

KARNI CROSSING PLAN

A plan for achieving a secure, efficient
cost-effective operation at Karni
continuously moving a high
volume of goods in and
out of Gaza



This plan was developed by the US Security Coordinator (USSC) for the
Palestinian President's Office and the General Administration for Crossings and
Borders (GACB)

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KARNI PLAN

1. Background

1.1 Security sector transformation: A priority initiative of Palestinian President Mahmoud Abbas and his key staff is the transformation of the Palestinian security sector capable of satisfying security requirements. The U.S. Security Coordinator, LTG Keith Dayton, and his staff are providing assistance in this important task. Securing the borders as well as the border crossing points is an essential component of this security transformation process.

1.2 Security at crossings: In consequence of Israeli disengagement from Gaza in the summer of 2005, the Gaza crossings have become key nodes where particularly tight security must be established. Karni has been closed more often than open since disengagement, particularly to Gaza exports. If the crossings are to achieve their significant potential to quickly and continuously move people and goods, credible crossing security must be put in place. A plan for making Karni secure on the Gaza side was presented by Dr. Saeb Erekat to the Israeli Ministry of Defense (MOD) on 19 June 2006, and is the foundation upon which this more detailed Karni Plan has been developed (see **Appendix 1**). Karni is the primary Gaza crossing for commercial goods and was highlighted in the U.S.-brokered Agreement on Movement and Access (AMA) of November 2005. It is expected to be used as a model for other crossings between Israel and Gaza.

1.3 Agreement on Movement and Access: Among its stipulations, the AMA calls for: an overall PA system of border management; protection of the crossings on the Palestinian side; training and upgrade to crossing management to ensure efficiency and effectiveness; Karni to be open and moving 150 Gaza export trucks per day by December 2005 and 400 by the end of 2006; and for Israel to ensure the continued opportunity for the Palestinians to export their products. To date, none of these AMA mandates has been met.

1.4 Upgrading Karni security and cargo flow operations: This plan envisions upgrading Karni security (Gaza side) – infrastructure, equipment, personnel and processes – to meet international standards. The plan will help the Palestinians achieve their own security objectives as well as increase GOI confidence and thereby facilitate Karni remaining open for the movement of goods in both directions. Furthermore, as cargo flow increases, the efficiency of logistical operations must be improved if the high volume throughput capacity of the terminal is to be achieved. Consequently, this plan also envisions upgrades in management and logistics infrastructure and processes at the terminal to achieve the efficiency and effectiveness envisioned in the AMA.

1.5 Significance of Karni: The effect of continuous operations at Karni is expected to stimulate the economy and help stabilize the social and political situation in Gaza. A fully successful Karni will be the catalyst to achieve other successful crossing operations in Gaza as well as implementation of other aspects of the AMA. However, this positive chain reaction of events relies on first establishing tight security on the Gaza side of Karni. *There is no alternative port to Karni for achieving near-term, high volume flow of goods and produce into and out of Gaza.* For this reason, “resolving Karni” is the first priority in this process of achieving security,

economic growth and stability for the Palestinian people. Israeli trade will similarly benefit as Karni begins to operate routinely for both exports and imports.

2. Assumptions: This plan for achieving Karni’s cargo throughput potential is based on the assessment and assumption that the threat to security at Karni – i.e., Israeli concern of a Palestinian-initiated terrorist attack on the terminal or bombs planted in Israel-bound cargo – is a genuine factor that hinders the crossing being consistently opened to two-way transfer of goods. Also, this plan assumes the required funding to upgrade Karni will become available. Implementing this plan will be in the best interests of the Palestinian people, Israel, and all third parties supportive of peaceful solutions to the Palestinian-Israeli conflict.

3. Elements of the Karni Plan -- Overview: This plan addresses the following elements:

3.1 **Infrastructure and equipment upgrades** to decrease Karni’s vulnerability to attacks and increase the efficiency of traffic flow within the terminal to maximize throughput capacity.

3.2 **Security force (personnel) upgrade** via recruitment, a thorough vetting process, tailored training and development of a border crossing-specific guard force and organizational hierarchy. Specifically trained crossing guards will replace existing security elements.

3.3 **Security process improvements** related to access to controlled areas and that are correlated to Karni’s proposed infrastructure and equipment upgrades.

3.4 **Temporary third party monitoring** of Karni security and logistical operations to: assess and certify security force compliance with international security standards and best practices/procedures; mentor security personnel to further upgrade performance; build Israeli confidence in Palestinian security at Karni such that the GOI will keep the terminal open; and assess and mentor management and logistical operations to achieve the efficiencies and effectiveness that will lead to maximum cargo throughput. **(The presence of third party monitors is not essential to the implementation of the overall Karni Plan).**

3.5 **Optimizing logistical operations** at the Karni Crossing: As the transfer of goods through Karni increases in response to the terminal’s consistent operations, achieving maximum throughput will require optimizing the efficiency of logistical operations and overall management of the terminal (as called for in the AMA). While this plan is not prescriptive as to how best to accomplish this, it foresees the need for the PA to initiate an effective mix of public and private sector involvement at Karni if its potential for high throughput is to be exploited and if corrupt practices are to be reduced.

4. Elements of the Karni Plan – Details

4.1 **Karni infrastructure and equipment upgrades:** This plan addresses infrastructure and equipment upgrades at Karni to tighten security and improve the logistical flow of goods at the terminal.

4.1.1 Security infrastructure and equipment upgrades: Because of high GOI security interests at the Karni Crossing, a properly functioning terminal is primarily dependent on tight security. First and foremost, security-specific physical infrastructure and equipment on the Gaza side must be upgraded, and corresponding security processes improved, namely: establishment of a secure perimeter on the Gaza side; installation of centrally monitored and controlled surveillance and identification verification technologies; construction of checkpoints, gates, barriers and inspection areas to allow better control over vehicles, cargos and personnel within the Karni complex; implementing a cyber network for effective command, control and communications among all key elements at Karni. **Appendix 2**, *Statement of Requirements (Karni Security Plan)*, identifies all infrastructure and equipment upgrade requirements envisioned by this plan. **Appendix 3**, *Karni Plan Resources, Phasing and Synchronization Estimate*, describes parallel tracks/components of the Karni Plan, phasing and timelines for execution, and estimated costs. Initiation of these projects should commence as soon as the current Israeli Defense Force (IDF) deployment into Gaza and the crisis that prompted it are over.

4.1.2 General terminal infrastructure and equipment upgrades for improved logistical flow of cargo. Existing infrastructure on the Gaza side of Karni is insufficient to support an efficient, high-volume flow of goods and produce into and out of Gaza. Therefore, this plan calls for general infrastructure upgrades to overcome those deficiencies, namely: establishment of a truck marshaling area/service center offsite; widening of roadways within the terminal to accommodate multiple lanes of traffic in and out; re-engineering of traffic flow to complement security; and proper application of a risk management system (which will eventually include cargo scanning options)(see **Appendix 2**).

4.2 Karni security force (personnel) upgrade: Improved security infrastructure and surveillance systems on the Gaza side of Karni must be accompanied by proficiency and professionalism in the security force.

4.2.1 Professional border crossing security force: A key component to overall Palestinian security sector transformation is the eventual emplacement of a professional border crossing security force. Given Karni's high importance to the overall well-being of Palestinians and the acute security factors which must be addressed there to keep it routinely opened for two-way transfer of goods, Karni must have top priority as the location for the deployment of this professional crossing guard force. The following steps are key to quickly achieving these objectives:

4.2.1.1 Without delay, fully replace Preventive Security Organization (PSO) forces at the Karni Crossing with Presidential Guard (PG) personnel, to establish an immediate upgrade in the credibility and quality of crossing protection. Accomplish on-the-job training to familiarize the initial PG contingent with specific duties required for crossing security. Standard Operating Procedures will be developed and documented for each function performed by employees at Karni.

4.2.1.2 Immediately identify 250 PG personnel for a crossing guard-specific training course, and begin that training as soon as possible. As classes graduate, newly-trained crossing

guards will replace the original deployment of PG personnel to Karni. Stringent recruitment and vetting processes must be employed to screen candidates to meet the high-loyalty, high-quality requirements of this duty. **Appendix 5**, *Recruitment and Vetting Process for Crossings Guards*, presents recommended means and methods for recruitment and vetting of this important crossing guard force. A tailor-made *Border Crossing Guard Course* will be developed.

4.2.2 Canine explosives detection unit: A potentially important piece of security and cargo inspection operations at Karni is a canine explosives detection unit on the Gaza side. This would require construction of appropriate facilities and a program for periodic upgrade training (for handlers and dogs) to keep them up-to-date.

4.3 Security process improvements: Improving Karni infrastructure, whether to tighten security or expand export-import volume, and putting a quality security force in place there will not ensure the success of this plan without complementary improvements in the security processes employed at Karni. These key process improvements are:

4.3.1 Clearly delineate restricted areas with appropriate barriers and access control gates, to include employing swipe/smart card technology; train employees to the restricted area rules (e.g., access and eviction criteria, etc.).

4.3.2 Institute a uniform and identification badge program for all employees, to limit control of high security areas and facilitate security's task of detecting personnel out-of-place.

4.3.3 Enhance employee and truck driver vetting/background verification methods.

4.3.4 Create written Standard Operating Procedures (SOP) for all positions at Karni, and train employees to those SOPs. These specific SOPs will be addressed in separate documentation due to their sensitive nature and the need to control access to these documents.

4.3.5 Establish principles of good governance for operating a commercial crossing point, and define and train employees to a "Code of Discipline" against which they will be assessed and consequences for favorable and unfavorable performance/behavior will be imposed by management. **Appendix 6**, *Good Governance and Integrity in Border Management*, presents principles by which to develop discipline among Karni employees, and transparency and integrity in border crossing operations.

4.3.6 Develop a Karni Crossing specific Border Crossing Officer Training Course that can be modified for other borders crossings as required. This course will be addressed in separate documents and with the assistance of contracted security and border experts from the UN Office of Personnel Services (UN OPS).

4.4 Temporary third party monitoring of Karni operations: The GOI, as the party with the upper hand in determining the flow of goods through Karni, must be reassured that Palestinian protective measures at Karni adequately address Israel's security interests. To jump start this process, the presence of a credible third party monitoring element – the Karni Monitoring Unit (KMU) – will be most useful. A successful precedent of this concept is the European Union Border Assistance Mission (EUBAM) at Rafah. This plan proposes

emplacement of a similar, international unit of monitor-mentors observing and helping improve security and logistics operations and the overall management of the Karni Crossing. **Appendix 7, *The Karni Monitoring Unit***, details a concept for implementing such a unit. . **(The presence of third party monitors is not essential to the implementation of the overall Karni Plan).**

4.5 Optimizing Operations at the Karni Crossing: As security is assured and goods begin to flow more freely at the Karni Crossing, greater efficiencies in logistical processes and better transparency in financial transactions will need to be instituted. Infrastructure and security upgrades alone will not push Karni to operate smoothly at capacity. To optimize operations, developmental efforts will be required at two levels of management and policy-making: at the headquarters of the General Administration for Crossings and Borders (GACB), and at the Karni terminal itself. Additionally, Information Technology (IT) must be fully exploited to ensure logistical and security requirements at Karni are integrated and cargo volumes increased.

4.5.1 GACB organization: In order for the Karni Crossing to be successful, it must be supported by a GACB headquarters function which provides policy, procedures and system support for not only Karni, but all current and future Palestinian border crossing points. Turning Karni into the national economic asset it can be requires the PA to populate the GACB headquarters with forward-thinking leadership and staff, and empower them sufficiently to successfully create and implement the right policies and standardized procedures for Karni and all crossings. **Appendix 8, *General Administration for Crossings and Borders (GACB)***, proposes a basic organizational structure and initiatives the GACB must immediately tackle if Karni is to operate effectively. **Appendix 9, *Karni Crossing Organizational Structure***, provides a closer look at a proposed Karni-level organization.

