiating a plan to connect a remote site (SCC-7) to the national grid.
- Identifying and starting a program to acquire Ford vehicles in Cairo, thereby saving on purchases and maintenance.

- Negotiating a contract with the Sharm el Sheikh Hospital, achieving a 30% discount on all medical services.
- Re-negotiating "best rates" contracts with traditional and new hotel partners.
- Establishing a corporate account with the Egyptian Communication Company resulting in significant savings and a no-discontinuation-of-service agreement.

Highlights of the DGR Israel office this past year include:

- Maintaining and enhancing dialogue with Israel's military and diplomatic authorities to resolve issues and coordinate activities and meetings which fall beyond the immediate scope of routine Force Liaison dialogue.
- Continuing close and daily contacts with all elements of Israel's security authorities and foreign diplomatic authorities to provide up to date force protection advice to the Force.
- Maintaining close contact with all the various countries represented in the MFO for the purpose of reinforcing the MFO-Participant and Donor relationships.
- Sustaining and generating relationships in the diplomatic and academic communities which provide regional political and security awareness.
- Liaising with the various aviation authorities to facilitate the MFO's use of airport facilities, and airspace. In this regard organized a semi-annual meeting between the Force and Israeli aviation authorities to provide continuous updates related to aviation mobility and flight safety.
- Working with customs, police and security agencies to maintain and

improve border procedures, facilitating the cross-border passage of MFO personnel, MFO visitors and MFO materiel. This has proved particularly valuable when transshipping ammunition and other sensitive cargo.

- Facilitating the upgrade and maintenance of the MFO IT network including purchasing, monitoring and coordinating the installation of the new MFO topology which replaced the previous servers and network. Additionally, the DGR Israel office coordinated with the outsourcing companies which maintain, repair and update the MFO data systems as well as the important SAP Enterprise Resource Planning system. With respect to these outsourced services, the office also assists in monitoring performance and work. In further communications-related work, the DGR Israel office purchased, and coordinated the visit and on-site testing of the RoIP system.
- Re-negotiating a new two year contract with the Israeli-based General Motors agency which provides for just-in-time support to the MFO's vehicle fleet at concessional rates.
- Purchasing and monitoring the production and delivery of a number of large infrastructure projects, including new "hooches", ballistic towers, and other infrastructure improvements.
- Facilitating logistics for Morale Support tours and in a number of cases organizing and leading professional development visits.
- Providing around-the-clock emergency service to deal with medical evacuations, accidents, vehicle breakdowns and other matters involving Israeli authorities.

## SUPPORT/LOGISTICS

### ENGINEERING PROJECTS

Many activities were underway in FY 10 to improve MFO facilities in the Sinai. Already discussed in this report are the remote site renovation plan and the construction of the NOC. In addition to these, the FEO undertook the following major projects:

#### **Additional living quarters ("hooches"):**

Housing assignments at the Force were closely examined this past year to better align personnel to available quarters with the result that three transient accommodations at North Camp were reassigned for use by Force members and additional hooches (four at North Camp and two at South Camp) were installed for use by Direct Hire Civilians (DHCs). Final work is being carried out on the hooches and they will soon be ready for occupation. The new quarters and reassigned accommodations will make housing assignments easier to administer. To replace the three transient accommodations, a cluster of six smaller housing units is being installed. These facilities have been arranged specifically with short-term visitors in mind and offer greater privacy for those sharing accommodations on a temporary basis.



**New transient quarters at North Camp**

**Soldiers' Accommodations:** An ongoing effort is required to renovate periodically bathroom facilities in communal barracks where the bulk of the MFO's soldiers are housed. These facilities



**Barracks Bathroom Refurbishment**

experience tremendous use and extensive refurbishment is necessary, at intervals, to maintain an appropriate standard of cleanliness and serviceability. During the past year refurbishment work began at nine three-story barracks on North Camp. This involves a full replacement of the plumbing as well as tiling and sealing floor surfaces and general repainting, to ensure these accommodations will provide a high standard of hygiene to our troops for years to come. This project will continue into FY 11 due to the quantity of work to be performed. Also, three single-story barracks at South Camp were extensively renovated during the year.

**Water Distribution:** Our South Camp maintenance personnel developed an extremely efficient and economical method to repair leaks in the aging water distribution system at this camp, originally installed during MFO mobilization in 1981. Normal replacement of piping in this deteriorated system would require trenching and cause a certain amount of disruption, due to the need to excavate large portions of the camp (e.g. asphalt road crossings would need to be trenched while work was carried out and then repaved). To avoid this, HNSI and MFO staffs worked out a method whereby slightly smaller diameter, new, flexible polypropylene pipe would be pulled through the existing water mains. With this method, the need to excavate was kept to a minimum and the job completed

expeditiously. Equally important, there was little disruption to the camp during the period when this work was carried out. Expense was limited to the basic cost of the pipe and fittings. The success of this project is due to the innovative approach conceived by HNSI and MFO staff and serves as an example of the MFO's continuing efforts to take care of basic needs as simply and cost-effectively as possible.

**Aviation Clamshell:** Foundations, pavement and security fencing and lighting were installed in support of a 'Clamshell' aviation shelter provided by the U.S. Army at the North Camp airfield. This structure provides additional covered space in support of the MFO's flying program for both aircraft maintenance and material storage requirements.



**Aviation Clamshell Installation**

**Remodeling of the North Camp Force Exchange (FX):** Profits from the FX serve as the main source of funding for the MFO's Morale Support Program (MSP). It has been well over 20 years since any major work has been done on the facility and renovations were overdue. As sales in recent years have been declining, it was also decided to extensively refurbish the retail area at the same time to help boost profits. The renovation doubled the sales floor area which has enabled the FX to improve its display of merchandise. The project included a full lighting upgrade, new flooring, shop windows, glass door display refrigerators and freezers, and new changing rooms. Additionally, the FX business office was redesigned to provide a more efficient working environment.



**Remodeled FX**

**South Camp Gym Renovation:** Following on the gym's extension last year, several worn and deteriorated areas, including shower and changing rooms as well as several storage areas for gym equipment, were renovated during the FY. Additionally, the deteriorated gym floor surface received a cushioned sports court flooring identical to the one installed at the North Camp Gym.

**SAFETY**

As noted earlier, safety issues have received renewed emphasis after a fire at our South Camp medical dispensary in September 2009. Following this event, the Force called upon a Task Force Safety electrical team of civilian experts provided by the U.S. Army to survey a majority of Force structures for any serious electrical safety risks. A total of 34 safety issues were identified by the team, and the seven critical problems they located were fixed immediately. All of the remaining issues have been successfully corrected.

The team was able to identify hidden problems through the use of advanced equipment and techniques and the Force has changed its practice based on lessons learned from this effort. As an example, the team used scanning equipment which could readily identify "hotspots", wiring which looked otherwise trouble free to the naked eye but via the scanning equipment was found to be under some stress that could eventually lead to major difficulties. The photos below illustrate the detection of a "hotspot". Building on this survey, the Force has now outfitted its electricians with this equipment and has commenced periodic checks of all installations.

In addition, the Force will commence replacing the low voltage electrical distribution system within a significant number of its older structures in FY 11. An outside consultant has been selected to assist the Force with bid analysis and project implementation. Currently, the FEO is working on a design process to replace the original circuitry at the MFO's Sinai locations in a multi-year project and will test it with an initial trial effort. Consideration is being given to accomplishing this work using the Capital Asset Replacement Fund (CARF). The importance and cost of this long term refurbishment work should qualify it as a CARF expense. The MFO will provide further information and



**Detecting Wiring "Hotspots" Using Thermal Imaging**

cost estimates to the FCS once the full parameters of the effort are known.

Further, the MFO is hiring an electrical expert to join the Force Engineering staff, and facility safety credentials are being reemphasized in new hiring. Advanced safety training for other staff is being arranged. Consideration is being given to a new approach to staffing the Force Safety Officer, including the civilianization of the position. Finally, we intend to cooperate closely with our support contractor, HNSI, to engage them in all aspects of our facilities safety program. The MFO is grateful for their positive response to our initiatives.

The damage to the South Camp dispensary was repaired this FY and the building is now fully restored to working condition. Along with needed repair, several building services were also modernized including the fire detection, electrical and communications networks. Funding for this restoration came both from the Self Insurance Fund and from operating funds.

This FY also saw completion of the Fire Alarm replacement program. It is now possible to monitor all alarms centrally from the camp fire departments, offering improved safety to MFO personnel in their work space and living quarters. This improved monitoring system should reduce total response time for any incident.

It is the Director General's firm commitment to keep all members of the MFO safe and to provide them with a safe living and work environment at our facilities.

### **VEHICLE MAINTENANCE**

During FY 10, 24 Mack heavy trucks entered into service as large tankers and haulage tractors. These trucks replaced the same number of older Volvo models which were requiring significant maintenance and were using ever greater shop resources to keep on the road. This has refreshed

a core mission capability which should serve the MFO well in the years ahead.

With millions of kilometers driven by the Force in the Sinai each year, the MFO has put in place an orderly program to retire the oldest vehicles to ensure that equipment on hand is reliable, safe and serviceable, and that the mission remains fully capable. Given the challenging regional environmental conditions, vehicle degradation too is a constant concern. Through the efforts of our DGR office in Israel, the MFO is able to auction worn and deteriorated units and obtain significant funds from their resale. In the past three years, the MFO realized an average annual return of over \$500K from such vehicle auctions. These funds help to offset a portion of the acquisition costs of new fleet equipment.

Two new Ford F-350 based FAVs were received late in FY 10 along with two used light armored vehicles (LAVs) which were donated by the U.S. Embassy in Cairo. The MFO wishes to express its appreciation to the U.S. Embassy for this timely donation. These additional vehicles bring the Force's fleet of armored units to eighteen FAVs and three LAVs. With some of these fleet vehicles now acquiring high mileage, we are evaluating a service life extension program. Ideally, we should be able to replace or rebuild critical components to stretch the overall period of use for these extremely expensive vehicles.

### **TRANSPORTATION**

FY 10 proved to be a challenging year for the Force Transportation Office (FTO) due to the flooding in the Sinai in January. The FTO changed delivery schedules to maintain operational effectiveness despite the flood damage to the roads. As an example, when the flooding first began, over 180 Colombian soldiers were due to rotate back to Bogotá. In lieu of road transport across an interrupted route to the originally planned embarkation

point in Cairo, revised arrangements were made to fly the soldiers from the more easily reached airport at El Arish. This change to the normal rotation was a resounding success thanks to the coordinated efforts of the Rotations Section at the Force, the initiative of the DGR office in Cairo, and Rome Headquarters.

Despite the effects of the flooding, which lasted many weeks, the normal high operational tempo of Force logistics continued throughout the year.

### FOOD SERVICES

There are four main aspects to MFO Food Services: to oversee and guide the performance of our support contractor's food services; to oversee and guide the food service operations at all remote sites; to manage and develop the Force's food service equipment plan; and to provide professional guidance to the food service operations of the Club system.

The majority of the food service operations is provided through the contracted services of HNSI, which, together with their sub-contractor, Care Services, manages a dining facility at each MFO camp. The two dining facilities prepare all meals, including a significant number of dispersed meals, and also provide the Force with ration distribution, accounting support to remote site kitchens and short-term food storage areas. This is a monumental task given that the Force is comprised of a diverse and multicultural population, with varying cultural expectations and dietary preferences.