4.5.2 Karni terminal management: To secure the AMA-envisioned operational efficiencies at Karni, appropriate integration of the private sector into the terminal's logistical functions may be desirable although the involvement of the private sector could develop incrementally over time.

4.5.2.1 At a minimum, GACB decision-makers should closely consult the private sector concerning operational policy at Karni and scrutinize which of the terminal's functions might be better handled by private entities. A proper mix of public and private sector involvement may facilitate achieving a higher standard of efficiency, economy, and transparency – and do it more quickly – than a strictly public sector operation ever could.

4.5.2.2 **Appendix 10, *Potential Outsourcing (or Privatization) of Karni Operations*** and **Appendix 11, *Optimizing Operations at the Karni Crossing through Private Sector Management***, discuss options and issues in this vein. At **Appendix 12, *Logistical Flow at Karni***, this plan offers an optimal logistical flow pattern at the Karni terminal to ensure security and logistical efficiency. **Appendix 13, *Karni Liaison Unit*** describes the operation of a Palestinian liaison unit at Karni. This unit would work to mutually resolve issues and thereby aid in keeping Karni continuously open for commercial cargo transit in both directions.

4.5.3 Information Technology applications: This plan envisions implementation of an IT system at Karni to fully integrate efficiency in cargo logistics operations, transparency in

related financial transactions, and thoroughness of security measures. In-depth support to Risk Management must be a central capability and objective of any IT system implemented at Karni. **Appendix 14**, *Information Technology Application at Karni*, offers guidelines for choosing an IT system that will meet these basic and essential demands.

4.6 Contingency Back-up Options: If efforts to open and continuously operate Karni fail, other viable options for stabilizing the Gaza economy and stimulating its growth will be even more urgently needed. However, given current Israeli-Palestinian relations and political arrangements, success at implementing any other option will be remote.

4.6.1 Kerem Shalom: The Kerem Shalom Crossing has been offered by the Israelis as an alternative passage for Palestinian goods and people when Karni and Rafah must be closed. However, Kerem Shalom would be subject to the same unpredictable and intermittent closures as Karni, as threat intelligence and political tensions ebb and flow.

4.6.2 AMA options: If cooperation at Karni cannot be achieved now, the only realistic hope for resolving this Gaza economic dilemma is the creation of one or more separate trade outlets. The AMA already envisions such options: Rafah processing commercial goods as well as travelers, re-opening the Gaza airport, and building a Gaza seaport. Given the lack of progress to-date on “easier” AMA issues, if Karni cannot be solved now, only a permanent, two-state solution could realistically offer a way ahead in these more difficult matters. In the absence of mutual acceptance of each others’ right to land, political autonomy and peaceful existence for their respective peoples, if Karni cannot be continuously opened soon, then security concerns are likely to always provide reason to the GOI and PA to *not cooperate* in the ways required for full AMA implementation. There are no viable back-up options to substitute for continuing failures to get Karni routinely open.

5. Conclusion: This plan offers a practical means of meeting security requirements at Karni so the GOI can begin to open the terminal consistently for two-way flow of goods. It further delineates logistical enhancements to push the Gaza-side throughput capacity upwards to where it must be for AMA requirements and long-term Palestinian needs to be met. Resources for implementing the plan must be identified. Regardless of infrastructure, personnel and process improvements made, the Karni plan will only succeed if full bilateral coordination and problem-solving aimed at keeping the crossing open become the norm. The benefits to both sides that will result from Karni continuously passing goods in both directions will go a long way toward easing other mutual tensions that currently are impeding progress toward a permanent, two-state solution. Success at Karni will be an immediate stabilizer of current economic and political distress in Gaza and a catalyst for improved bilateral relations generally.

Karni Security Plan

There is a consensus that the Karni crossing security deficiencies are mostly related to personnel and process. While infrastructure and equipment improvements are needed, the immediate focus should be to address the personnel and process issues. Following are the main elements of the plan to enhance security at Karni:

- The Palestinian leadership is committed to enhancing security at Karni, with the assistance of Lt. Gen. Dayton's team and the international community.
- The plan envisages as an immediate measure complete control over all access to the Restricted Area of the crossing.
- The plan also requires bringing all security functions under the leadership of the PG to ensure the security process is adhered to in full
- Training, acquiring equipment, and upgrading infrastructure are important elements in the plan, and are phased throughout the implementation of the plan.

Following is the plan in detail:

1. PERSONNEL

Immediate

- Presidential Guard Task Force (PGTF) will be deployed to oversee operations at the perimeter (conducted by NSF) and all operations inside the crossing (PSO, staff, workers) similar to the arrangements at Rafah.
- The estimated size of the force is between approximately 200-400 personnel. The exact number would depend on the number of shifts and hours of operation.

Medium Term

- All persons (Security Personnel, Staff/Workers, Drivers, Traders) that had previous access to the Restricted Area who fail the improved vetting process would be removed from the Final List granting access to the Restricted Area (see process below).

Long Term

- Complete replacement of existing security personnel by a newly trained force.

- The training will be up to international standards and specifically tailored to the requirements of Karni (module for cargo inspection training).
- All persons in the Final List of people granted access to the Restricted Area (Security Personnel, Staff/Workers, Drivers, Traders) will be issued swipe card/smart card and readers will be installed in the various sectors of the crossing so that only persons that are authorised to be in a specific sector would be allowed in.
- The list of persons granted access to the Restricted Area may be submitted to Israel, as was the case in Rafah.

2. PROCESS

Immediate

- A list (Names + ID number) of all persons (Security Personnel, Staff/Workers, Drivers, Traders) currently granted access to the Restricted Area will be supplied.
- All current workers will wear distinctive uniforms identifying their functions and area(s) of operation.
- All persons with access to the Restricted Area (Security Personnel, Staff/Workers, Drivers, Traders) will wear visible badges to verify identity and function. Visitors to the Restricted Area will be subject to an on-site security check. If granted access, they will wear a distinctive badge that specifies their level of access and indicates that they must be accompanied by a staff member at all times.
- No person will be allowed entry into the Restricted Area without being checked for weapons and explosives.

Medium Term

- A Designated Party (DP) will adopt and implement a rigorous vetting process as follows:
 - The DP will review the database of all persons (Security Personnel, Staff/Workers, Drivers, Traders) with access to the Restricted Area according to the adopted vetting process.
 - The DP will decide whether the person will be:
 - Confirmed access (confirmed on the Final List)
 - Checked further before they get confirmed
 - Denied access (removed from the Final List)
 - The DP will then check the names and IDs of those who are not currently in the database using the adopted vetting process before adding them to the Final List.
 - The DP will conduct a special check for Security personnel.
 - The adopted vetting process will include:
 - input from Intelligence, Preventive Security, and Police
 - periodic checks
 - random checks
 - real-time feed of information from these agencies to the operations room

Long Term

- Implement Risk Management System:
 - Devise procedures detailing the Risk Management System.
 - System assigns risk categories (green, yellow, red) , and implement checks on all high risk (red), some medium risk (yellow)
 - Additional random checks driven by the system (i.e. no discretion to officers)
 - Secure infrastructure (hardware, software, equipment, personnel) to implement the system
 - Gather full information on shipments ahead of time of arrival at the crossing.
 - Implement Trade Chain Security Program: work with businesses to secure shipments from factory floor to the crossing.

3. INFRASTRUCTURE AND EQUIPMENT

Current infrastructure, although very basic, can provide for a manageable level of security in the immediate term if coupled with improvements in process and personnel.

Immediate

- Electronically controlled heavy duty gates code-operated
- Concrete blocks to prevent bypassing the gates
- Explosives detection equipment (Hand-held)
- Metal detectors (Hand-held)
- Computers/Laptops + software for handling the list of people granted access
- Operations room (basic for coordinating external perimeter and internal operations)
 - Wireless communication
 - Land lines
 - Connection to Intelligence, Preventive Security, and Police
- Adequate living facilities for PGTF (incl. barracks)
- Sufficient weapons and ammunition for PGTF to perform its duties
- Trained dogs for explosives detection

Medium Term

- Cameras connected to CCTV system
- Operations room (fully equipped)
- Lighting
- Fence/ Wall improvements

Long Term

- Reconfiguration and modernisation of the whole terminal (including upgrading fence, improve docking)

4. SYSTEM INTEGRITY

Medium Term

Queuing and scheduling

- Transparent, system-driven process
- Rules to be developed together with the private sector.
- All information (rules, schedule, fees, exceptions, updates) to be published on website. Any modification would have a record of whom, when, and why that was carried out.

Addressing dual loyalties

- Provide appropriate remuneration for personnel including social benefits such as health care and housing facilities, and/or incentive payments (bonuses, rewards, etc.).
- Devise and issue Code of Conduct with clear sanctions; personnel who violate rules lose their job or pay penalty, users lose access privilege.

Long Term

Addressing dual loyalties

- Internal and external auditing.
- Appoint an Ombudsman to oversee operations and investigate complaints
- Strategic segregation of functions; rotation of assignments and random allocation of examinations among officers. In certain cases, regular relocation of staff.

Administration should foster an open and transparent relationship with Customs brokers and with the relevant sectors of the business community, through such means as liaison committees.

Appendix 2, Statement of Requirements for Karni Infrastructure and Equipment Upgrades

**Statement of Requirements
for
Karni Infrastructure and Equipment Upgrades
(as of 11 Sep 06)**

The following information is offered as guidance to the Design / Build project at Karni Crossing from the perspective of the USSC. This guidance is based on Full Operating Capability (FOC), a contingent of 250 Presidential Guard to provide security, and the expectation of 400 export vehicles and 800 import vehicles traversing the facility daily.

(Note: For a visual depiction of the layout of the Gaza side of the Karni terminal corresponding to this Statement of Requirements, please refer to the diagram at the end of this appendix.)

1. Marshalling Area (Planned for Execution at Later Stage)

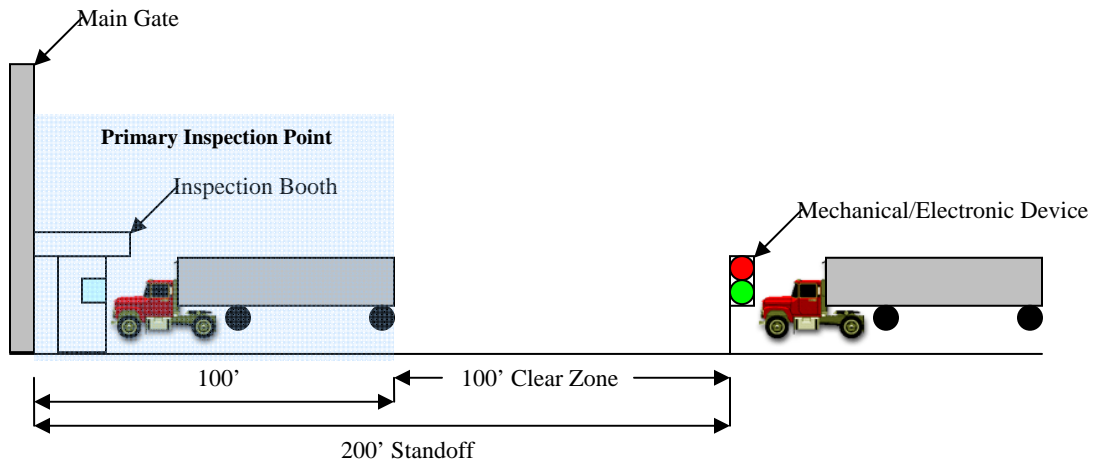
- Needs to be located within a 5 minute drive of the Primary Inspection Area
- Must be large enough to park at a minimum 20 commercial vehicles (for purposes of this document a commercial vehicle is considered a tractor trailer with a 40' container.)
- Parking area and Service Building (reference next bullet) interior should be monitored by CCTV back to Security Operations Center (SOC)
- Contains an enclosed Service Building with office space capacity for fourteen (14) computer stations (4 administration & 10 Customer) to facilitate documentation entry
- Building requires air conditioning
- Computer build-out for administration servers
- Backup generator required with 72 hour operating capacity

2. Primary Inspection Area (Reference Figure A)

- Requires a 200 foot standoff prior to the Main Gate
- Standoff should be clearly marked for drivers to “hold” until called forward to the primary inspection point. A line for visual recognition should be clearly marked on the road surface.
- A mechanical/electronic device should also be used, e.g. stop / proceed sign, at the standoff that may be controlled by the Presidential Guard Officer (PGO) in the inspection booth located at the Main Gate. All devices must be associated with an individual lane (total of 5).
- A 100 foot clear zone between the standoff and primary inspection point should be established.

- Three inbound lanes and two outbound lanes are required and continue through to the Secondary Gate (Reference Sub-Paragraph 5)
- Each lane should be fitted with a two tier inspection booth, where the second tier is equivalent to driver height on a commercial vehicle (Note: All booths should contain windows on both sides, facilitating the ability to change lane directions if required, e.g., 4 inbound and 1 outbound lane)
- Inspection booths should afford the PGO with appropriate ballistic protection and bollards should be placed in front of each booth to prevent vehicle damage
- Inspection booths must meet inclement environmental conditions
- Inspection booths must have wiring and storage capacity for computer equipment
- Inspection booths should be air conditioned with the capacity to hold three persons – Two PGO and One Logistics Person

FIGURE A:



3. Main Gate

- Gate must exceed vehicle crash specifications for one commercial vehicle loaded to maximum weight capacity
- Gate must be mechanical with remote control capability
- Gate must have anti-passback feature
- Gate must meet high volume use requirements with minimal maintenance required
- Gate must be a sliding gate

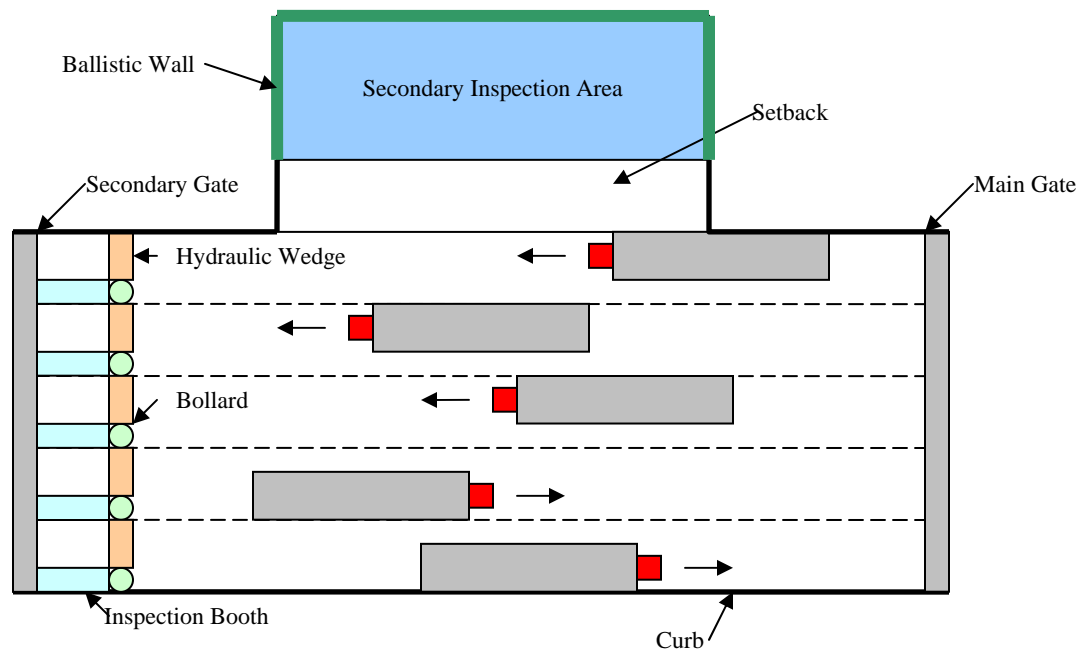
4. Secondary Inspection Area (Reference Figure B)

- Area must be large enough for three commercial vehicles to park, while at the same time accommodating the complete devanning of 50 tractor trailers with 40'

containers, the movement of three forklifts with 360 degree rotation capability, and easy movement of 9 PGO and 9 Logistics Personnel (LP) while performing intensive examinations of cargo.

- Area should be covered
- Walls must meet ballistic requirements, e.g., T-Wall
- Requires storage area for Contraband Enforcement Team (CET) hydraulic (work) tools to facilitate intensive inspections
- Area must also be equipped with office space for 9 PGO and 9 LP
- Office space must meet inclement environmental conditions
- Office space must have wiring and storage capacity for computer equipment
- A detention area should be located at the Secondary Inspection Area, consisting of two prison cells
- This area should be capable of housing a container scanner planned for execution at a later stage.

FIGURE B:



5. Secondary Gate

- Gate must exceed vehicle crash specifications for one commercial vehicle loaded to maximum weight capacity
- Gate must be mechanical with remote control capability
- Gate must have anti-passback feature
- Gate must meet high volume use requirements
- Gate must be sliding gate

- Five two-tier inspection booths (three inbound / two outbound) are required to house one PGO and one LP each. (Note: All booths should contain windows on both sides, facilitating the ability to change lane directions if required, e.g., 4 inbound and 1 outbound lane)
- Inspection booths should afford the PGO with appropriate ballistic protection and bollards should be placed in front of each booth to prevent vehicle damage
- Inspection booths must meet inclement environmental conditions
- Inspection booths must have wiring and storage capacity for computer equipment
- Inspection booths should be air conditioned
- All five lanes must be fitted with a hydraulic wedge on the inbound side of the gate oriented to stop incoming vehicles. All wedges must be remote controllable by both the PGO at the Primary Inspection Area and the Security Operations Center (SOC).

6. Call Forward Area

- A secure parking area with the capacity for 50 commercial vehicles. The secure parking area will have a marked “do not cross” area and be monitored by cameras, to ensure truck drivers stay in the designated area
- An electronic “call forward” board
- Telephone booths with direct line to service center
- At least part of this area should be covered
- Include bathroom facilities for truck drivers

7. High Security Area Entry Gate

- Gate must exceed vehicle crash specifications for one commercial vehicle loaded to maximum weight capacity
- Gate must be mechanical with remote control capability
- Gate must have anti-passback feature
- Gate must meet high volume use requirements
- Gate must be sliding gate
- One two-tier inspection booth is required to house one PGO and one LP.
- Inspection booth should afford the PGO with appropriate ballistic protection and bollards should be placed in front of the booth to prevent vehicle damage
- Inspection booth must meet inclement environmental conditions
- Inspection booth must have wiring and storage capacity for computer equipment
- Inspection booths should be air conditioned

8. High Security Area

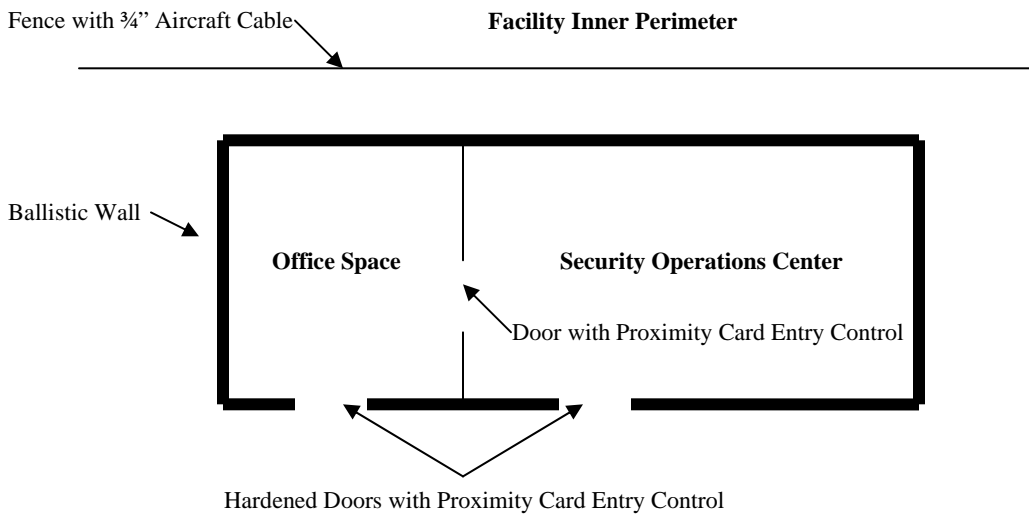
- Coverage on two sides with wall and remaining with fence with ¾” aircraft cable (Reference Sub-Paragraph 11, Figure D). This is Final Operational Capability (FOC) once the Olive Grove issue is resolved. In the interim, the High Security Area will be limited to portable fencing in the existing back-to-back loading zone.

- Requires storage area for CET hydraulic (work) tools to facilitate intensive inspections
- Requires separate inspection area with the capacity to devan three 55' containers
- Office space (completely separate from the SOC) with the capacity for 48 individuals should be established within the High Security Area (HSA) as a rest facility for LP

9. Security Operations Center (Reference Figure C)

- Located within the HSA, in other words, no external access from outside HSA
- This should be a hardened facility – highest security area, with two exit points to the HSA
- Requires capacity for six monitoring stations
- Requires capacity for two supervisor and one site commander desks / stations
- Capacity to have computer build-out to include, security system and risk management system servers, etc.
- Building requires air conditioning
- Housing for external back-up generator
- A separate room, but attached to the SOC, should be established as office space and have the capacity for 8 PGO. Access between the office space and SOC should be established but tightly controlled via proximity card.

FIGURE C:



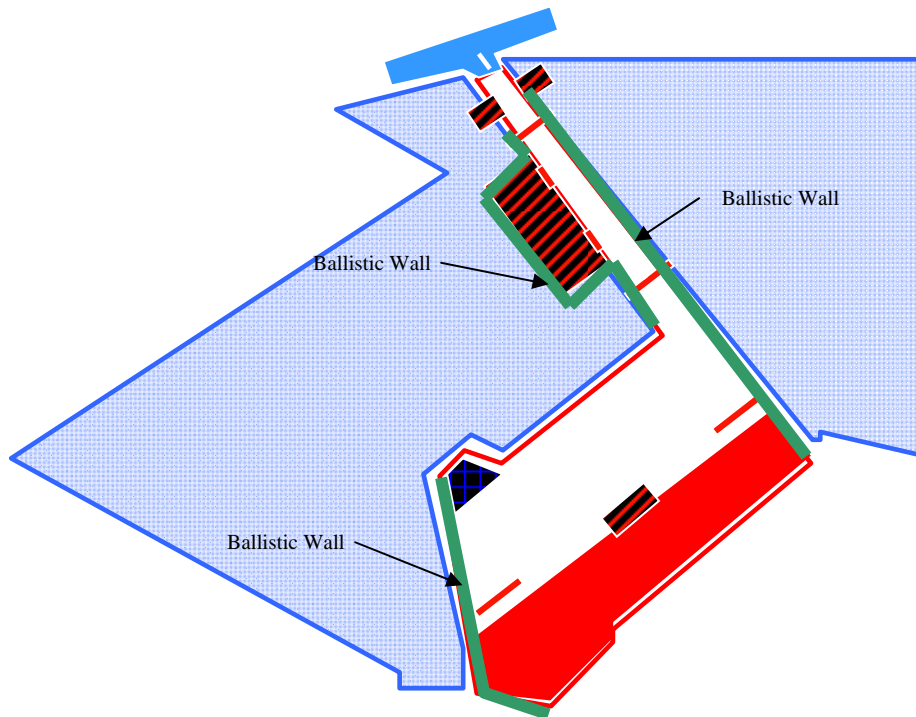
10. High Security Area Exit Gate

- Gate must exceed vehicle crash specifications for one commercial vehicle loaded to maximum weight capacity
- Gate must be mechanical with remote control capability
- Gate must have anti-passback feature
- Gate must meet high volume use requirements
- One two-tier inspection booth is required to house one PGO and one LP each.
- Inspection booth should afford the PGO with appropriate ballistic protection and bollards should be placed in front of the booth to prevent vehicle damage
- Inspection booth must meet inclement environmental conditions
- Inspection booth must have wiring and storage capacity for computer equipment
- Inspection booth should be air conditioned