As remote sites are manned by three different nationalities, the Force's Food Service Section (FFSS) is responsible for ensuring that standardized Force policies and procedures are followed to ensure food safety, as well as maximize accountability and operational capability, at remote site kitchens. This is accomplished through vigorous site commander

training, assistance visits and frequent interactions with remote site leadership.

With numerous kitchens at the Force, the FFSS is responsible for developing and managing a budget for the acquisition and replacement of industrial kitchen equipment. Great care is taken to ensure that equipment purchase is undertaken in a fiscally prudent manner.

The FFSS is also responsible for assisting and guiding the Club System in the area of food service operations. The Club System, though a component of the morale support program which is a self-supporting and financially independent entity within the MFO, has an important role at the Force. Consequently, the FFSS provides oversight to ensure all food services operations by the Club System are carried out in accordance with Force guidelines and procedures.



### MFO PROCUREMENT

Early in the year, the Force investigated alternative methods to supplying non-potable water to the remote sites in the Central Sector of Zone C staffed by the Colombian Battalion and identified a local contractor to carry out this six day per week mission. This contract has proven to be successful, with water supplies being maintained. In addition, this service has turned out to be cost-effective, with the savings generated by using the contractor more than covering the cost of the contract.

Force procurement also continues to re-compete vigorously purchase agreements

for food and other needed materials. In one example, a significant saving was achieved in the cost of supplying the Force with butter for the next twelve months. In another, the clarification of RoIP system requirements during a bid re-competition led to a saving of some \$42K. Work has also continued with the review and reduction of obsolete stock and the maintenance of the asset database held within the MFO's SAP system. The overall inventory error rate is 1.3% based on 100% physical inventories of our general supplies.

### MFO CONTRACTS

During FY 10, the Force Contracts Office was responsible for the administration of 29 service and project contracts with an annualized value just under \$11M. These contracts included several infrastructure-related contracts, such as those for the NOC, refurbishment of the South Camp dispensary and repairs to the North Camp three-story barracks. Each of these contracts was competed vigorously to ensure the best value for money was obtained by the MFO. The Force Contracts Office also forms our main interface with HNSI who, with the assistance of Care Services, their labor sub-contractor, has carried out the work required in accordance with the Operations and Maintenance Contract. The MFO welcomed a new HNSI Program Manager, Mr. Heyward McLendon, who, prior to his arrival in the Sinai, managed a major project with HNSI's parent company, AECOM, in Libya. In addition, in March 2010, HNSI celebrated its 25th anniversary in support of the MFO and its mission.



MFO wide-contracts/agreements are administered from Rome Headquarters with license agreements for software support re-competed this FY in order to provide up to date operating software on MFO-leased servers. In addition, the Rome office re-competed the computer lease contract for the Force and the DGR office in Israel.

### MANAGEMENT REVIEW

Our internal process auditing program conducted a number of reviews in FY 10 including procurement, custodial services, and the manning of the Force Military Police Unit (FMPU) and the Uruguayan Contingent.

The procurement review was carried out in May 2010 prior to the triennial Internal Control Audit which considered all aspects of procurement in detail. The review identified that the Force's General Supplies (such as paper products) had not been re-competed during the last three years. Consequently, cross-border competitions were initiated immediately and this work led to savings of some \$30K per annum.

The Force provided a very comprehensive study of the custodial system that highlighted disparities among services provided to different contingents. The study resulted in approximately 25 additional staff being employed – primarily to clean the three-story barracks – but also included the balancing of tasks against resources. The MFO has worked with HNSI and Care Services to emphasize the employment of local Sinai Bedouin to meet this need.

The review of the FMPU concluded that it was necessary to take into account the changing security situation and provide an FMPU monitor for the Force's regularly scheduled bus service between Cairo and North Camp. In addition, some improvements were proposed to the inspection of vehicles

and personal belongings going off-camp. Overall, implementation of the review's recommendations resulted in a request to Hungary to augment the FMPU by four personnel. The Government of Hungary agreed to this request and the augmentation was completed in October 2010.

The strength of the Uruguayan contingent was reduced in FY 09 on the basis of a revised transportation mission. A follow-up review initiated in FY 10 is still ongoing. This review also includes the support provided by the Force Engineering Unit (FEU) that was very busy rebuilding remote site access roads following last winter's storms.

## PERSONNEL

### TRAINING

Safety training for the current Sinai staff in the facilities area was updated following a review of operational and industrial safety conducted during the FY. In addition, a new position of Electrical Supervisor was created within the FEO. The Electrical Supervisor will oversee a more robust electrical safety program as well as the extensive re-wiring effort to be undertaken over the next few years. The position is also charged with improving electrical work standards used during the normal maintenance and repair of MFO facilities.

With the participation of the U.S. Department of Defense Equal Opportunity Management Institute (DEOMI) ongoing training has been conducted in FY 10 to raise Force-wide awareness on harassment and discrimination issues and to provide classes in prevention. Continuous training is required to ensure that MFO policy on these matters is understood by each new rotation and that key leaders have the necessary tools at hand to deal effectively with situations should they

arise. Recent training has proven to be a valuable tool in raising awareness and preventing incidents. In May 2010, the Force also introduced a training program for investigators of harassment issues.

### STAFFING

The MFO added two DHC positions this past FY. In addition to the Electrical Supervisor position noted above, a new position was created and filled for an Administrative Assistant in the Force's Personnel and Services Branch. This addition has enhanced the Branch's ability to provide prompt support to all DHCs and CHCs and allows the Chief of Personnel and Services and the Civilian Personnel Manager to devote more time to the implementation of the Force-wide harassment prevention program and to management of the Morale Support Program (MSP), as well as other projects.

### MORALE SUPPORT

In the area of Morale Support, the Force initiated a tiered pricing system for



MFO Women's Rugby

Morale Support Tours to encourage the participation of lower-ranking soldiers in the program. While the overall MSP subsidy remains at 45%, junior enlisted soldiers pay only 25% of the total tour costs while mid-grade soldiers pay 55% and civilians and officers pay 75%. This tiered pricing system has already doubled the number of lower-ranking soldiers attending tours of historical sites in the region.

2010 also witnessed the first MFO women's rugby team to play in the Alexandria Rugby Club's tournament. The women's team finished second in the tournament while the men's team won first place.

### MFO CLUBS

A new gathering at the North Camp Officers Club brings the senior members of the Force together for an evening meal and socializing without a fixed agenda. Darts, bingo and make-your-own pizza nights at the All Ranks Clubs helped fill in the evenings during the work week. The new multi-purpose facility at South Camp has been named The Red Sea Oasis and is a popular destination for Force members to use wireless internet, watch movies or play pool.

### INFORMATION AND COMMUNICATIONS TECHNOLOGY

The ICT Branch continues to support the Force priorities of "Mission, Safety and Soldiers" by providing modern communications and information services and networks to the two camps, the Coastal Patrol Unit, the remote sites throughout Zone C and the two DGR offices. Key services are supported and provided by the ICT staff, with outsourced third-line support and maintenance provided by private companies in both Egypt and Israel. In addition, the ICT Branch continues to maintain strict budgetary controls

that have kept expenditures essentially stable over the past five fiscal years.

During the past FY, several significant projects were completed or moved significantly toward completion. Along with these larger projects, the ICT branch serviced over 7,500 work orders for users across the MFO. Significant efforts went into modernizing the ICT support processes for these work orders to bring them in line with industry "best practices" for providing communications and information services. These technological and human process improvements are meant to ensure that the MFO is providing these key services in the most cost-effective way possible.

During FY 10, the ICT Branch:

- Replaced 240 aging and outdated computers with leased workstations and laptops. This represented the third year in the lease process and is the next phase in the ongoing life-cycle management process whose goal is to maintain modern computers for all MFO users while ensuring that the systems are procured at the most advantageous terms to the organization.
- Continued the project to provide internet services to all accommodations at North and South Camp. This project will be finished in early FY 11, and will ensure that all soldiers have access to the internet for key morale communications with family and friends in their respective home nations as well as for educational and recreational purposes.
- Installed a new data center at North Camp as well as replaced the servers at the Rome Headquarters, the DGR Cairo office and South Camp. The new server topology is designed to provide a survivable, replica architecture in case of major system failures.

- Increased the internet bandwidth available at South Camp by 250% while reducing service costs by nearly 23% (new costs will commence in FY 11).
- Procured and began installation of the RoIP system as noted earlier. System installation at the NOC will be completed in the first part of FY 11. The system will allow radio voice traffic to pass over the MFO's "canopy" network to remove the requirement of relaying radio messages up and down Zone C. This system will work around the current challenge in relaying radio messages presented by a combination of terrain, distance and a multi-lingual environment.
- Increased the intra-camp data connectivity by 300% to ensure adequate bandwidth is available for data communications between North and South Camp through leased communications lines provided by Telecom Egypt.

As the ICT Branch moves into FY 11, the NOC and its supporting communications and information systems will increase situational awareness, accurately locate MFO assets in movement and enhance communication with subordinate control centers and those MFO assets in movement when needed. Additionally, the ICT Branch will continue to focus on improving MFO communications and support to our operational users at remote sites in Zone C, the COU teams on verification/reconnaissance missions and Coastal Patrol ships in the Strait of Tiran.

Technology makes available services and systems that had not been envisioned five to ten years ago. The ICT branch must work with other offices, branches and sections to ensure that the right technologies are procured in a cost-effective manner and implemented in a way that is beneficial to the MFO mission. As a priority, the MFO needs to

capture affordable IT advances to benefit operations and force protection, and examples like the NOC, RoIP, and VTS show how we are doing this. Also, the technological advancements in services available through the internet have enabled soldiers to contact loved ones with a regularity that was previously not possible. MFO members are also using these services to pursue university degrees, language learning and other technical education. With these advancements, the expectations of soldiers, civilians and contractors have moved forward as well. The goal of the ICT Branch is to make sure that our ability to support these services matches these increased expectations and to ensure that the peacekeepers of the MFO will not only complete their duties as part of the MFO mission, but will also find their tours in the Sinai both professionally and personally rewarding.

### FY 10 FINANCIAL RESULTS

**MFO FY 10 ended at break-even, with both revenue and expenditure standing at \$78M when the books were closed.**

Complete, externally audited financial statements are provided during the Trilateral meeting and an electronic copy will also be posted on our website.

Due partly to the current global economic downturn, inflation has remained moderate throughout the FY. Nonetheless, we estimate that inflation added over \$2M to our costs in FY 10. Thankfully, this cost increase fell within our original budget assumptions. The price of oil was of some concern to us in FY 10. The price we paid increased by 17%. Again, the actual price we paid for oil during the FY remained within our original budget assumptions. By the end of FY 10, the U.S. dollar posted gains of between 2% and 8% against most of the foreign currencies in which we purchase supplies and services. The

exception was a slight drop in the value of the U.S. dollar against the Israeli Shekel, a fall of 3%. Our much more defensive budget assumptions predicted a weaker performance from the U.S. dollar and resulted in unbudgeted currency exchange savings of approximately \$1.5M during the FY.

The original FY 10 budget assumed revenue and expenditure of just under \$77M. At \$78M, actual revenue was \$1.3M higher than budgeted thanks to additional donor contributions and better than expected interest income. This additional revenue together with currency exchange savings and some other significant cost savings which will be detailed later in this report, enabled us to address a number of high priority, unfunded requirements and realize \$3.8M. This amount, as agreed with the three FCS in June 2010, has been transferred to a newly established fund, the Budget Stabilization Reserve Fund, from where it can be applied, when necessary, to supplement future revenues and thus

maintain, for so long as feasible, FCS contributions at the current level of \$25M.

**REVENUE**

At \$25M, equal contributions from Egypt, Israel and the U.S. were \$3.25M higher than in the previous FY. The increase in FCS contributions was required, in part, to offset the loss of non-recurring supplementary contributions totaling \$5.7M made by Norway and the United States during FY 09. The FCS met all monthly draws in a timely fashion, which I greatly appreciate. Please see Figure two below for sources of MFO operational revenue in FY 10.

**DONORS**

Continued financial support was received during FY 10 from the following donors:

- Germany continued its consistent and welcome support of the MFO with a contribution of €400K.

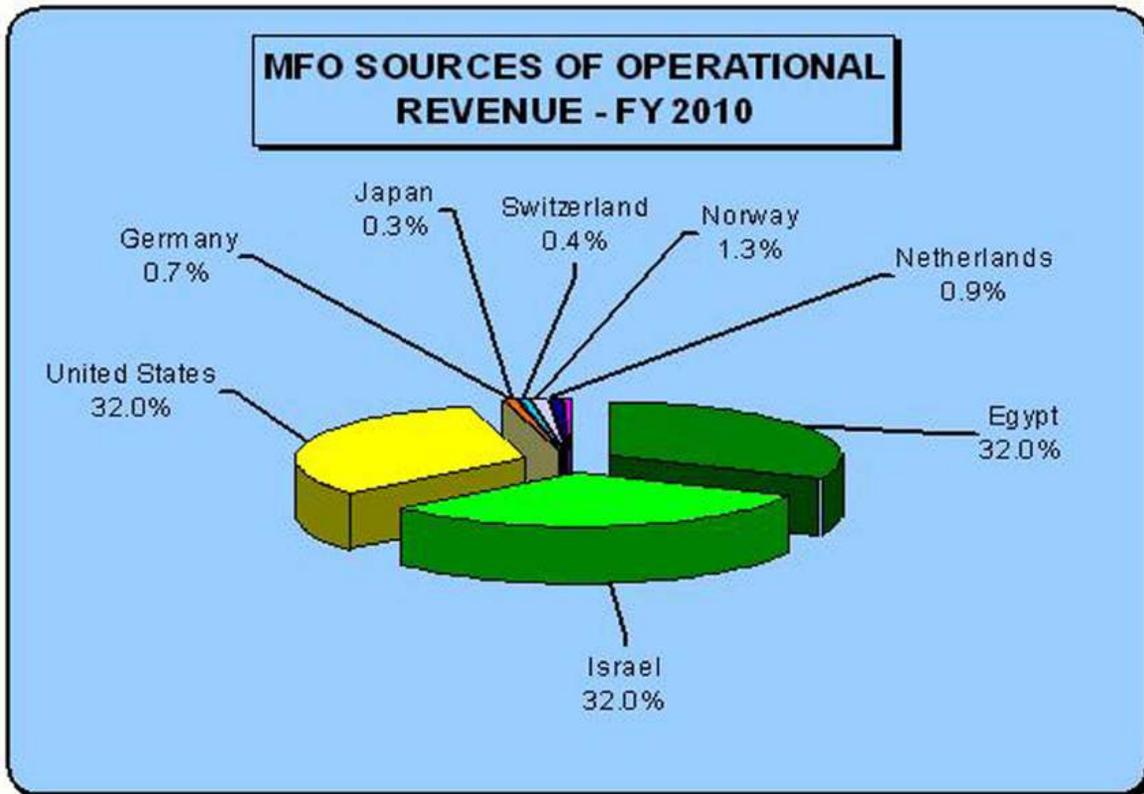


Figure Two

- Japan increased its contribution by 11% to \$252K. These funds go towards the cost of food and civilian salaries.
- The Netherlands provided the second of three annual contributions of \$675K.
- Norway once again contributed to the cost of the COU, with an unbudgeted donation of \$1M.
- Switzerland increased its support of the MFO by 20% with a contribution of CHF 300K, also earmarked for the COU.

I thank the Funds Contributing and Donor States for their contributions.

### EXPENDITURE

Operating expenditures amounted to \$74.3M in FY 10, some \$2.6M less than originally budgeted. This does not include expenditures against earmarked, or “permanently restricted”, donations which are accounted for separately in our financial statements. Disbursements from non-FY specific funds raised overall expenditure by an additional \$1M to \$75.3M.

### INFLATION

Due to the current global economic downturn, overall inflation is moderate and slightly lower than our original budget assumptions. Some items which constitute a significant proportion of our budget, such as food and fuel, have risen considerably more than the average rate of inflation. Our procurement offices work very hard to contain the impact of cost increases for these commodities within budget constraints. The result is FY 10 savings against estimated budgeted inflation of just under \$500K.

However, even in years of moderate inflation, such as this past FY, approximately \$2M is added to our expenditure just to meet price increases. I am committed to maintaining “no-real-growth” annual budgets that would be

adjusted only for inflation, the impact of exchange rate fluctuations, or any change in mission. I have also committed to maintaining FCS contributions at \$25M for as long as possible. This means that we must increasingly rely on Donor States for assistance. Further, I would ask our Donor States to consider linking their annual contributions to national Consumer Price Indices. Such a facility would greatly assist the principal FCS and support my “no-real-growth” budget policy.

### CURRENCY EXCHANGE RATES

The MFO's annual budget is denominated in U.S. dollars, but a significant part of our annual expenditure is also made in Egyptian pounds, Israeli shekels, the Euro and British pounds. During FY 10, the U.S. dollar gained in value by 4% against the Egyptian Pound, 8% against the Euro and 2% against the British Pound, but lost 3% against the Israeli Shekel.

Our budget assumptions were more pessimistic and the U.S. dollar's actual average FY 10 exchange rate was 7% better than the budgeted rate for the Egyptian Pound, 4% better than the Israeli Shekel, 8% better than the Euro and 6% better than the British Pound. The net result of exchange rate changes throughout the FY was an estimated saving of \$1.5M.

### AUDIT

It is a requirement that the MFO's annual financial statements are examined, accepted and published by an independent firm of external auditors. The audit of our financial statements for FY 10 has once again resulted in an unqualified opinion.

In addition, I have requested that these same auditors conduct a triennial review of our internal control systems. The aim of this voluntary additional audit is to assure that the organization's reporting systems, and the processes that direct them, are controlled to acceptable international standards as established by the Committee

of Sponsoring Organizations of the Treadway Commission.

The remit of this audit is much broader than that of our annual financial audit and includes examination of processes, records and controls throughout our logistics, information systems and finance functions. It requires a team of auditors to visit each of our offices in Rome, Cairo and Tel Aviv, plus North Camp in the Sinai, and takes several months to complete. Considerable effort is expended by both auditors and MFO staff in completing this task but, since its inception in FY 95, and including the internal control audit conducted at my request during FY 10, no significant control weakness has been reported.

**KEY EXPENDITURE VARIABLES AGAINST BUDGET**

Our annual budget is submitted four months before the start of each FY, in May, but preparation starts many months earlier. As part of the process, we establish

projected foreign currency exchange rates and national inflation rates for all budgeted purchases. Since we have no mechanism to draw additional funds during a FY, should our assumptions be inaccurate, we tend to be defensive when estimating future external financial influences. In years when these factors are worse than expected, we are still able to live within our budget. In years when these factors improve beyond predictions, savings against budget are generated.

During FY 10, lower than budgeted oil prices, moderate inflation and a strengthening U.S. dollar contributed to generating savings of \$2.6M in operating budget expenditure. Other factors that influenced this figure include:

**PERSONNEL**

Changes in the charges for some military personnel, reduced staff numbers and lesser charges for U.S. military participation (resulting from re-negotiation of the Army/

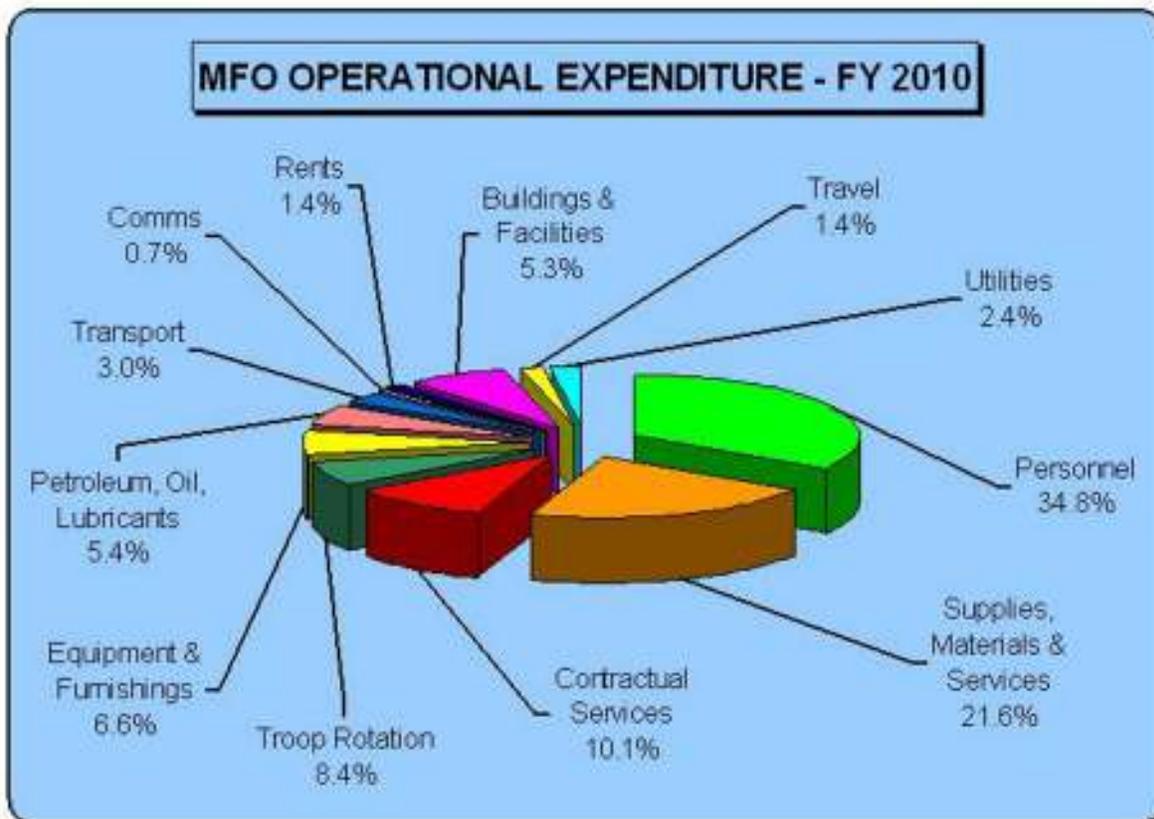


Figure Three

MFO financial agreement) resulted in a net savings of \$457K.