11. Perimeter Fencing (Reference Figure D)

- Concrete wall (denoted on Figure D) and chain link fence with ¾" aircraft cabling
- Should have minimum of two exit points
- Contain one pedestrian gate for access to adjacent industrial site
 - i. Employee parking area should be located just outside this gate
 - ii. Parking area should be monitored by CCTV

FIGURE D:



12. Presidential Guard Billeting

- Must house 250 PGO (divided into three bay areas: Officers, Senior NCO's and Remaining Personnel)
- Requires kitchen area
- Requires recreation area
- Must be a secure area, connected to but separated by fence line from the main compound. The area should have two exit points, one to the main compound and the other to the external perimeter (Note: Depending on location within the compound and the response time should they need to deploy, the external exit point should be eliminated)
- Building location should be outside existing area identified in Figure D. In other words, it requires the acquisition of additional land from Pietco.
- This should be a hardened facility – Highest security area, with two exit points
- Building should provide ballistic protection up through an RPG rating
- A separate room should be established as office space and have the capacity for two monitoring stations and a 12-person Quick Reactionary Force (QRF). Access should be tightly controlled via proximity card, with two access points. One to the billeting / rest area and the other an external access point to the compound.
- Building requires air conditioning
- An air conditioned kennel for five work dogs should be located near the billeting / QRF facility
- From Initial Operating Capability (IOC) through completion of construction: Capacity to maintain 42 Containers (40') used as temporary PG housing on site for two-years

13. Security System

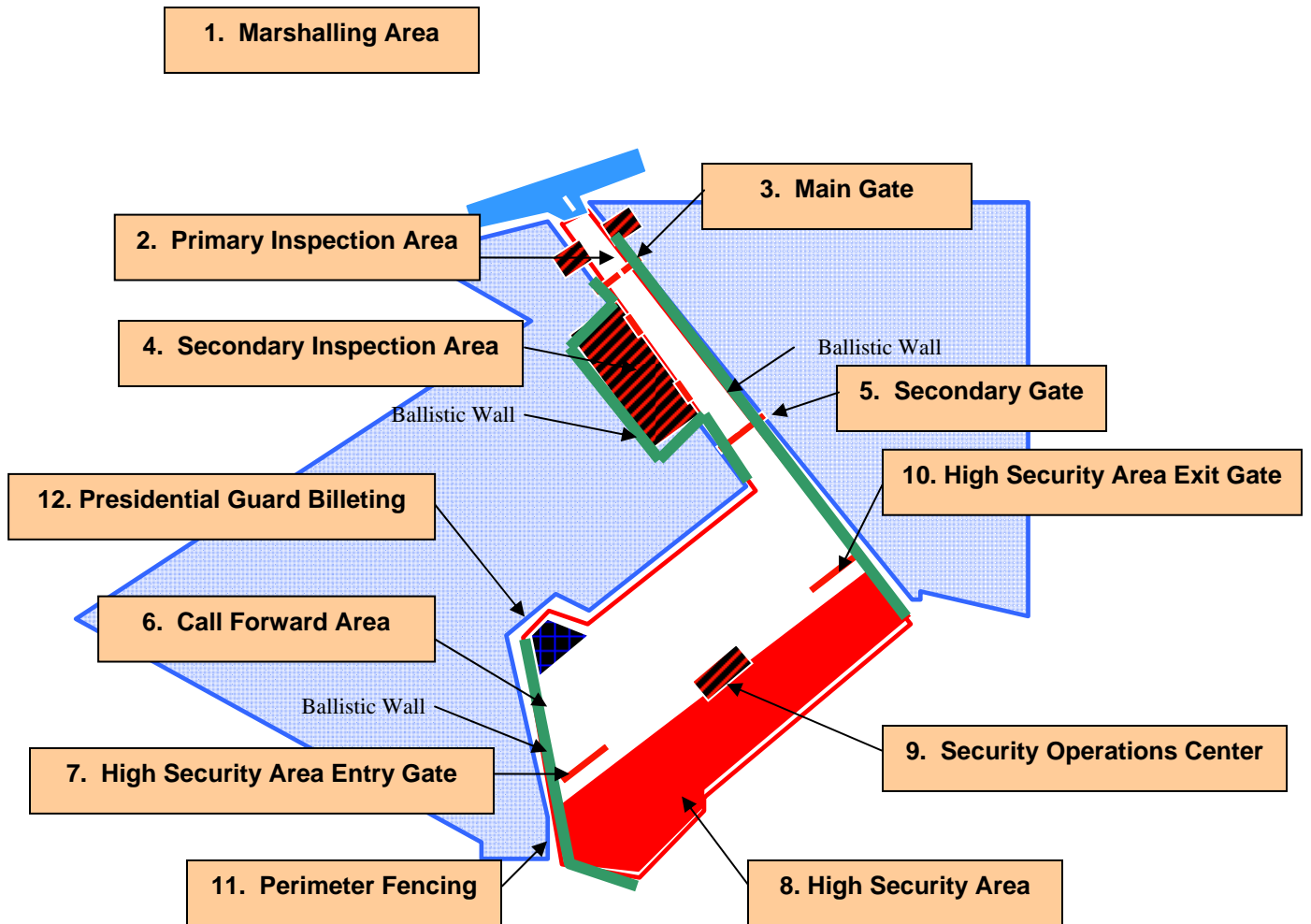
- Assumes 360 degree CCTV coverage of Facility Grounds, Exterior Grounds, Primary Inspection Area, Secondary Inspection area, High Security Area and all gates.
- All access points controlled by proximity card and remote control from SOC
- All gates require remote control capability from SOC
- All access points should contain RFID
- Should have integration of security and risk management systems
- Camera system should facilitate PTZ installation and no light / low light conditions
- Backup power is required with capacity to sustain operations for 72 hours minimum
- Headend Software will be specified at a later time

14. Miscellaneous Items

- Roads should contain setback to Secondary Inspection area for future expansion capability, e.g., two additional lanes.
 - Two-way traffic flow should be minimized whenever possible
 - Storage capacity for tunnel detection equipment, hand scanners, etc.
 - A covered rest facility with the capacity for 20 individuals should be established within the compound perimeter, but outside the HSA for LP not vetted to enter the HSA.
 - Road surface between the Primary Main Gate and the Secondary Gate should contain sufficient curbing or an alternate barrier e.g., Jersey Barriers, to prevent commercial vehicles from deviating from the traffic pattern. (Reference Figure B)
 - Facility lighting to be determined following completion of conceptual phase
 - Back-up generators for full facility operation with 72 hours capacity
- Elevated water storage tank for full facility operation with 72 hour capacity

Karni: Gaza-side layout

(Statement of Requirements (SOR) area layout)



Appendix 3, Karni Plan Resources, Phasing and Synchronization Estimate

Karni Plan Resources, Phasing and Synchronization Estimate

Purpose: This document describes the estimated resources required to implement “The Karni Plan” in order to facilitate exponential increases in cargo throughput, both imports and exports.

Lines of Operation: Security is a key component to attain the objective of continuous, normalized cargo operations at the Karni Crossing. The most important element of the Karni Plan is establishing a safe and secure environment in which all the activities related to Karni can be conducted routinely, effectively and efficiently. The Karni Plan is founded on the following five lines of operation which are all intended to *operationalize* the plan.

- **People:** Quality people are required to perform a variety of tasks to the highest standards achievable. The Office of the President intends to deploy the Presidential Guard (PG) to provide security at Karni. USSC will work with the PG to establish a new “Crossing Guard” capability and unit.
- **Processes:** Security and cargo throughput are dependent on establishing a variety of processes that are transparent, effective, and efficient. Manual and technology solutions will facilitate security confidence and exponential cargo increases.
- **Facilities:** The current facilities are not adequate to provide the expected cargo throughput. The Karni Plan includes security and cargo-related construction required to bring Karni up to its expected potential.
- **Monitoring:** The USSC recommends establishment of a Karni Monitoring Unit (KMU) of approximately 120 monitors. Monitors will observe, advise, mentor and report on all activities on the Palestinian side of Karni in order to reach the highest standards of performance. Another KMU function is to provide on-the-job training. . **(The presence of third party monitors is not essential to the implementation of the overall Karni Plan)**
- **GACB:** The General Administration for Crossings and Borders reports to the President. It is charged with running ports of entry. Simultaneously with the Karni Plan is a parallel USSC effort with their Palestinian counterparts to enhance the capabilities of the GACB. This is an important element of the plan to ensure that Karni and Rafah all flourish under the umbrella of an effective organization that is also robust enough to manage future crossings.

Phases: Implementation of the Karni Plan is expected to follow these event-driven phases, with their key activities. We are using these phases to break down a very complex problem into manageable stages where incremental steps.

- **Phase 1 (Current preparations):** The Karni Plan transforms into a project and all interested parties are consulted. Work begins to update the Karni engineering plans to match the Karni Plan. International donor support is pledged.

- Phase 2: PG deploys to Karni and begins work; on-the-job training begins. Construction at Jericho Training College starts. Improved processes and standard operating procedures begin to be implemented. Initial engineering plans are completed and bids are solicited for construction and equipment procurement.
- Phase 3: Contracts are awarded and construction begins; equipment procurement begins. Improved processes are established. GACB capability building begins.
- Phase 4: Construction at Karni and the Jericho Training College is completed. Formal training at the Jericho Training College starts. Processes are completely established and refined.
- Phase 5: Formal training for the Crossing Guards continues at the PG Jericho Training College. GACB operating at initial capability
- Phase 6: Karni starts operating at full operating capability with a GACB providing corporate oversight, direction, and support. The following diagram incorporates the phases and elements described above:



PHASE	1		2		3		4					5/6		
Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Facilities	Engineering drawing update	Contract Development		Contract Award		Construction					Karni in Full Operation			
Jericho Training College	Procure Donor Resources	Construction					Formal Crossing Guard Training							
PG Training (OJT)	Contract Award	OJT Implementation (At Karni)			OJT Complete									
Equipment / Support	Contract Award	Contract Development	Contract Award	Acquisition		Delivery								