### **SUPPLIES & MATERIALS**

Helicopter fleet maintenance costs were \$641K less than expected, and replacement of the French CN-235 CASA fixed wing aircraft by the U.S. Army C-23B Sherpa resulted in a \$726K credit after settling all previously un-invoiced French Government charges for the CASA. An additional \$506K was not expended in the Information Systems budget due to the planned purchase of new software licenses moving to FY 11.

### **FINANCE AND ADMINISTRATION**

Pessimistic budgeting for costs of official business expenses and duty travel produced savings of \$224K in this category.

### **CONTRACTUAL SERVICES**

Total savings of \$677K were realized under our labor contract and sub-contract, mainly attributable to a combination of Egyptian and British Pound exchange rate savings. The balance is due to a temporary under-fill in the number of local national sub-contract staff at the Sinai Force.

### **EQUIPMENT**

Equipment purchases are budgeted according to our five-year equipment replacement plan. However, during FY 10 additional spending was required to purchase items identified as new, high priority requirements and to replace items that became non-functional before their planned replacement date. The latter category of expenditure brings forward replacement costs already scheduled for future years.

We also had the opportunity to fund unbudgeted requirements and emerging priorities for equipment, primarily in the categories of communications and engineering/facilities, from savings elsewhere. This consisted of force protection-related communications

upgrades and redundancies, including links in the North Camp and South Camp canopy network to extend and enhance communications; networking and power generating equipment; the installation of additional water storage capacity at North Camp, prior to taking existing tanks off-line for maintenance; and an air compressor used for repairing water lines. As recommended by the Force surgeon, we also spent funds on medical equipment intended to reduce the number of referrals to off-camp hospitals. In total, an additional \$1,038K was spent in the Equipment expense category.

No five-year equipment replacement plan, however carefully crafted, can capture all the requirements and all the opportunities that may present themselves. For example, in the ICT area, where the nature of this fast changing sector often presents new possibilities, we were able to expand links that provide additional coverage and breadth to our communications, so important to force protection, and in the area of electrical wiring where we bought new safety equipment and needed to accelerate review and replacement of older electrical systems.

### **PETROLEUM, OIL & LUBRICANTS**

World oil prices rose by over 21% during the FY. Thankfully, they averaged approximately 7% less than we budgeted. With the expectation that oil prices will continue to increase for the foreseeable future, we filled our storage tanks to capacity at the year end. Despite this purchase of additional fuel supplies, we realized net savings of \$327K in this category.

### **ENGINEERING & FACILITIES**

Savings in other budget categories enabled a number of high priority but previously unfunded facilities requirements to be met. These included the protective barriers at a number of sites, renewal of an electrical substation at North Camp and refurbishment of the South Camp

gymnasium and some barracks. The additional cost beyond that originally budgeted for this expense category was \$492K.

### USE OF RESERVE FUNDS

The MFO maintains three special funds, the Self Insurance Fund (SIF), the Capital Asset Replacement Fund (CARF) and the new Budget Stabilization Reserve Fund (BSRF). These three funds provide, respectively, the ability to respond to significant uninsured losses, to replace aging capital assets, and to augment contributions from the three FCS in future FYs. In all cases, interest income is credited towards general operating budget revenue.

#### SIF

The SIF provides for significant risk contingencies not covered by commercial insurance and beyond budget resources. During FY 10, the \$36K shortfall in the SIF at the end of FY 09 was replenished and \$28K expenditure was incurred for repairs to the South Camp Dispensary following a small fire. The current SIF balance is \$6.1M, approximately \$28K below the target amount. The target amount of the SIF is related to potential events and liabilities that cannot be practicably or economically provided for by commercial insurance.

#### CARF

The agreed CARF target and actual balance is \$4.2M. The CARF balance opened the year at \$3.2M and FY 10 expenditure against approved projects was \$10K. During FY 10, we were able to direct funds totaling \$976K to fully replenish the CARF. The fully replenished CARF provides a secure funding source for future unbudgeted renewal of key facilities, infrastructure, capital equipment and force protection.

#### FY 10

Apart from small residual payments of \$10K relating to the previous year's

projects, no projects were either started or completed during the FY.

#### FY 11

We will begin a significant program of rewiring the low-voltage electrical system of most of our facilities this coming year. This activity represents the start of a multi-year effort to renew the electrical systems of these structures. As already discussed, this requirement comes from the lessons learned after a fire at South Camp and a detailed inspection. Apart from the new housing units installed in the past three years, the majority of our structures are at least 28 years old, and some of the legacy buildings in North Camp are in the range of 35 to 40 years old. Given their constant use and the demanding environmental conditions of the Sinai, the basic functionality, and more importantly the safety of these critical building systems is problematic over time. The most cost effective and technically sound way to approach this work is to perform a deliberate program of replacement for all wiring as well as circuit breakers and associated equipment.

Due to the magnitude of this effort, the project fully meets the requirements of the CARF which was established to deal with such occurrences. We are currently working with a local consulting engineering firm on the specifications and basic design for the rewiring and will soon be placing an initial bid package out for solicitation. Once we have evaluated vendor responses, and have a better idea of the actual market pricing related to this work, the MFO will be advising the parties of the expected cost and scope of this effort. This work will be performed over an extended period to minimize service disruptions so that daily operations may continue.

#### BSRF

The newly established BSRF received \$3,827K of FY 10 funds at year end. These funds are available to help stabilize contributions from the three FCS in future

years when budgeted expenditure exceeds revenue.

### USE OF SUPPLEMENTARY FUNDS

In previous FYs, the United States provided donations for certain agreed purposes. In FY 10, the United States contributed an additional \$3M for force protection. These funds were not tied to a specific financial year. These funds have been earmarked for the NOC, NOC-related projects such as vehicle fleet tracking, other force protection needs, enhanced communications, and FAVs.

The balance of this account at the start of the FY was \$3.9M. FY 10 expenditure, net of interest received, was \$805K. Significantly higher expense is foreseen to be charged against this fund in FY 11. A balance of \$6.1M is carried forward to FY 11.

### REGIONAL & OTHER DISBURSEMENTS

MFO expenditures continue to return a great deal of money to the economies of both Parties. In FY 10, our total disbursements amounted to approximately \$22.6M in Egypt and \$19.1M in Israel (in FY 09, disbursement amounts were \$22.6M and \$19.4M respectively). These amounts include expenditure from official MFO (including supplementary) funds and the Force Exchange/Morale Support Program.

In addition, significant MFO disbursements (\$15.6M) reached our third FCS, the United States. The MFO procured as well from nine other participating and donor countries, including Italy, which is both a participating state and the Headquarters state.

### FY 11

The MFO's FY 11 operating budget has been approved by the three FCS at \$78.4M. My commitments to "no-real-growth" in

the MFO's operating budget and stabilized FCS contributions for so long as possible remain firm and contributions from the three FCS remain unchanged for FY 11 at \$25M each.

Although we have enjoyed a strengthening U.S. dollar and moderate inflation this past FY, we continue to be concerned about foreign currency exchange rates and a recent weakening of the U.S. dollar, oil price forecasts and the future course of inflation as major drivers of external changes to our budget. Even modest rates of inflation generate additional annual costs of \$2M and the anticipated global economic recovery is already causing world oil prices to rise, with expectations of increasing pressure on oil production feeding continually rising prices.

### FY 12 & OUT-YEARS

As agreed during last year's Trilateral meeting, the MFO's Chief Financial Officer will present to the FCS the MFO's multi-year financial plan for the period FY 12 to FY 15 during this year's Trilateral meeting including a review of planned projects. Projections will be based on stable-state mission and manning. Large project spending, like planned remote site refurbishments, will be spread over several FYs and projections will incorporate our multi-year life cycle plans for equipment, machinery and vehicles. Cost containment will remain an important fiscal objective. A mid-year financial review with the FCS will be scheduled in June 2011.

The BSRF is expected to provide the three FCS with a welcome degree of relief from external cost increases during all of FY 12 and into FY 13.

In conclusion, I wish to reiterate my commitments to:

- maintain the MFO's mission and fully meet the Treaty Parties' expectations of us to perform our work impartially and professionally;
- ensure that we can execute our mandate based on solid financial assumptions;
- sustain a "no-real-growth" budget except for adjustments in accordance with inflation, including the price of oil, foreign currency exchange rates and any change to the MFO mission;
- stabilize FCS contributions for so long as possible; and
- expand donor support, and, here again I extend my welcome to Finland and Denmark at this meeting, and my gratitude that they have recognized the important work that we accomplish for peace.



## ANNEX A: MFO FACTS AND FIGURES

### THE MFO MISSION

Pursuant to the 1979 Treaty of Peace and its 1981 Protocol the MFO is required to:

- Supervise the implementation of the security provisions in Annex I of the Treaty;
- Use best efforts to prevent any violation of its terms;
- Operate Checkpoints (CPs), Observation Posts (OPs) and reconnaissance patrols along the International Boundary, Line B and within Zone C;
- Verify the implementation of Annex I periodically, at least twice a month;
- Perform additional verifications within 48 hours of either Party's request; and
- Ensure freedom of navigation through the Strait of Tiran.

Under Agreed Arrangements signed on 1 September 2005 and as amended on 11 July 2007, the MFO is responsible for:

- Monitoring the deployment of a designated Egyptian Border Guard Force along the Egyptian side of the border between Egypt and Gaza, in the northernmost part of Zone C;

- Verifying that the deployment is consistent with the terms agreed between Egypt and Israel, including the number, characteristics and location of personnel, weapons, equipment and infrastructure of the Border Guard Force; and
- Maintaining permanent, temporary and mobile sites in the area in which the Border Guard Force is deployed.

### ROME HEADQUARTERS

The Headquarters in Rome provides policy, program and budget direction and supports the Force and Observers through its specialist staff (operations, logistical, legal, personnel, financial and other). Many programs are centrally directed and managed in Rome, including international civilian staff recruitment and administration; troop rotations; management review; finance and accounting policy, program and budget direction; accounting and external audits; participation and donor agreements and related financial arrangements; litigation and claims; and commercial insurance. In addition, a number of contracts are centrally administered from Rome as well.

The Headquarters maintains regular contact with Supporting State embassies and foreign ministries, the Italian Ministries of Foreign Affairs and Defense, the Italian Navy, the U.S. State Department, the U.S.

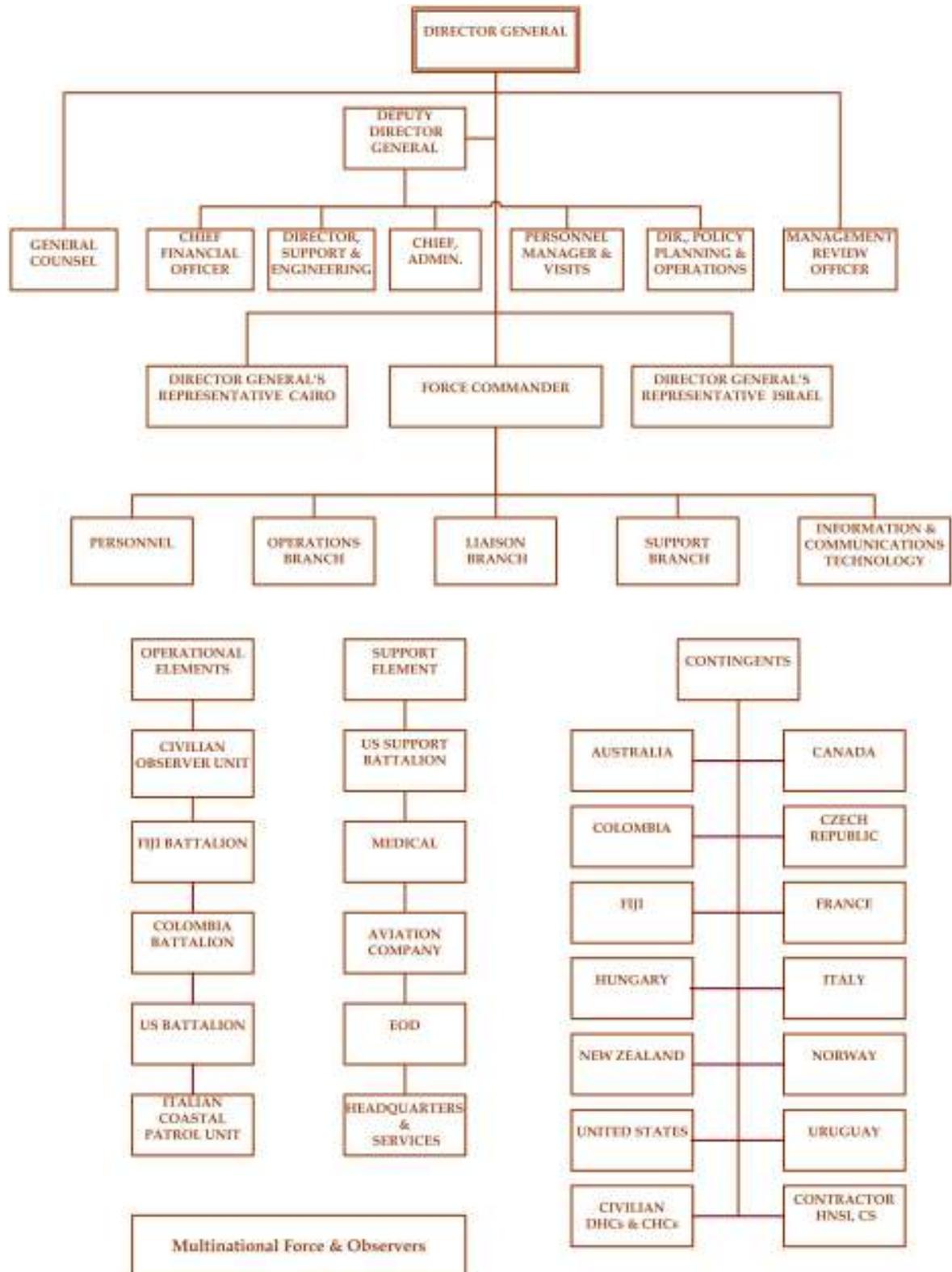
### LIST OF MFO DIRECTOR GENERALS

Leamon R. HUNT	Aug 81 - Feb 84
Victor H. DIKEOS	Feb 84 - Aug 84
Peter D. CONSTABLE	Sep 84 - Jul 88
Wat T. CLUVERIUS	Jul 88 - Aug 98
Arthur H. HUGHES	Aug 98 - Jul 04
James A. LAROCCO	Jul 04 - Jul 09
David M. SATTERFIELD	Jul 09 - Present

## MFO Director General's Annual Report 2010

Department of Defense and certain U.S. military commands. The highly specialized 23-person Headquarters staff (eleven international DHCs and twelve national

administrative and technical staff) supports the Director General in his responsibility for direction of the MFO and for determining the MFO's policies, programs and budget.



## THE DIRECTOR GENERAL'S REPRESENTATIVES

The DGRs, Mr. Normand St. Pierre in Cairo and Mr. Michael Sternberg in Israel, supported by their experienced staffs, represent the Director General to their respective host governments on policy matters and conduct liaison with the embassies of the MFO's Supporting States. Their offices support the Force in procurement, shipping and transportation, liaison, personnel movements and disbursements. They also provide other significant services such as coordinating and dealing with press interest in the MFO, and with customs, police, airport and other authorities on routine, day-to-day business.

In FY 10, both DGR offices continued successfully to:

- develop cost-effective commercial relationships in their respective logistic communities;
- support the Force in arranging, hosting and participating in meetings to facilitate the MFO mission;
- enhance outreach to the diplomatic community; and
- work with host country security services to supply the Force Commander with force protection information.

## THE FORCE

The Force is the largest element of the MFO and is a joint organization with army, air, and naval components. It is comprised of military personnel from twelve countries: Australia, Canada, Colombia, the Czech Republic, the Republic of the Fiji Islands, France, Hungary, Italy, New Zealand, Norway, the United States and Uruguay. The Force includes a civilian component, the Civilian Observer Unit, which is charged with performing the Force's Treaty monitoring activities. The Force also employs international DHCs and Egyptian national Contract Hire Civilians (CHCs) who provide technical assistance in all

branch areas, as well as the expatriate and Egyptian national personnel furnished by our support services contractor, HNSI and its sub-contractor, Care Services.

The Force maintains two base camps, North Camp near El Gorah and South Camp in Sharm el Sheikh, and operates 30 remote sites spread over 400 kilometers in the Sinai. The 30 remote sites consist of 13 CPs, 15 OPs, and two TOPs manned 24 hours a day. These static sites are supplemented by additional TOPs staffed during daylight hours and Mobile Observation Teams (MOTs).

In addition to maintaining coverage of Zone C, Force units conduct regular training in the military skills essential to operational effectiveness, including joint and combined training to improve inter-operability.

## FORCE COMMANDER AND HEADQUARTERS STAFF

The Force Commander, Major General Warren Whiting, from New Zealand, is responsible for the command, control and safety of the Force in its area of operation. The Force Commander is ably supported by a Headquarters Staff made up of officers and non-commissioned officers from all the troop-contributing nations as well as DHCs. The MFO Chief of Staff, a U.S. Colonel, also heads Task Force Sinai, the internal U.S. headquarters organized to provide command and control to all U.S. soldiers assigned to the MFO. The Operations, Liaison and Support branches are headed by colonels respectively from Norway, Canada and the United States. The MFO Chief of Staff has as his assistant a Lieutenant Colonel from the Czech Republic who is also the Czech Contingent Commander. Staffs are fully integrated and consist of members from twelve contingents and civilians from a number of countries. These dedicated staff sections operate 24 hours per day, seven days a week, 365 days a year.

### LIST OF MFO FORCE COMMANDERS

LTG Frederick BULL-HANSEN (Norway)	Dec 82 – Apr 84
LTG Egil J. INGEBRIGTSEN (Norway)	Apr 84 – Mar 89
MG Donald McIVER (New Zealand)	Mar 89 – Mar 91
LTG Joop W.C. Van GINKEL (Netherlands)	Apr 91 – Apr 94
MG David B. FERGUSON (Australia)	Apr 94 – Apr 97
MG Tryggve TELLEFSEN (Norway)	Apr 97 – Apr 01
MG Robert H. MEATING (Canada)	Apr 01 – Mar 04
MG Roberto MARTINELLI (Italy)	Mar 04 – Mar 07
MG Kjell N. LUDVIGSEN (Norway)	Mar 07 – Mar 10
MG Warren James WHITING (New Zealand)	Mar 10 – Present

#### THE FORCE COUNSEL'S OFFICE

The Force Counsel's Office, staffed by two DHCs, provides legal advice, opinions and interpretation to the Force Commander and senior Force elements regarding issues arising under the Treaty of Peace, the Protocol and associated documents, as well as issues arising from internal MFO procedures and practices.

#### THE STAFF ADVISORY GROUP

The **Force Finance Office (FFO)** is responsible for managing the Force's operating budget as directed by the Force Commander, through the Chief of Staff, and with functional responsibility to the Chief Financial Officer at Rome Headquarters. This is achieved by devolving budgetary authority to a number of budget line managers (BLMs), both military and civilian, usually technical specialists in particular categories of expense. The MFO's SAP ERP system is used to provide the FFO and BLMs with real-time, organization-wide logistics and financial data, enabling them to accurately manage their budgets in concert with the Director General's multi-year financial strategy, as agreed with the FCS. Under the leadership of the Force Financial Controller, a DHC, with a staff that includes another DHC, one CHC and three Egyptian nationals, the FFO also provides the Force and Force members with a full range of finance office facilities.

The **Force Military Police Unit (FMPU)** consists of Hungarian military and police personnel assigned to both camps. The unit is assisted at North Camp by Fijian and Colombian military police. The Provost Marshall of the FMPU advises the Force Commander on military police matters. The Unit provides the MFO with crime prevention and investigatory expertise, carries out security checks and inspections at designated points, manages traffic on both camps, maintains records and reports of all investigations and provides escorts for visitors, MFO-contracted buses and ammunition deliveries. FMPU stations are manned 24 hours a day at both camps. **As noted earlier, in FY 10 the MFO requested that Hungary augment the size of its contingent by four personnel following an internal management review. Three of these personnel arrived at the end of September 2010 and the fourth at the end of October 2010 to take on additional FMPU responsibilities.**

The **Force Safety Office (FSO)** monitors vehicle, occupational, environmental and fire safety throughout the Force. The FSO plans, develops and promotes safety programs, oversees training, and executes risk reduction activities. It also analyzes vehicle accidents to determine driving trends, provides advice for training events to enhance safety awareness and conducts monthly safety briefings for personnel

MFO CONTINGENTS



AUSTRALIA



CANADA

COLOMBIA



**MFO CONTINGENTS**



**CZECH REPUBLIC**



**FRANCE**

**Fiji**



**MFO CONTINGENTS**



**HUNGARY**



**NEW ZEALAND**

**ITALY**



**MFO CONTINGENTS**



**NORWAY**



**URUGUAY**

**UNITED STATES**



newly arrived to the Force to inform them of Force safety policies and standards.

In addition, the FSO conducts site inspections quarterly throughout Zone C to ensure vehicle, occupational, environmental, and fire safety standards are met. This allows the FSO to enforce safety standards throughout the area of operations as well as to educate Force staff on these standards and to track trends. The FSO utilizes standardized inspection sheets to grade the fire, environmental and occupational safety of each remote site and site inspection teams verify work orders submitted to the Force Engineer Office. The results of these inspections inform leaders, units, and the Force Commander of deficient areas and recommend corrective measures when required.

The **Staff Office for Press and Visits (SOPV)** is responsible for planning, coordinating and executing all official visits to the Force. For a list of this year's senior visitors, please see Annex B.

In addition, the SOPV processes visitor passes for both working and personal visits; oversees distinguished visitor accommodations; produces and publishes the *Sandpaper*, the Force's bilingual (English and Spanish) command information magazine; operates the Force's radio station; and provides digital and video production support. The six-person office is led by a U.S. Army Major whose deputy is a Naval Lieutenant from Canada and includes three non-commissioned officers (from Canada, the Republic of the Fiji Islands and the United States) and one enlisted U.S. soldier.