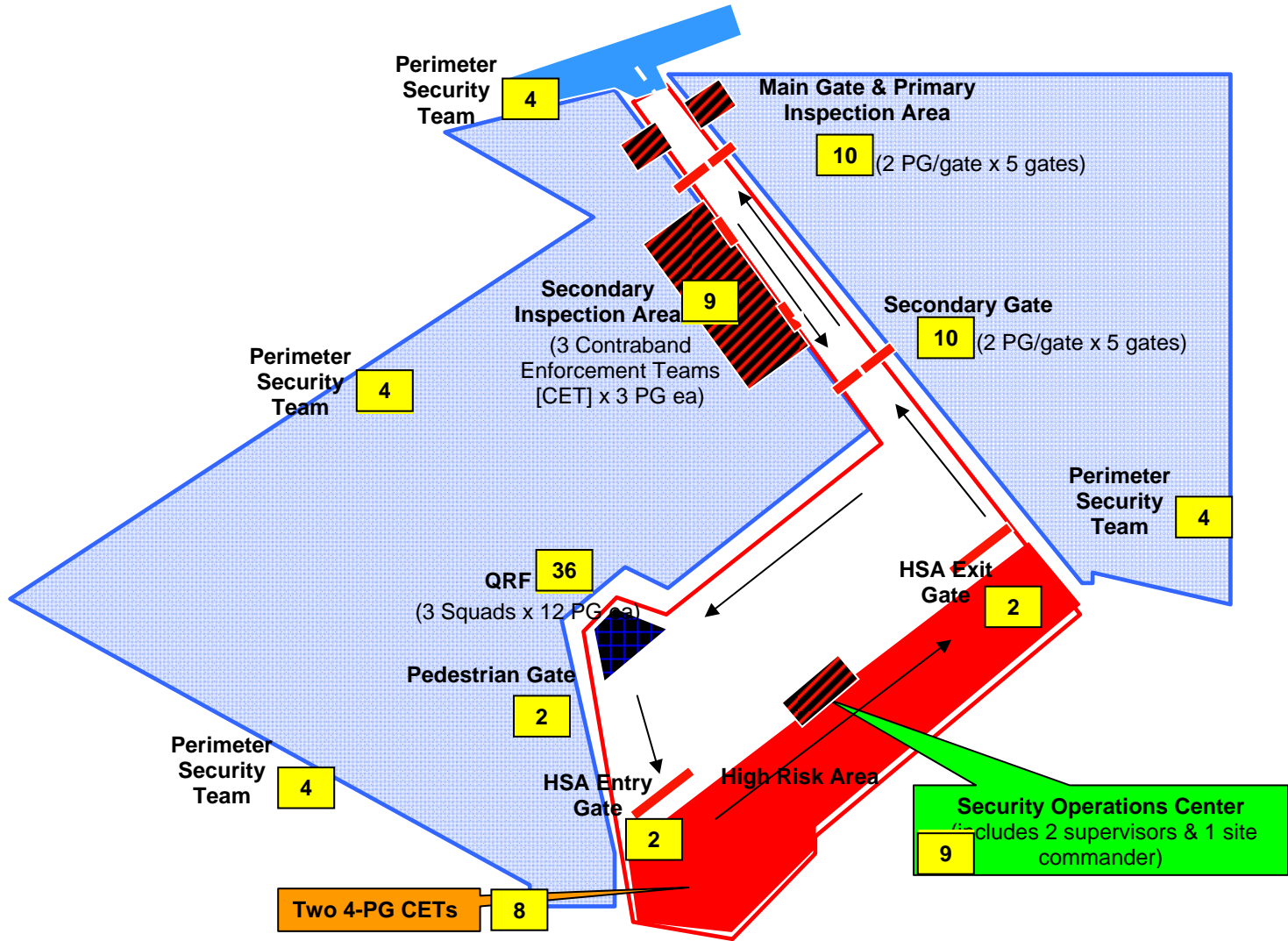
Financial Plan

	<u>FY07(initial)</u>	<u>Out Years</u>
Facilities		TBD
Perimeter Security and access	\$ 1,636,000	
CCTV and Lighting	\$ 108,000	
Electrical	\$ 1,254,000	
Office related	\$ 2,606,000	
Roads/Ops/Parking	\$ 2,830,000	
IT Systems	\$ 81,000	
Presidential Guard Barracks	\$ 500,000	
Scanning/Detection (To be coordinated between IDF/PA)	\$ 11,888,000	
Total	\$ 20,903,000	
 Crossing Guards (Presidential Guard)		
On the Job Training	\$ 1,814,585	
JIPTC (50 Crossing Guards)	\$ 500,000	
PG Jericho Training College	\$ 1,700,000	TBD
Leader Training	\$ 100,000	
Vetting Technology	\$ 1,169,000	
Communications	\$ 17,632	
Transportation	\$ 387,286	
Uniforms	\$ 237,120	
Equipment/Body Armor	\$ 293,060	
Life Support (e.g. Living Trailers)	\$ 468,666	
Total	\$ 6,687,349	

Resources: Construction funding requirements have been estimated utilizing current local manpower and material costs. These are subject to change based on bidding and contract processes. All supporting equipment costs have been developed using standard commercial off-the-shelf estimates which are also subject to change based on contract specifications. Resource estimates will be influenced by un-captured costs such as operations and maintenance: (electrical requirements, sewage, administrative, personnel support, equipment and vehicle maintenance and other sustainment costs).

Appendix 4, Karni Security Posting Requirements

KARNI-GAZA PG ALLOCATION: 104 / shift



Appendix 5, Recruitment and Vetting Process for Crossing Guards

Recruitment and Vetting of Crossing Guards

The following is information the Palestinian Authority (PA) has shared with the USSC regarding the recruitment and vetting process for Presidential Guard (PG) members:

Recruiting and selection process

Recruiting and selection follows a well-established procedure. Advertisements are placed in newspapers and police stations. All applicants must be between 19 and 23, a minimum of 1m 78cm tall, unmarried, medically and physically fit and with no criminal convictions or affiliations to militant groups. Applicants are interviewed by a board of officers and given an initial medical examination. Those who pass these filters are then accepted for recruit training. Throughout this period, the applicant is subjected to rigorous security vetting. Recruit training is robust and intensive and a number of trainees are rejected or drop out at this stage. Each recruit has a comprehensive report compiled on him throughout his basic training and a final board of officers decides whether he passes the course. The average success rate for a batch of 2000 initial applicants is 80-100. Despite the rigorous selection procedure, PG recruits are exclusively Fatah members, which is understandable given the fact that the President is a member of the organization.

The PG is an exclusively male organization and mirrors the situation in the majority of the security services. The inclusion of female soldiers is an emotive issue in many Arab states and one that involves complex cultural issues.

Security clearance process

A mixture of PG, Police and General Intelligence personnel conducts security vetting. While there is little doubt that the vetting is a vehicle for keeping the PG free from non-Fatah militants it is an efficient process and existing or potential militants are not accepted. This is born out by the fact that the PG has not experienced problems with its members travelling to and returning from overseas courses.

Levels of qualification and experience

Furthermore, once the Jericho centre is constructed it may be possible to bring some foreign instructors to the centre until the PG staffs are able to run all courses themselves.

Vetting Process

The PA/USSC are articulating a requirement for the Palestinian Authority Security Forces (PASF) to develop an automated personnel system that facilitates vetting and identification of all personnel. In the initial stages, this system would focus first on the Presidential Guard (PG) in general and the PG Crossing Guards for Karni in particular. This system must facilitate the hiring process and the entry of new and all current personnel into the system.

The experience of the Coalition Police Assistance Transition Team (CPATT) in Iraq provides the foundation for this Statement of Requirements (SOR) as the USSC would like to capitalize on the lessons learned. CPATT is utilizing an Automated Fingerprint Identification System (AFIS) which utilizes technology to gather fingerprints, eye scan, and other personnel data for entry into the system. Identification cards are produced as part of the vetting process.

CPATT has utilized Ideal Innovations Inc to manage their entire effort for the technology of vetting and the identification card system.

Requirements.

- Establishment of a paper-based personnel security forms (in coordination with the PASF). These security documents will be one of the first elements in the hiring/vetting process.
- Establishment of an electronic personnel data base (backed up by paper documents) for PASF personnel that incorporates information on: personal information, biometrics, equipment issued, weapons, training, education, etc.
- Provision of enrollment stations (biometric kits) capable of rolled fingerprints, eye scan, voice scan, and a large number of biographic data fields (60-80 fields).
- Identification cards including smart cards with holographic security image on both sides (forgery proof) so that the cards can be run through readers to verify personnel information (approximately 80,000 PASF personnel). Cards must be in English and Arabic. Will require six stations (three Gaza and three in West Bank).
- Mobile card verification stations.
- Scanning of historical fingerprint documents for electronic entry into the system.
- Training for Palestinian operators.
- In-country maintenance support and training support for one year, renewable for more years.
- Use of the system for booking criminal suspects at police stations and entry into a criminal data base. (Most of the enrollment stations would go to police stations).

Appendix 6, *Good Governance and Integrity in Border Management*

Good Governance and Integrity in Border Management: The Karni Crossing (KC)

Background: The Karni Plan includes improvements in the quality and training of the employees, the implementation of rigorous processes to control access to restricted areas, the introduction of a risk management system and the modernization of the equipment and the infrastructure. All of those improvements will fail to achieve meaningful results unless they are supported by a management framework that will foster good governance and integrity in border management.

There are few public agencies in which the classic preconditions for institutional corruption are so conveniently presented as in a border management administration. The potent mixture of administrative monopoly coupled with the exercise of wide discretion, particularly in a work environment that may lack proper systems of control and accountability, can easily lead to corruption. A border management authority infected with corruption is going to be seriously dysfunctional, and the impact of the corruption will be felt throughout society. *In the case of the KC a lack of integrity on the part of the managers and the staff would be detrimental to security.*

Good governance and integrity at Karni: To ensure the KC is administered in accordance with the principles that are the hallmark of a modern border administration and to ensure the integrity of the operations, the following steps will be taken:

1. **Leadership and commitment:** Border managers will demonstrate a clear and unequivocal focus on integrity and be seen to set an example that is consistent with the spirit and the letter of the code of conduct.
2. **Regulatory Framework:** The rules applicable at the border will be as clear as possible, and exceptions will be minimized.
3. **Transparency:** Traders and shippers are entitled to expect a high degree of certainty and predictability in their dealings with the border crossing administration. All rules procedures and administrative guidelines will be made public, be easily accessible and applied in a uniform and consistent manner.
4. **Automation:** Automation of border functions can improve efficiency and effectiveness and remove many opportunities for corruption. Automated systems will be configured to *minimize* the opportunity for the inappropriate exercise of discretion, face-to-face contact between border personnel and clients, and the physical handling and transfer of funds.
5. **Audit and Investigations:** There will be some appropriate internal and external audit and investigation regimes.
6. **Code of Conduct:** The border crossings administration will adopt a code of conduct that sets out in practical and unambiguous terms the behavior expected of all border personnel as well as the consequences of being found in breach of the code of conduct. The issues covered by the code of conduct will minimally include the following:
 - Personal responsibility

- Compliance with the law
- Relations with the public
- Avoiding conflicts of interest
- Acceptance of gifts, rewards, hospitality or discounts
- Political activities
- Confidentiality and use of official information
- Penalties for breaches to the code of conduct

7. **Human resource management:** Sound human resource management policies and procedures useful in controlling or eliminating corruption in border management will be implemented. They include the following:
- Providing sufficient salary to enable the border personnel to maintain a decent standard of living
 - Recruiting and promotion standards based on merit that are applied rigorously
 - Rotation of personnel so that no individual hold on to a vulnerable position for a long period of time
 - Providing initial and ongoing training
 - Implementing performance appraisals and management systems which reinforce sound practices and which foster high levels of personal and professional integrity
8. **Relationship with the private sector:** The KC management will foster an open, transparent and productive relationship with the private sector.

Appendix 7, The Karni Monitoring Unit

The Karni Monitoring Unit Concept

1. Although there are significant differences between the Rafah and Karni Crossings, the implementation of a third party monitoring unit at Rafah (European Union Border Assistance Mission – EUBAM) has been a major factor in building Government of Israel (GOI) confidence sufficient to allow that crossing to operate with minimal interference. Similarly, the presence of a Karni Monitoring Unit (KMU) would create a measure of GOI confidence in Palestinian security operations and overall terminal management to thereby gain GOI support for opening Karni to increased cargo throughput in both directions. Karni represents a tremendous potential for easing economic distress in Gaza and building future Palestinian security. A description of such a KMU and how it might be implemented follows:

2. Karni Monitoring Unit mission and objectives:

2.1 To observe, monitor and mentor Palestinian security personnel on the Gaza side of Karni to facilitate rapid achievement of compliance with the best procedures and highest regional standards for immediate protection from terrorism (armed attack and cargo bomb attempts, primarily, and tunneling to the extent technically feasible).

2.2 To condition Palestinian crossing personnel toward a permanent, new security paradigm for Karni – i.e., the mindset (and corresponding security practices) that by taking full responsibilities for secure operations, the Palestinian people will gain the greatest long-term benefits.

2.3 To participate in a Karni liaison unit, bringing PA and GOI representatives into a common element for rapid resolution of matters that otherwise impede full-flow operation of the terminal.