## **OPERATIONAL ELEMENTS**

The **COU** is the only unit to operate in all four Treaty Zones. Accompanied by host country liaison officers, the COU conducts Treaty-mandated verification missions, including verification of the BGFAO under the relevant Agreed Arrangements, at least

twice monthly, and reports the results of these missions to the Director General and Treaty Parties. The unit answers directly to the Force Commander; by agreement with the Parties, all 16 members are U.S. nationals. Currently, eight of its members are seconded from the U.S. Department of State, including its Chief, a senior Foreign Service Officer, who is also the Force Commander's regional political advisor. The other eight members are retired U.S. military personnel recruited directly by the MFO. This military-diplomatic combination has proven to be the right mix of skills for a professional verification team.

The **Fijian Battalion (FIJIBATT)** area of operations is in the Northern Sector of Zone C which encompasses the Border Guard Force Area of Operations and major border crossings at Rafah, Kerem Shalom and el Awga/Nizzana. The Battalion is composed of three rifle companies and a headquarters company. It has responsibility for five CPs, four OPs, two TOPs – emplaced in FY 06 with Dutch Government financial support for the BGF mission – manned 24 hours a day and other TOPs manned during the hours of daylight. In addition, FIJIBATT provides escort and patrols within and outside its sector and also maintains a Quick Reaction Force (QRF) at North Camp to react to emergency situations occurring within their AO.

The **Colombian Battalion (COLBATT)**, composed of two rifle companies and a headquarters company, has responsibility for the Central Sector of Zone C. Within this sector, COLBATT staffs three CPs and five OPs. At North Camp, COLBATT also provides the Guard Force responsible for perimeter and main gate security, as well as a QRF, which is used in emergency situations.

The **United States Battalion (USBATT)** is responsible for all operations within the Southern Sector of Zone C and the operation and security of MFO's South Camp. The Battalion is composed of

four rifle companies and a headquarters company. USBATT staffs five CPs and six OPs and at South Camp provides perimeter security in addition to operating the entry control point and providing the QRF.

**During September 2009, the 2-130th Field Artillery Regiment from Kansas assumed USBATT responsibilities. In July 2010, this Kansas National Guard battalion was in turn replaced by the 2-123rd Field Artillery Regiment from Illinois.**

The Italian Coastal Patrol Unit (CPU) ensures freedom of maritime navigation through the Strait of Tiran. Stationed at the port of Sharm el Sheikh near South Camp, the unit currently consists of three patrol ships (*ITS Staffetta*, *ITS Esploratore* and *ITS Sentinella*), their crews, a support element and a marine detachment to enhance CPU security. A fourth patrol ship, *ITS Vedetta*, is part of a rotational cycle of deployment to bring one vessel back to La Spezia, Italy for periodic maintenance.

**In FY 10, the CPU logged over 4,594 hours on patrol, of which more than 1,354 were conducted at night. It also**

**carried out more than 127 training and 20 familiarization activities.**

In December 2009, *ITS Sentinella* underwent a 22-day period of dry dock maintenance at the Timsah Dockyard in Ismailia. In March 2010, dry dock maintenance was performed on the *ITS Esploratore*. Additional dry dock maintenance for *ITS Staffetta* and *ITS Sentinella* is scheduled for November 2010 and April 2011, respectively. In addition, a rotation between *ITS Esploratore* and *ITS Vedetta* is planned for April 2011 and *ITS Esploratore* will return at that time to her home port in La Spezia for major maintenance.

### **SUPPORT ELEMENT**

The **1st U.S. Army Support Battalion (1SB)** provides a wide range of supply functions and services to the MFO. The Battalion is organized into four subunits: a Headquarters Company, an Explosive Ordnance Disposal (EOD) Detachment, a Medical Company and an Aviation Company. The majority of the Aviation Company, EOD Detachment and selected Medical positions are manned by U.S.



**The 1st U.S. Army Support Battalion**

Army active duty soldiers. The FWAU, under the Aviation Company, is manned by six Army National Guard soldiers. An additional, 88 soldiers – the Support Battalion Commander, primary staff, and medical, personnel, postal and supply specialists – are provided by the National Guard. **During the majority of the reporting period, the Puerto Rican National Guard provided soldiers to the Support Battalion. On 4 November 2010, the Oklahoma National Guard assumed this mission.**

The **Headquarters Company** provides command, control, administration, and logistics support to the battalion as well as many services to the entire Force. Such services include a chaplain, U.S. military postal services, mortuary affairs services, and ammunition and explosive storage.

The **EOD Detachment** rapidly responds to unexploded ordnance (UXO) hazards in the MFO area of operation which threaten MFO personnel and property. The detachment's MFO mission includes: educating personnel about the types of UXO and explosives hazards they may encounter in the Sinai; conducting verifications of known hazard areas to determine location, quantity, and type of explosive contamination; and ensuring that accurate hazard area maps are available. The detachment maintains a main office on North Camp and a satellite office at South Camp. A member of the EOD also participates on the Emergency Reaction Team and, as needed, with the Operation Center's Incident Management Team.

The **Medical Company** operates treatment facilities at North Camp and South Camp as well as medical assets at remote sites. The Force Surgeon supervises activities at the two camp dispensaries which include Force Dental, Preventative Medicine, Veterinary, Physical Therapy and Wellness services as well as medical logistical support. U.S. Army 1SB personnel at the clinics support all MFO members and are augmented by

doctors, dentists and medics from five other contingents (Colombia, the Republic of the Fiji Islands, Hungary, Italy and Uruguay) as well as the U.S. Infantry Battalion at South Camp.

The **Aviation Company** is supported by the Aviation Supply and Maintenance (AVSM) element that provides logistical support and maintenance for the MFO's helicopters. The AVSM office is responsible for overseeing the rotary wing budget, managing critical items, and expediting aviation part repair shipments. The company maintains a main office on North Camp as well as a satellite office at South Camp.

**Since June 2010, in addition to the RWAU, the Aviation Company also includes the FWAU – consisting of a C-23B Sherpa aircraft, three pilots, a staff officer and two maintenance engineers – now supplied by the Operational Support Airlift Agency of the U.S. Army National Guard.**

## **OPERATIONS BRANCH**

The mission of the Operations Branch is to plan, initiate and control Force Operations, Force Protection, and Force Training. Branch tasks include:

- round-the-clock control of the Operations Center;
- conducting mission-oriented training and exercises;
- evaluating the operational readiness of units;
- coordinating the investigation of Treaty-related incidents;
- coordinating air and naval assets;
- coordinating emergency response; and
- conducting command and orientation briefings.

The Chief of Operations, a Norwegian Colonel who is also the Norwegian Contingent Commander, is supported in this mission by a Deputy Chief of Operations for Operations, a Lieutenant Colonel from Australia who is also the

Australian Contingent Commander, and a Deputy Chief of Operations for Planning, a Lieutenant Colonel from New Zealand who is also the New Zealand Contingent Commander. The Operations Team consists of service personnel from eleven of the twelve participating nations.

**TRAINING SECTION**

The almost constant rotation of individuals, contingents and units requires extensive training to prepare and sustain them for MFO operations. This task is undertaken by the Training Section: a Canadian Major; an Australian Warrant Officer; and **the New Zealand Training and Advisory Team (NZTAT)**, which consists of one officer and seven senior non-commissioned officers. The Training Team is responsible for planning and conducting courses, based on MFO standard operating procedures and equipment, to prepare MFO personnel to fulfill their mission. The Training Section

also conducts Operational Readiness Checks and no-notice inspections of remote sites, as well as command and control of the annual Force Driving and Force Skills competitions.

During the past year, training activity included:

- Training 155 Commanders in Remote Site Commander Courses;
- Training 144 Range Conducting Officers in Range Familiarization Courses;
- Training 44 Duty Investigators in Duty Investigators Courses;
- Training 25 Unit Driver Trainers;
- Training 44 bus drivers;
- Training 37 Instructors in the Convoy Instructors Courses;
- Familiarizing 61 drivers in Fully Armored Vehicle driving courses; and
- Licensing 808 MFO drivers.

**MFO FORCE SKILLS OVERALL TEAM WINNERS**



**AUSTRALIA**



**Fiji**

The winners of the latest Force Skills Competition, held from 20-22 September 2010, are as follows:

#### Smaller Units

1st Place: Australian Contingent  
2nd Place: New Zealand Contingent  
3rd Place: Combined Canadian/Italian Contingent

#### Larger Units

1st Place: FIJIBATT (Team Lamb)  
2nd Place: FIJIBATT (Team Dove)  
3rd Place: USBATT (Volentold)

#### Overall Team Winners

1st Place: Australian Contingent  
2nd Place: FIJIBATT (Team Lamb)  
3rd Place: FIJIBATT (Team Dove)

#### Officer/Senior NCO Team Winners

1st Place: FIJIBATT SNCO (Team Eagle)  
2nd Place: Minor Units Officers (Team ANZAC)  
3rd Place: FIJIBATT Officers (Team Lion)

The winners of the latest Force Driving Skills Competition, held in March 2010, were:

1st Place: New Zealand Contingent  
2nd Place: Canadian Contingent  
3rd Place: Hungarian Contingent

#### AIR SECTION

The United States currently provides the MFO with a **Fixed Wing Aviation Unit (FWAU)**, comprised of a C-23B Sherpa aircraft operated by the U.S. Army National Guard. This replaces the CASA CN-235 aircraft and crew previously provided by France. The FWAU conducts:

- COU aerial reconnaissance flights;
- air transportation for the liaison system and high-ranking visitors, including support for bilateral or trilateral meetings in Cairo, Tel Aviv, Sharm el Sheikh and North Camp;

- regular passenger shuttles for staff members and visitors between North Camp and South Camp;
- the transportation of high-priority cargo; and
- inbound/outbound military rotations, particularly for U.S. soldiers.

The aircraft is also available for medical evacuation, if required, and to assist host nation search and rescue efforts.

At its departure in June 2010, the French FWAU had flown a total of 335 hours with the CASA during this FY with a 95% operational readiness rate. From the beginning of FY 10 until 14 June 2010, the CASA transported approximately 2,039 passengers and 20,390 kilograms of freight. Since 15 June 2010, the U.S. FWAU has flown a total of 142.1 hours with the Sherpa. The new aircraft has proven to be very reliable with a 100% operational readiness rate. From 15 June 2010 until the end of FY 10, the C-23B Sherpa transported approximately 905 passengers and 13,720 kilograms of freight.

The **Rotary Wing Aviation Unit (RWAU)** maintains a fleet of eight UH-60A "Blackhawk" helicopters operated by the Aviation Company of the U.S. Army Support Battalion. The unit's split-based operations at North Camp and South Camp provide general aviation support for the MFO which includes:

- COU reconnaissance and verification flights;
- command and control flights;
- visitor transportation;
- medical evacuations;
- search and rescue;
- duty investigator missions;
- security reconnaissance;
- site surveys;
- resupply of remote sites;
- OP/CP maintenance teams; and
- orientation flights.

**In FY 10, 1,543.2 hours were flown in support of MFO operations. The most urgent missions for the Aviation Company remain medical evacuations. Twenty five hours were flown in support of MEDEVAC missions in FY 10.**

**Further, for a period of 30 days, from 16 January to 15 February 2010, the monthly UH-60A usage rate increased from 113 hours a month to 186.9. This was due to major flooding that occurred in the Sinai and the ensuing damage to the local road network. Nonetheless, the Aviation Company was able to keep the total number of flying hours for FY 10 within the amount budgeted despite this temporary spike.**

The **Flight Following Section** at North Camp, manned by **Canadian Air Traffic Controllers**, provides support on a 24-hour basis to all MFO air operations within the MFO area of operations and to visitor aircraft at North Camp. To ensure safe flight routing, the section works with civilian and military aviation authorities in both countries through the Liaison System. **During the past year, the Flight Following Section provided flight following, air traffic control, and advice for 842 CASA movements, 192 C-23B Sherpa movements, 3,118 Blackhawk movements and 86 movements for other aircraft, for a total of 4,238 movements.**

### **FORCE PROTECTION AND MILITARY INFORMATION SECTION**

The Force Protection and Military Information Office (FPMIO), led by a U.S. Major, consolidates information and news from a number of sources (the governments and liaison organizations of both Treaty Parties, the United States and other troop-contributing nations, the DGRs in Cairo and Israel, and the media) to produce force protection advice and issue comprehensive weekly travel advisories.

### **LIAISON BRANCH**

In accordance with the Treaty of Peace and its 1981 Protocol, the Liaison System was established to assess implementation of the Security Annex of the Treaty, resolve any problems that may arise in the course of implementation, prevent situations resulting from errors or misinterpretations, and refer other unresolved matters to higher authorities for consideration. The Liaison system consists of LAWIO and IDFSD, supported by the MFO and its Liaison Branch which works in close cooperation with them to fulfill these Treaty responsibilities and strengthen communication and coordination and promote confidence-building.

The Liaison Branch consists of a Command Element with Liaison Officers at North Camp, a team of Liaison Officers and staff at South Camp and a constant liaison presence at Taba/Eilat. The branch is made up of officers and soldiers from nine of the twelve participating nations in addition to a small civilian cadre. In most cases, the Force Field Liaison Officers have served previously in various peacekeeping missions worldwide. The knowledge and experience of the Liaison Branch, together with the dedication, cooperation and professionalism of their colleagues within LAWIO and IDFSD, have been essential to the success of the Liaison System.

Of fundamental importance are frequent personal contacts and reliable communications. There is considerable interaction between the MFO and the Parties: the Director General and both Director General's Representatives are in contact with senior diplomats and military officials; the Force Commander is in regular contact with General Amir El Damhougy, Chief, LAWIO and the Head of the IDFSD, now BG (selected) Hanny Caspi; the MFO's Chief of Liaison is in frequent contact with his counterparts Brigadier General Ossama Abdelaziz, Colonel Amr Mamdouh, Colonel Shai Brovender and Lieutenant-

Colonel Safi Amasha; and the Force Field Liaison Officers are in daily contact with their counterparts located at Rafah, Re'im, Taba, Eilat and Sharm el Sheikh.

### **SUPPORT BRANCH**

The operating environment of the MFO demands an efficient, effective and integrated support system to feed, house, equip, and provision its two base camps and 30 remote sites. This work is accomplished by the combined effort of civilian and military professionals working in the Support Branch under the direction of the Chief of Support, a U.S. Colonel, and a civilian deputy.

The team includes members of the U.S. Army Task Force Sinai and 1st U.S. Army Support Battalion soldiers, drivers from the Uruguayan Transportation and Engineering Unit and the New Zealand contingent, Canadian military, Direct Hire and Contract Hire Civilians, plus the expatriate and Egyptian national personnel furnished by our support services contractor, HNSI, in conjunction with their sub-contractor, Care Services.

DGR offices in Cairo and Israel provide assistance in their respective markets with procurement, customs, transportation, disbursement, and other logistics services.

### **FORCE TRANSPORTATION OFFICE (FTO)**

The FTO offers timely and efficient transportation support, with a main office on North Camp and a two-soldier satellite office at South Camp. The staff includes soldiers from Colombia, the Republic of the Fiji Islands, and the United States. The FTO plans and coordinates air and sea movements for equipment rotating through the MFO; daily re-supply missions for all classes of supply to remote sites; passenger travel (official and personal); and receipt, delivery and shipment of unaccompanied baggage. The FTO is the technical representative for two MFO contracts: one that provides an on-camp travel agency

and another that provides commercial bus services connecting the MFO's two camps and both camps with Cairo.

The FTO is comprised of four distinct sections:

- The **Rotations Section**, working in close collaboration with Rome Headquarters, ensures the unimpeded flow of contingent personnel, baggage, and equipment into and out of the Sinai. Each year, the FTO coordinates the movement of 100 inbound and outbound group rotations, comprising over 4,500 MFO personnel. The Rotations section works closely with Liaison staff in the DGR offices and with the FMPU to ensure that troop and equipment movements are efficient and in compliance with host nation requirements.
- The **Surface Section** manages ground vehicle assets and operators to meet the daily re-supply requirements of both camps and of the remote sites. They also coordinate the MFO shuttle services for official, morale, and medical trips in Egypt and Israel. Driving missions are conducted by the Uruguayan Transportation and Engineering Unit (TREU) and by drivers from the New Zealand transportation detachment. On average, there are 120 re-supply missions per week from North Camp and South Camp combined. This includes the delivery of water and fuel.
- The **Unaccompanied Baggage Section** coordinates and tracks inbound and outbound personal property and unaccompanied baggage shipments including receipt, delivery, pack-outs, and claims processing. The section arranges an average of 20 pack-outs and deliveries per week and works closely with Liaison and host nation Customs to reduce shipment clearing time.

- The **Travel Section** arranges transportation for temporary duty, emergency leave, repatriations, and individual rotations. The section also oversees commercial bus movements and MFO fixed-wing aircraft reservations. **During FY 10, the travel section arranged travel for over 300 personnel with airline carriers, and booked and manifested over 1,500 personnel on the MFO's fixed-wing aircraft.**

### FOOD SERVICES SECTION

Our small but effective Food Services Section – staffed by two Food Service Officers, a Canadian Major and a U.S. Warrant Officer – constantly reviews the performance of our support contractor's food services. The section reports on the contractor's food storage and preparation procedures and develops control systems to ensure a high standard of meals and food service for the Force. Emphasis is always placed on obtaining the best value for each food dollar spent. Food Services staff also visit our remote sites each month to promote proper inventory management, storage and food preparation procedures.

HNSI, together with its sub-contractor, Care Services, provides the MFO with food services that include ration support to remote site kitchens, short-term food storage and preparation of all meals for a multicultural population of diners at the dining facilities in both camps. During the last 12 months, HNSI has provided about 3,500 meals per day and maintained an excellent level of diner satisfaction.

### FORCE VEHICLE MAINTENANCE

**Vehicle Maintenance and Fleet Management** is responsible for the care and distribution of all Force vehicles. Headed by a civilian Vehicle Maintenance Manager and staffed by two Canadian contingent members and a number of civilian personnel, the group provides oversight of all aspects of mechanical repairs and vehicle allocation. Technical repairs are normally

performed by HNSI and Care Services employees.

The total fleet, including a wide range of non-powered trailers, heavy earthmoving machinery and small utility equipment, numbers around 500 pieces.

Full service workshops operate at each camp to perform scheduled maintenance, repairs and, when needed, post-accident rebuilding. In FY 10, the combined efforts of our personnel **resulted in a mission-capable rate in excess of 95%, for the fifth year in a row. This continues to be an exceptional feat given the challenges of Sinai roads and climate conditions. A refurbished work order control office is currently being installed at the North Camp Fleet Vehicle Maintenance Facility to better control work order flow and quality control.**

### FORCE ENGINEERING OFFICE (FEO)

The FEO, managed by a civilian Force Engineering Officer, is responsible for real property maintenance, engineering projects and construction at North and South Camps and at all remote sites. The Engineering Section is made up of 27 staff members – DHCs from the U.S. and the United Kingdom, contract hire civilians from Egypt and military personnel from Canada, the Czech Republic, the Republic of the Fiji Islands, New Zealand, the United States and Uruguay – and is further supported by HNSI expatriate and Care Services contractor personnel.

The FEO mandate includes responsibilities for water filtration and treatment, waste removal, electrical power supply, physical works relating to force protection, the maintenance and repair of all buildings and fixed equipment, electrical and facilities safety, fire protection and prevention, and unpaved road maintenance.

The **Uruguayan Force Engineering Unit (FEU)** is responsible for the essential maintenance and upgrade of supply routes, remote site access roads, gravel

roads within North and South Camps, helipads and assisting with force protection infrastructure and facilities maintenance projects.

### **SUPPLY AND PROCUREMENT MANAGEMENT**

Supply and Procurement is responsible for the provision of goods and services in support of the MFO mission. The MFO supply system, except for aviation, medical and ammunition requirements, is based on commercial sources of supply, primarily vendors in Egypt and Israel, but also in the U.S. and other countries. The competitive procurement process, transportation to the camps of goods sourced in Egypt, receiving and warehousing, inventory management and on-camp distribution are managed by our civilian professionals. Commercial, logistics and finance functions rely on our SAP Enterprise Resource Planning system. Orders for goods and services are placed through the two DGR offices or directly with local Sinai firms. The system is closely watched, from requisition to issuance of goods, to comply with MFO directives.

1SB personnel order aviation parts and supplies, most medical supplies and U.S. ammunition requisitions through U.S. Department of Defense systems. Other specialized procurement, such as the leasing of radios and computers, is handled by MFO Headquarters.

The Supply Branch also maintains an asset management system in SAP designed to ensure that all MFO equipment is accounted for and repaired or replaced in accordance with good life cycle management practices. A five-year equipment replacement plan is the basis for Force equipment budgets, and it is therefore essential that the information contained in the asset database is both up to date and accurate. To achieve this, asset checks are carried out by the holder on a weekly or monthly basis, with sensitive items checked more frequently and by the Property office at least once a year for minor assets and, at a minimum, twice a year for high-value items.

All goods and services required to support the Force flow through the Supply Branch. On average, annual goods management and movement include:

- procuring, receiving, and issuing in excess of 4,000 metric tons of food and water;
- supplying over four million liters of fuel (aviation, diesel and benzene); and
- receiving and processing over 5,000 metric tons of spare parts, general supplies, construction materials, ICT equipment and aviation spare parts.

**In FY 10, the Supply Branch reviewed slow-moving and obsolete stock held at the Force. The Supply Branch physically checked some 9,000 individual items with budget line managers and end-user technicians. All obsolete stock was offered for sale in both Egypt and Israel and all proceeds were returned to MFO Headquarters for re-distribution. The overall inventory error rate stands at 1.3%, which is well within the U.K. Joint Services standards for inventory management.**

### **MFO CONTRACTS**

The management of MFO Contracts is divided among Rome Headquarters, the Force and the MFO offices in Cairo and Israel. Each location maintains records of pre-qualified contractors and carries out thorough pre-qualification checks when new contractors are sought. MFO policy calls for rigorous competition wherever possible and, by using careful bid analysis techniques, the most advantageous contracts for the MFO are obtained. Fixed-term, fixed-priced contracts, with strict warranty, performance and penalty clauses ensure that we obtain value for money.