2.4 To assess and mentor management and logistical operations toward achieving efficiencies and effectiveness that will support maximum volume throughput of cargo at Karni.

2.5 By acting as a trusted quality control agent, provide immediate reassurances to the GOI to jump start getting and keeping the Karni Crossing open for Gaza exports.

2.6 Note: It is not the KMU mission to provide or guarantee security on the Gaza side of Karni. This is exclusively a Palestinian responsibility. KMU personnel would not intervene in the event of any security incident or altercation. Likewise, the KMU is not to enforce compliance. If Karni security guards or logistics managers and operators are not responsive to KMU mentoring (i.e., do not self-correct after deficiencies are brought to their attention), mechanisms must be in place for the Presidential Guard (PG) leadership and management at Karni to enforce compliance as appropriate.

3. KMU team composition:

3.1 The composition of a KMU team will be critical to its potential for success. To meet PA and GOI scrutiny, it must be an unbiased third party, not favoring Palestinian concerns more than Israeli concerns. To be successful in a monitoring and mentoring relationship with the Palestinians, the team's efforts must be seen by their mentees as seeking Palestinian best interests despite the KMU rigorously holding them to high standards. The monitors must be able to establish a good rapport with those they observe and mentor. And to avoid arousing more animosity or terrorist interest in Karni (which would entirely undermine the main objective of getting and keeping the crossing consistently open to two-way throughput), the team should not be composed primarily of nationals whom Gaza terrorists would go out of their way to attack. For example, a U.S. team would probably be a "terror magnet" and therefore counterproductive.

3.2 A team led by a European component acceptable to both parties might be the best fit for this mission. Further, if the EUBAM were to accept monitoring responsibility at Karni (besides at Rafah), cost efficiencies could be achieved by its handling of both missions.

3.3 Karni monitor-mentors would necessarily be drawn from pools of personnel with a police, military, security or border management background, and some from a cargo management or logistics background. Team leadership and administrative support functions would entail additional specialties. Knowledge and experience in the following skill areas will be needed to properly compose a KMU team:

3.3.1 Functions monitored by those with police / military / security experience: physical access/entry control (for humans and vehicles); vehicle/cargo/human inspection (and vehicle/cargo scanning, eventually); human personnel screening and badging systems (to include application of biometrics); patrolling; armed readiness and application of armed force; explosives detection and handling; electronic surveillance systems and monitoring/analysis; tunnel detection; security force management; eventually, canine explosive detection expertise; etc.

3.3.2 Functions monitored by those with cargo logistics / trade management / border management experience: cargo and driver registration, fee and tariff collection, load prioritization and scheduling/cueing, cargo scanning and image analysis, forklift operations to offload/upload and transfer cargo, cargo tallying/tracking, coordination with Israeli counterparts, terminal-internal communications (to include logistics-security coordination), observance of employee Code of Conduct, etc.

3.3.3 Team leadership: police and/or security background, or cargo logistics/border management experience, with prior international agency management experience, preferably in the Middle East.

3.3.4 Administrative support element: logistics skill sets (to include lodging, transportation, travel, finance, communications), contracting, political advisor, legal advisor, media relations advisor, language specialists (translators, interpreters), information technology hardware and software experts, etc.

4. **Team size:** Fully developed, the KMU team will number approximately 120 personnel, unless an existing mission such as the EUBAM at Rafah or the EU Coordinating Office for Palestinian Police Support (EUCOPPS) were to additionally take on the KMU and utilize existing support staff to simultaneously service their multiple missions. In such a case, the KMU team size could be reduced to approximately 100. However, a fully "stand alone" KMU team would add up as follows (see diagram at the end of this appendix):

-- Mission Chief and deputy	02
-- Security Monitoring Operations Chief and deputy	02

-- Security Monitors (3 shifts, 15/shift)	45
-- Logistics Monitoring Operations Chief and deputy	02
-- Logistics Monitors (3 shifts, 12/shift)	36
-- <u>Administrative Support Element</u>	<u>30</u>
	117

5. Timing for KMU implementation: As soon as the IDF has withdrawn from its June 2006 deployment into Gaza, the green light from the GOI to move ahead with Karni Plan initiatives will likely be given. Therefore, the groundwork for a KMU mission should be laid now.

5.1 The following immediate actions must be accomplished in preparation for KMU stand-up: 1. Recruitment of a willing, capable and mutually acceptable (to the GOI, PA, and Quartet) KMU lead to form a team; 2. Negotiation with the GOI and PA to finalize the specific working arrangements of the KMU mission. A written agreement, signed by all parties, will be required.

5.2 The EUBAM experience at Rafah provides a model for standing up a KMU mission. Within one month of the AMA announcement, EUBAM had accomplished a survey at Rafah, arranged for needed equipment (with the assistance of the US Agency for International Development – USAID), and begun monitoring operations with a small team. By starting small and growing to its current size of 80 personnel, EUBAM was able to get Rafah quickly opened to international Palestinian travelers. A similar model should be applied at Karni.

5.2.1 This approach also will allow for the best right-sizing of the team, based on first-hand assessment and on-the-ground experience of the initial KMU core of personnel.

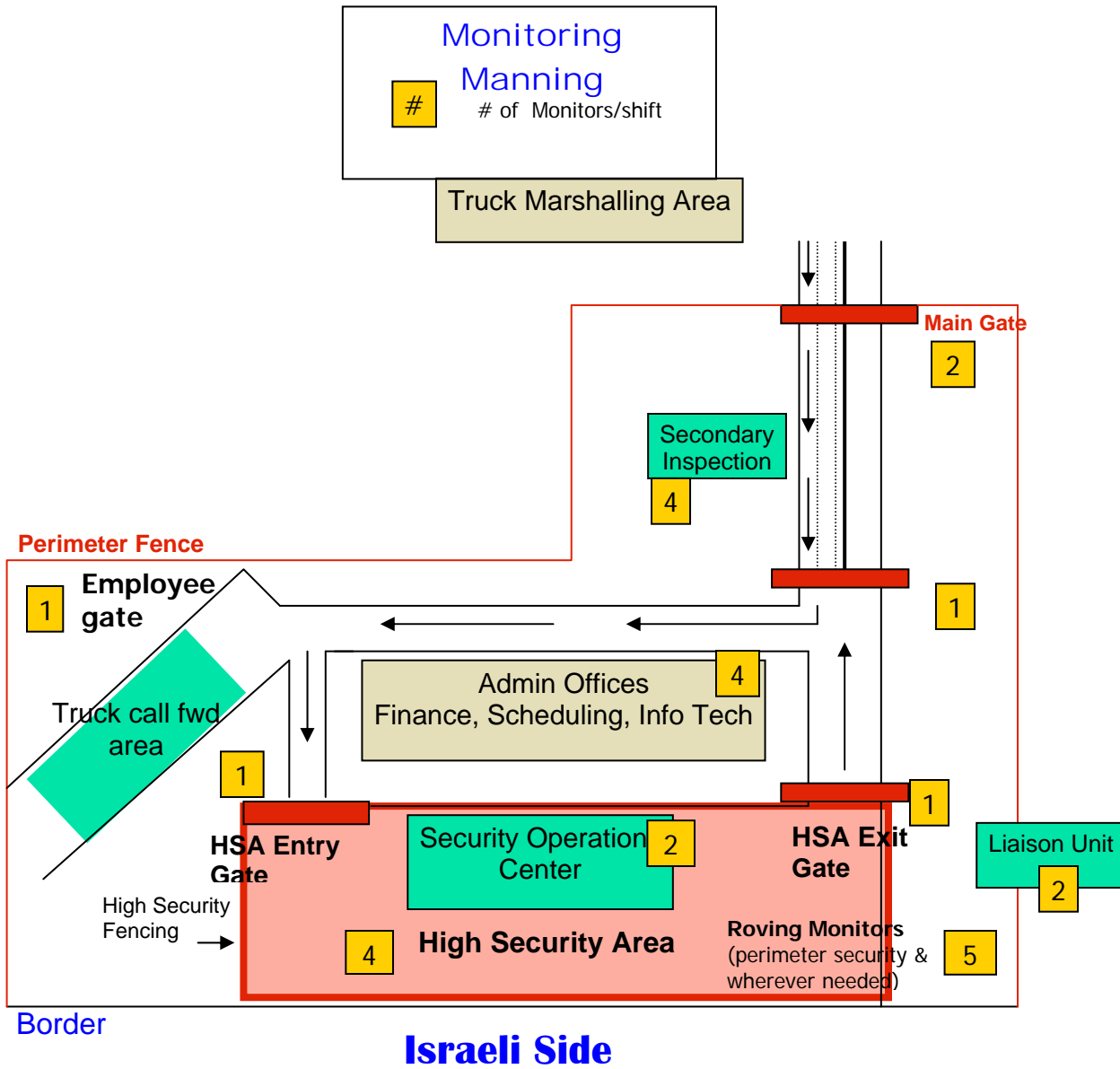
5.2.2 Even a small team will have a positive effect on Palestinian security and management operations and will begin to furnish necessary reassurances to the GOI of security adequacy on the Gaza side of the terminal.

6. Duration of KMU mission: In principle, this mission will likely be required for two years:

6.1 Fully substituting newly trained, crossings-specific guards for the initial PG personnel at Karni will likely take most of a year to accomplish. The KMU should then monitor the new, fully transitioned guard force for at least a full year, during which time its monitoring will result in feedback for fine-tuning the crossing guard course of instruction and improving Karni security.

6.2 The KMU also aims to instill a new mindset, i.e., that protecting GOI security interests is the best means to securing the wellbeing of the Palestinian people. Two years of KMU reinforcement of this concept will give it opportunity to take root. If the KMU is successful in facilitating the continuous opening of the Karni Crossing and an economic rebound takes place in Gaza, practical results will further reinforce the value and validity of this new paradigm.

7. Accountability: The agreement establishing a KMU should outline a mechanism for KMU reporting and accountability, as deemed appropriate by the signatories. At a minimum, ongoing feedback/coordination to/with the U.S. Security Coordinator (USSC) team will allow it to assist in keeping a constructive dialogue open among the involved parties.



Appendix 8. General Administration for Crossings and Borders (GACB)

Capacity Building Project

Background: In the Agreement on Movement and Access of November 15, 2005, the PA undertook to: establish without delay a unified system of border management; to ensure that the passages will be protected on the Palestinian side of the border; and to upgrade the management of all crossings to ensure efficiency and effectiveness.

On March 18, 2006 the President, by decree, established the GACB to administer all border crossings and mandated the Director General of the GACB, amongst other things, to prepare an organizational and development structure of the GACB and to present it to the President for approval; to describe all the tasks to be performed by the GACB in liaison with the concerned ministries and governmental organizations; to prepare the necessary rules and regulations to organize the affairs of the GACB; to identify the developments needs in infrastructure, equipments, modern tools and security requirements; and to identify the required needs from the international community especially in the technical fields.

The USSC and his team have undertaken to assist the PA to strengthen its border management capacity both corporately at HQ and locally at Karni and Rafah. Further the USSC team coordinates the assistance that donor countries want to provide to assist the PA build their border management capacity.