The **Force Contracts Office** administers the MFO's Single Support Services Contract presently held by HNSI, with sub-contracted Egyptian labor services provided by Care Services of Cairo. There are currently 54 HNSI and 497 Care Services

positions authorized under this contract. The Contracts Office also manages the acquisition and administration of other contracted services for the Force.

### PERSONNEL AND SERVICES

The **Personnel and Services Branch** within the Sinai is composed of the Personnel and Postal Section, a Morale Support Element, two Force Exchanges, and two Force Libraries. In addition, the Branch administers the MFO Club System and oversees the MSP. The personnel and services team is a multinational group of individuals comprised of military, expatriate civilians and Egyptian nationals. The Chief of Personnel and Services (CPS) is an MFO DHC who manages all personnel and morale support programs.

The CPS, along with a U.S. Army Deputy and a Civilian Personnel Manager (CPM), provides administrative oversight of civilian employment processes. He and his staff are responsible for the day to day administration of 57 DHCs (sixteen of whom staff the COU) and 38 CHCs. For DHCs this includes the administration of housing, driver training, mentoring, contract evaluation, the provision of security briefings/updates and maintaining contact information and whereabouts when not on camp. For CHCs it includes the administration of attendance, contracts and entitlements. Force DHCs are recruited from locations worldwide and currently represent six different nationalities. The CHC workforce is recruited within Egypt, with the assistance of the DGR office in Cairo, and provides technical expertise in the areas of finance, logistics, engineering, retail, library and communications and information systems.

### PERSONNEL AND POSTAL SECTION

The **Personnel Section** issues more than 2,000 MFO identity cards annually as well as processing a comparable number of Egyptian identity cards and visas. It is also responsible for processing awards and attending to mortuary affairs.

The **Postal Section** administers the constant flow of mail and parcels to and from the Force. Trips are made to the main Tel Aviv post office Sunday to Thursday, except for holidays. Additionally, courier service is provided between the Force in the Sinai and the DGR Office in Israel.

### MORALE SUPPORT ELEMENT (MSE)

The MSE has responsibility for the day-to-day operation of a full range of recreational, athletic and entertainment activities conducted at both camps. In particular, MSE staff administers the Force's athletic program and morale support tours.

- **Athletics Program:** Currently, there are organized team sports competitions held between contingents every Tuesday evening, and other team sporting events occur informally on a daily basis. The Force also participates in sports tournaments in both Egypt and Israel with teams selected to represent the MFO. In addition, the fitness program was expanded this year to include martial arts training.

Continuing improvements to the gym facilities at both camps have added valuable space to the buildings and allowed for state of the art weight training and cardiovascular equipment. More improvements are underway to improve facilities at South Camp by an expansion of the equipment storage and bathroom facilities which will be completed early in FY 11. In addition, outdoor sports facility improvements were made at North Camp in FY 10 with funding provided by profits from the MSP. There are plans to put in similar facilities at South Camp this fiscal year.

The Athletics Program also supports remote sites by providing them with cardiovascular and weightlifting equipment. This year, the Morale Support Committee authorized the purchase of additional cardiovascular

machines for these sites so that replacement machines will be available when existing equipment is brought in for maintenance or repair.

- **Morale Support Tours:** More than 36 tours are offered to Force Members each year allowing them to gain valuable insight into the history and culture of the MFO's host countries. These tours visit places such as Luxor, Cairo, Alexandria, Jerusalem, the Dead Sea and Tel Aviv. The tours are very popular and most tour quotas are filled early.

### **FORCE EXCHANGES**

The Force Exchanges exist to enhance the morale and welfare of Force personnel by providing a reasonable selection of essential and recreational items commonly found in military post exchanges. The exchanges are self-supporting and operate as a financially independent entity within the MFO. The exchanges generate profits that are used in financing Morale Support activities. **A major renovation of the North Camp Exchange building, completed during FY 10, has expanded selling floor space, consolidated all shipping and receiving actions, provided a wall of refrigerators for drinks and snacks and constructed a small mall to accommodate externally-provided banking, barbershop and local vendor services.**

### **FORCE LIBRARIES**

The Force Libraries continue to be a vital source of information and entertainment for our members. Remote sites receive a steady supply of books, magazines, DVD movies and computer games that have helped contribute to morale at these isolated locations during off-duty hours. The libraries on both camps continue to provide an excellent location for Force members to relax after work, and the coffee bar and wireless internet access available at both sites remain popular with Force Members. Rosetta Stone, a language learning system installed in FY 09, provides internet-based,

voice recognition language training in 31 languages. This learning tool continues to generate great enthusiasm with all MFO contingents and has an impressive rate of usage.

### **CLUB SYSTEM**

The social calendar of the MFO Club System – Officers and All Ranks clubs at both camps – provides popular entertainment for all MFO members.

### **MORALE SUPPORT PROGRAM**

Profits from the Force Exchanges and MFO Club System provide necessary funding for the annual MSP. The MSP is vital to maintaining the well-being of our personnel in the Sinai and is tasked with the important mission of maintaining morale at our remote sites and camps. The effort and resources committed to these programs underline the MFO's pledge to take care of our dedicated personnel.

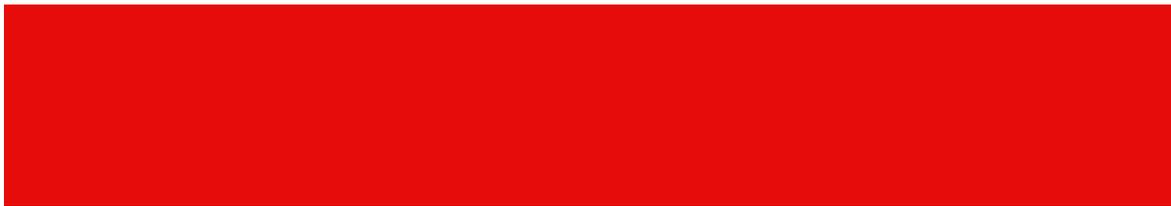
The MFO is very grateful for the entertainment groups sent to the Force by the United States during the past year.

### **INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)**

The **ICT Branch** provides the Force with voice and data communication systems in order to meet operational command and control, as well as morale and welfare requirements. ICT provides around-the-clock services to North Camp, South Camp, 30 remote sites and the Coastal Patrol Unit. ICT provides, manages, repairs and oversees: the wide and local area networks; telecommunications and satellite services; operational VHF, HF, and UHF radios including flight following radio/repeaters for helicopter communications; and a network of distributed servers, MFO-owned personal computers, printers, and scanners. ICT also supports television, radio, and theater programs. The ICT branch, headed by a civilian Chief, is composed of DHCs, CHCs, Care Services employees and military personnel from the United States,

the Republic of the Fiji Islands, Canada, and Australia. This staff of 33 is reinforced by a network of outsourced contractors who provide support in areas as diverse as server maintenance, wireless internet access, private branch exchange (PBX) – a telephone exchange that serves a particular office – and Voice over Internet Protocol (VoIP) technology. Each MFO office has outsourced support, which works hand-in-hand with the ICT Branch to maintain communications and connectivity at its respective location.

Additional information can be found at our website: [www.mfo.org](http://www.mfo.org)



### ANNEX B: VISITS FY 2010

Our most senior civilian and military visitors from Supporting States this year included:

- **From Canada:** Gen Walter Natynczyk, Canadian Chief of Defence Staff; Brig. Gen. Alain Parent, Chief of Staff, Canadian Expeditionary Force Command.
- **From Colombia:** Brig. Gen. José Rafael Gonzalez Villamil, Chief, Human Development of the National Army; Brig. Gen. Juan Pablo Amaya Kerquelen, Commander of the 13th Brigade.
- **From France:** Lt. Gen. Benoit Puga, Director of Military Intelligence; Brig. Gen. Philippe Gasnot, Head of French Air Support and Projection Brigade.
- **From Hungary:** Hon. Karoly Furedi, Ph.D., State Secretary of Defence Planning and Infrastructure; Brig. Gen. Tibor Nagy, Commander, Operations Center, Hungarian Defense Force.
- **From Italy:** Vice Adm. Luigi Binelli Mantelli, Commander in Chief of the Italian Naval Fleet.

- **From New Zealand:** Hon. Murray McCully, Minister of Foreign Affairs; Hon. Dr. Wayne Mapp, Minister of Defence; Comm. Gordon Craig, Royal New Zealand Navy.
  - **From Norway:** Maj. Gen. Finn K. Hannestad, Norwegian Joint Headquarters; Maj. Gen. Robert Mood, Chief of Staff, United Nations Truce Supervision Organization.
  - **From the United States:** Secretary of the U.S. Army, Mr. John M. McHugh; Gen. George W. Casey, Jr., U.S. Army Chief of Staff; Gen. Craig McKinley, Chief, National Guard Bureau; Gen. David Petraeus, Commander, U.S. Army Central Command; Lt. Gen. Dennis McCarthy, Chief, Reserve Affairs; Lt. Gen. Thomas G. Miller, Commanding General, First Army; Lt. Gen. Joseph Peterson, U.S. Army Central Command, Deputy Commanding General; Lt. Gen. Steven R. Whitcomb, U.S. Army Inspector General; Lt. Gen. William Webster, ARCENT Commanding General; Maj. Gen. Kenneth Dowd, 1st Theatre Sustainment Command, Commanding General; Maj. Gen. Tod Bunting, Kansas Army National Guard, Territorial Adjutant General; Maj. Gen. Howard Edwards, Colorado Army National Guard, Territorial Adjutant General; Maj. Gen. Emmett Titshaw, Special Assistant to the Director, Air National Guard; Maj. Gen. James E. Rogers, Commander, U.S. Army Joint Munitions Command; Maj. Gen. Floyd Williams, Chief, Office of Military Cooperation, Egypt; Maj. Gen. Antonio Vicens, Puerto Rican Army National Guard, Territorial Adjutant General; Brig. Gen. John Davoren, Kansas Army National Guard, Assistant Territorial Adjutant General; Brig. Gen. Nickolas P. Tooliatos, 1st Theatre Sustainment Command, Deputy Commanding General; Brig. Gen. James Walton, U.S. Army Central Command, G6.
- Supporting States and other diplomatic missions in Egypt and Israel had visitors to the Force. They included:
- The Ambassadors accredited to Egypt from Canada, Colombia, the Czech Republic, France, Hungary, Netherlands, and Uruguay.
  - The Ambassadors accredited to Israel from Colombia, the United States, and Uruguay.
  - The Military Attachés in Egypt from Canada, Colombia, the Czech Republic, Hungary, and the United States.
  - The Military Attaché in Israel from Colombia.
- Visits from both Receiving States strengthen our cooperative relationships:
- Most notably, these visits include: the Governor of North Sinai, Maj. Gen. Mohamed Murrad Mowafy; the Governor of South Sinai, Maj. Gen. Mohamed Abdel Fadel Shosha; Chief, LAWIO Maj. Gen. Amir El Damhougy, Deputy Chief, LAWIO Ossama Abdelaziz, and from Israel, Brig. Gen. Yossi Heymann, former Head of the IDFSD. The Parties have made use of our facilities on several occasions to conduct talks and maintain their close coordination.