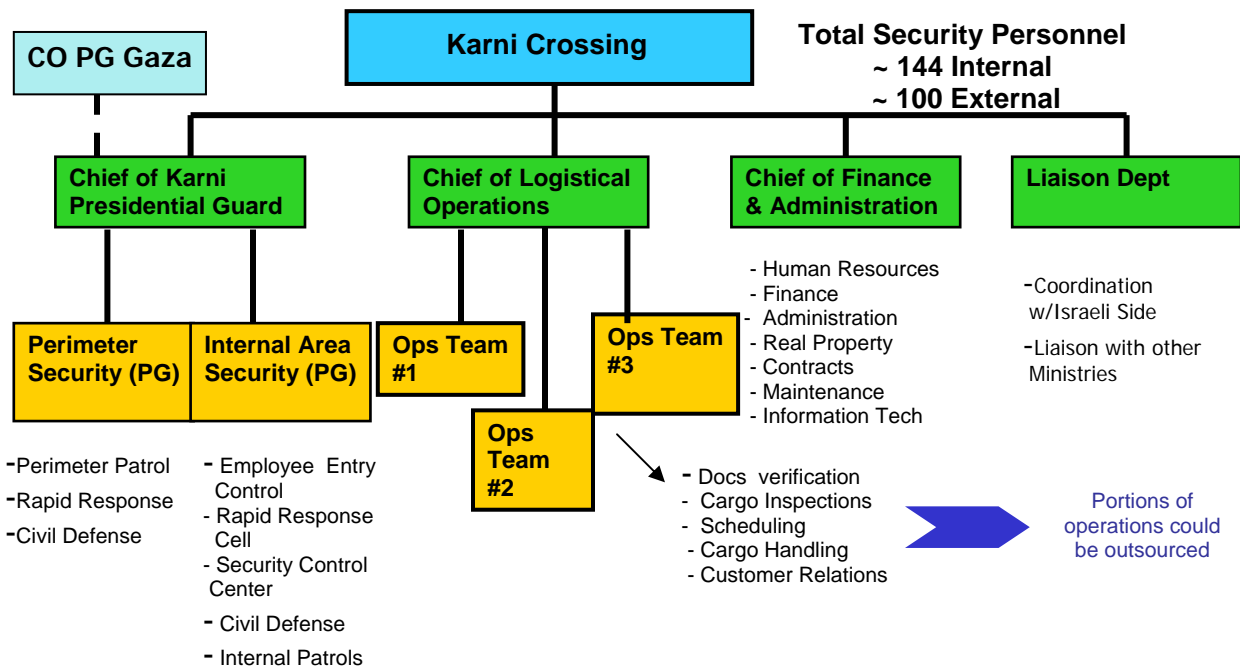
Project goal: In order to complete the tasks described in the presidential decree in a timely manner and to follow through on the PA commitments in the AMA the GACB and the USSC team will start a GACB capacity building project. This project is also essential to the successful implementation of the Karni plan and to its sustainability over time.

Project scope: The project team main focus will be to complete in a timely manner the tasks described in the AMA and the presidential decree and more particularly the project team will:

- Develop and propose for approval an organizational structure for the GACB HQ and local organizational structures for Karni and Rafah.
- Develop policies and procedures for the secure and efficient processing of travelers and goods at all border crossings.
- Propose the structure and policies that will govern an intelligence unit at HQ and sub units at Rafah and Karni to support the implementation of an overall risk management regime for the GACB.
- Develop HR policies and programs that will ensure the recruitment, training and retention of skilled qualified employees.
- Develop sound financial and budgeting systems.
- Develop an audit program.
- Develop the mandate of a corporate unit within the GACB that would be responsible for communications, relations with the President's Office and planning the expansion of the GACB activities at other crossings.
- The project team will be the principal interface with the USSC team and all donor countries with respect to projects to enhance the corporate capability of the GACB or any of its operations or facilities.
- The project team will propose measures to maximize integrity within the GACB and will develop a code of conduct.

Appendix 9, Karni Crossing Organizational Structure

Karni (Gaza) Proposed Organizational Structure



Background: The Karni crossing (KC) is not an international border crossing. Israel and the PA are parties to a customs union and as a consequence goods move freely between the territories of the two parties without the controls related to the collection of customs duties, the enforcement of standards, and the enforcement of trade agreements that are customary at international borders.

At the KC the GACB has a dual objective: Security and trade facilitation.

Security: The main threats at the KC are: either an attack on the terminal that could harm people on either side, or damage property; or cargo that contains explosives or other illegal substances that could hurt people at the terminal or farther down the distribution chain on the Israeli side.

Trade facilitation: The KC is Gaza’s gateway to markets. An efficient terminal contributes substantially to costs and time savings for traders and enhances their competitiveness in the market place.

The proposed organizational structure at KC supports the dual objective of the GACB at the KC.

Main Components of Organizational Structure at KC: As can be seen from the KC organizational chart appended above, there are four major components:

- Crossing Protection (security)(Presidential Guard): The main responsibility of the security services is to protect the terminal. Strict procedures will be developed to access the restricted areas and the security services will enforce those procedures through a number of means including: identity verification, patrols outside the perimeter, patrols inside the perimeter, observation cameras, and a security control center. The security services will be under the operational control of the KC Director but would continue their functional relationship with the Presidential Guard organization. The security services will establish direct contacts with their counterparts on the Israeli side and their relationship will be governed by procedures that are jointly developed. The security services will have open lines of communications with all other security and intelligence organizations within the PA.
- Logistical Operations: The main responsibility of the logistical operations is to ensure that cargo movement is secure and efficient. A risk management system will be implemented to identify high risk cargo. The role of the logistics operations related to the secure movement of cargo will be to ensure that the inspection processes of high risk cargo are efficient and reliable. The role of the logistical operations with respect to trade facilitation will include: efficient scheduling, efficient cargo handling, adequate storage facilities and effective relations with customers. The logistical operations will establish direct contacts with their counterparts on the Israeli side and their relationship will be governed by procedures that are jointly developed.
- Finance and Administration: This department's main responsibility is to provide the KC Director and the other parts of the organization the support required in the following areas: Finance, Maintenance, Human Resources and Information Technology.
- Liaison Department: The Liaison Department will have two main responsibilities. First, it will manage the overall liaison between the KC and any PA ministry with an interest in the activities of the terminal. Secondly, it is to manage the overall relationship with management on the Israeli side of the terminal. Their role is focused on long term strategies and the resolution of emerging disputes. The day-to-day communications with the Israelis on operational matters will, for the most part, be conducted by the security services and logistics operators with their Israeli counterparts.

Appendix 10, Potential Outsourcing (or Privatization) of Karni Operations

Potential Outsourcing (or Privatization) of Karni Operations

The Karni Plan is based on the assumption that all the law enforcement functions at Karni will be performed by the Public Sector. In addition to the law enforcement functions, there are also a number of activities related to cargo handling and terminal maintenance. This plan does not attempt to prescribe whether those latter activities should be performed by the public or the private sector. The purpose of this appendix is to distinguish between the activities at Karni which are related to law enforcement and those which are not.

It is important to distinguish between two issues: the ownership and operation of international transportation hubs and border controls.

Border controls at airports and seaports: As a rule, national legislation directs the port authority to provide to the national border authority adequate inspection facilities within the port, where international goods and people can be inspected. Similarly national legislation directs air and sea carriers to deliver international goods and people at the border inspection facility first thing upon arrival. Presenting the goods for inspection includes the obligation, on the part of the carrier, to open and unload the container if so required by the inspection authority. In other words, at airports and seaports the handling of goods is not, as a rule, the responsibility of the border inspection authority. The handling of goods is the responsibility of the port authority and the carriers. How they discharge those responsibilities varies a lot from country to country and within countries.

Of course, the ownership and operation of airports and seaports is sometimes private, sometimes public, depending on the philosophy of the national government.

Controls at land borders: The routine applicable to commercial goods at land border crossings is as follows: the truck stops and the driver present the prescribed information to the border inspector. The border inspector allows the truck through or refers the truck for further inspection. If the truck needs to be unloaded, in many countries the carrier has to pay the costs of unloading and reloading. So, as a rule, at land borders there is **no** operational/logistical activity to privatize or to outsource except that the carriers may have to hire the forklift operators and the laborers who will unload and reload the trucks that have been selected for inspection.

Karni: Karni is unique in that, to our knowledge, it is the only border crossing in the world where trucks don't pass through. This practice is not recommended because of increased time and costs to the traders and damage to the goods from handling, the sun and dust in the environment. Karni is also unique because it is the only land border crossing where you need a time slot before driving to the crossing. The scheduling system was introduced only because the truckers had to wait one, two, three or more days before their turn came to unload their goods. Finally, Karni is also unique because a storage facility has been built to warehouse cement. The private sector built this facility because it has the advantage of not requiring the exporting truck and the importing truck to go to the terminal simultaneously. It performs, in fact, the function of a distribution center which is normally built away from the border so as not to clog the crossing.

The goal of the AMA with regards to Karni is to remove its uniqueness as soon as possible. The AMA provides that shortly the Karni crossing will, in a timely fashion, accommodate all the traffic the market

generates. Containers and even trailers will be scanned by the powerful new scanners that are currently available or will be available in the near future. The AMA also provides that the parties will agree on time service standards, which will remove the need to have a scheduling system.

Cargo handling and scheduling: Cargo handling and logistics are functions that can be performed by the public or the private sector. If, as the parties committed to in the AMA, the flow at Karni is sufficient to accommodate all the traffic, the scheduling system will no longer be required because trucks will go through as soon as or shortly after they arrive at the crossing. As containers get scanned the activities related to loading and unloading will be reduced drastically. However, for as long as a scheduling system is required and all the operations are back-to-back, there will be a fair amount of logistics to manage and some of this work could be outsourced. It is assumed that the GACB will decide in due course whether outsourcing some activities will lead to greater efficiency.

Core government functions: In the traditional debate over those functions that are core government functions and those services that are best left to the private sector, most countries, if not all, have designated the management of their border crossings as a core government function – and for good reasons. Managing a border crossing is all about law enforcement, with: the powers of arrest and seizure; the right to inspect commercial goods and personal effects; the need to access data banks related to security; close liaison with the security establishment of the country; and close liaison with border and security services in other countries. It also includes the right to deny access to the country or exit from the country. Lastly, it includes the right to collect duties and taxes and assess penalties.

Conclusion: Managing border crossings is first and foremost a law enforcement function that should be performed by the public sector, whereas cargo handling at border crossings can be outsourced or, where possible, provided and paid directly by the users of the services. Collaboration between the public and private sectors should determine the proper mix of their participation to achieve efficiency and cost-effectiveness in border crossing operations.

Appendix 11, Paper submitted to the USSC Team by USAID Palestinian Integrated Trade Arrangements (PITA) Project

The following paper was provided by PITA to support the privatization concept at Karni. It is included in the Plan as an appendix as it may be useful to the GACB as it seeks to maximize efficiencies at Karni.

Optimizing Operations at the Karni Crossing through Private Sector Management

1. Background

There are two aspects to the operations of any border or crossing: 1) the protection of the public welfare as goods pass from one jurisdiction to another, and 2) the transfer of the goods themselves in as efficient and cost-effective a manner as possible. In the case of the Karni crossing where a customs union exists across the border, it has already been very well described and agreed between all concerned parties that the primary public welfare function of the crossing is the prevention of movement of prohibited goods into or through the crossing while keeping the crossing open to serve its function of being the primary lifeline into Gaza.

Within the two aspects there are roles for both public and private sector entities. Various models for Public-Private sector Partnerships exist worldwide depending on the circumstances, policies and needs of the jurisdictions on either side and the state of the relationship between them. The tendency worldwide has been to use systems and technology to open borders to accommodate the global increase in cross-border trade while maintaining public welfare in terms of security, taxation, standards and trade protection. Multi-modal operations (where goods transfer from one form of transport to another at the crossing) are managed by specialist operators to ensure that scheduling, handling and storage are performed in a way that optimizes the use of space, rolling stock and time. With a few notable exceptions (such as the public sector operated Port, Free Zone and Airport at Dubai), these operators are private companies or consortia that operate under a regulatory regime that ensures that public welfare, competition, and national strategic requirements are not overcome by commercial forces, even in a monopolistic situation. Although the Karni crossing is strictly not multi-modal (“back to back” is from truck to truck), the logistics issues involved are similar to those of a multi-modal hub or distribution hub and similar solutions can be applied.

The degree to which the private sector can become involved depends on several factors: 1) the capacity of the public sector to enter into, honor and regulate a partnership with the private sector partner; 2) the capacity and appetite of the private sector to mobilize and undertake the operations in an appropriate way; 3) the degree of risk associated with the operator’s investment and the ability of the operator or the public sector owner to mitigate those risks through commercial terms or guarantees.

2. Characteristics of the Karni Crossing

The Karni Crossing can be characterized at present as a highly volatile and risky crossing from the point of view of all parties using it and running it today. Until recently (May 2006), only public sector investment had been made at the crossing, and this mostly on the Israeli side. In April 2006 the Israeli Airports Authority appointed a private operator, Maman¹, to undertake logistics services on a 3-5 year management contract basis

¹ Maman is one of the largest logistics companies in Israel. They also operate on behalf of the IAA the air freight logistics at Ben Gurion International Airport and the logistics operations at Sha’a Ephraim Crossing in the West Bank for the Israeli Ministry of

at Karni. Despite having a captive market of about 1.4 million people depending on the crossing, the private sector has not been invited to participate in its operation on the Palestinian side. Until now, it's not hard to see why - disruptive events such as unannounced and frequent closures, a lack of any coherent Palestinian public policy towards the operation of Karni, and entrenched vested interests create an environment that is impenetrable on any transparent basis by private investors.

The situation was not always like this, as indicated above in Figure 1. While the current goal for Karni under the Access and Movement Agreement (AMA) is 400 export trucks per day this year (a figure derived from calculations of immediate export capacity in Gaza), earlier calculations by the World Bank and others see a requirement to accommodate immediately up to 700 trucks per day on the import side as well. These levels are robust in a calm situation since they merely accommodate exports from productive capacity already installed in Gaza and basic import demand for the commodities necessary for daily life on an ongoing basis. Past records at Karni substantiate this claim. The efficient handling of these goods through the crossing in both directions represents a significant opportunity for technically and financially qualified private companies, and an opportunity to remove the burden of operational management from the hands of a disorganized and unstable public sector.

3. Division of Roles at Karni – Palestinian Side

The USSC is developing a Karni Plan (of which this document is part) to assist the PA (Office of the President) to secure the Palestinian side of the crossing in accordance with the requirements of the AMA. This plan is well developed in terms of providing a secured and orderly facility within which commercial transactions and movement of goods can take place. All parties involved in developing the document agree that perimeter security, access control and initial screening of incoming goods and vehicles should be unique functions of a special section of the Presidential Guard. While reporting to the President's Office, the special section would serve both the security needs of the crossing manager – a unit of the newly formed General Authority for Crossings and Borders (GACB) – and strategic national security interests at the crossing. This in effect creates a secure shell within which the transfer of goods to the Israeli side, now reduced to a logistics process, can occur.

Assuming that the move in Israeli policy from “back to back” towards “door to door” will take some time, for the near to medium term the functions associated with the logistical operations inside the crossing will include 1) Marshalling and sequencing of goods; 2) loading, unloading, and transfer; 3) specialized temporary storage and handling (e.g. cold chain logistics); 4) data handling, goods tracking and customer relations; 5) data and operational liaison with the Israeli operator; 6) personnel badging (under Presidential Guard supervision) and securing goods against theft and damage; and 7) maintenance of all operational facilities. All of these functions can be performed by one or more private sector operators under a license or concession from the Karni Management Unit of the GACB. In addition, it would be normal for areas for temporary storage to be provided near a site such as Karni to allow organized staging and other functions to be carried out – the location of the Gaza Industrial Estate (GIE)² at Karni was selected for just this purpose.

4. Concerns and Issues Around Privatization

Defense. Another private logistics company, Flying Horse Co., operates the logistics aspects of the Sheik Hussein crossing into Jordan for the Israeli Airport Authority.

² The GIE is privately operated at present by PIEDCO under concession from the Palestinian regulatory authority for Free Zones and Industrial Estates (PIEFZA).

There are concerns that will need to be addressed on the issue of appointing a private operator or operators on the Palestinian side of Karni. The main concern is that replacing the existing *public* monopoly with a *private* monopoly may not improve performance, while providing an “official” mechanism for a few business people to divert large revenues into their pockets, to the detriment of the public. It is true that poorly regulated private monopolies can be worse than public monopolies. The question that must be answered is: can a reasonable regulatory regime be put in place, and a transparent procurement process be implemented? If the answer to this is no, then embarking on the transaction is not a wise course of action. In that case, the best way forward would be to work to reform the public entity operating the crossing, and reconsider privatization at a future date when a more reasonable environment prevails.

Another concern is usually the fate of the workforce at the crossing. Since over-manning is a common feature of public facilities, privatization usually means a reduction in workforce and job losses. Most privatization transactions of this nature will contain a specific plan that deals with the workforce issue by adopting retooling and retraining programs, job placement programs and compensation packages for displaced workers. These measures are usually underwritten by the public owner, not the incoming private operator.

Finally, the question often arises as to whether there is a *need* to change the status quo, and what is the *benefit* to the owner of the crossing and the users. Indeed, the benefits must be clearly identifiable to all if the significant effort to overcome entrenched vested interests is to be justified. The argument here is in two parts. First, all parties will agree that a clear, transparent, well run and predictable operation at Karni is in the interests of everybody. Once the institutional and legal framework for that is in place, the owner of the crossing (the public sector) should have the ability to either operate the crossing itself or have others do some or all of the operations. There is nothing controversial with this part of the argument. Second, in any logistics operation, the overwhelming trend and findings by public and private owners is that logistics are best outsourced to specialists – otherwise they distract from the core mission of the owner. Examples abound: all large scale multi-national private manufacturers almost without exception outsource logistics to third parties who are held responsible for delivery of individual production inputs to the factory floor. The US military outsources most of its logistics, and terminal operations at most seaports worldwide are now carried out under concession by specialized private operators. The benefits include more flexibility and reliability in the services offered, better cost containment and tariff control, and less distraction by the public sector from their core mission of governing and providing public service.

The terms under which such outsourcing occurs, and the extent of it, is tailored to each specific case on the basis of study and market research. However, the key point for the Karni operation is that the ability of the owner to outsource operations must be secured and maintained. The exact extent and nature of the outsourcing can be decided later, and indeed the outsourcing can be done in a staged manner over time if that best suits the requirements of the crossing.

5. Financial Aspects

The overall goal of a crossing is to allow the movement of goods on a sustainable and secure basis and at minimum additional cost in terms of time and money to the users. Most land crossings do not require the degree of inspection and logistics that Karni does. In normal crossings pre-registered trucks pass through the crossing, often without stopping. It is the unique nature of Karni, with its back-to-back system and severe security requirements that make its operation more like a seaport than a land crossing. From the perspective of

the owner of the Karni crossing (the GACB or its equivalent), the financial goal should be to generate enough revenue to be able to provide quality service on a sustainable basis. Anything more than that constitutes a tax and should be avoided. The passage of 1000 trucks a day through the Karni Crossing has the potential to generate fees on both sides that will cover the public service operational costs of the crossing and reward any private investor who undertakes the operation and management of the terminal. The question of who undertakes the required upfront capital investment is a matter of financial planning and strategy. The factors that play into this are: 1) the installation and ownership by the public sector of key strategic enabling structures to provide a suitable platform from which to launch operations; 2) installation under a concession, BOT or some other suitable mechanism by a suitably appointed private sector operator of the operational infrastructure mentioned above; 3) transfer by the private operator of royalties to the GACB to cover public sector costs and assist in the recovery of public capital invested; 4) establishment of a strong and transparent regulatory regime to govern tariffs, performance standards and contractual conditions of the private operator.

6. Risks and Issues Moving Ahead

The removal of vested interests and engrained corrupt practices requires a strong political will, a robust and strongly enforced regulatory regime, and a sustained implementation plan. Key elements also include the retraining or replacement of the workforce, a disciplined process for procuring the private operator, and the constant surveillance for corrupt practices.

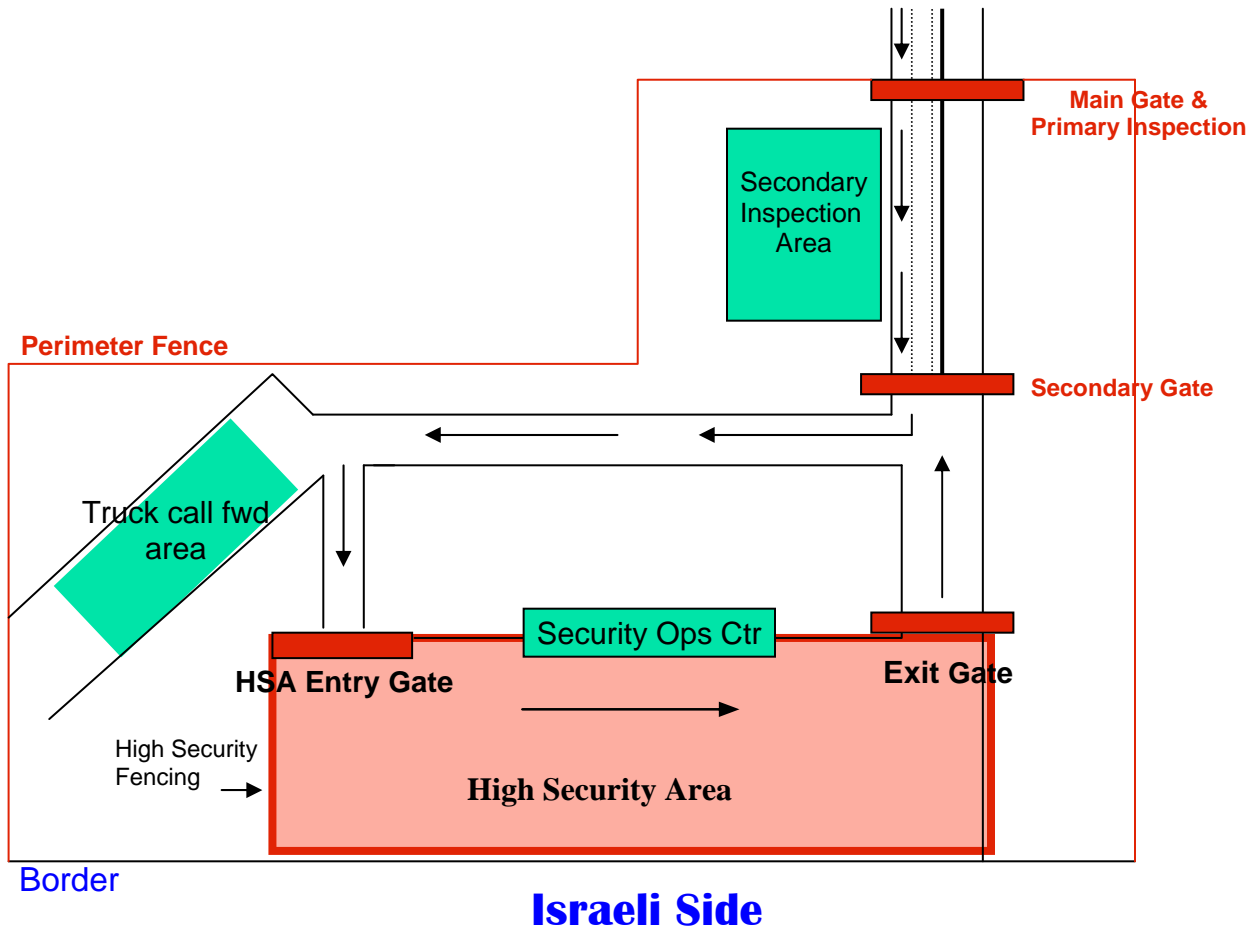
There is a real risk that these conditions may not be achieved at Karni in the short to medium term. The political will and stamina may not be present, and the challenges in changing attitudes will be difficult. Therefore the following preconditions should be met before embarking on the privatization aspect of the implementation plan: 1) GACB, its institutional and regulatory functions firmly established; 2) existing operators at the crossing have agreed to participate in the process; and 3) an agreed tariff scheme has been implemented in principle on both sides of the crossing.

The implementation steps that are required to move ahead with the outsourcing of some or all operations on the Palestinian side of Karni include:

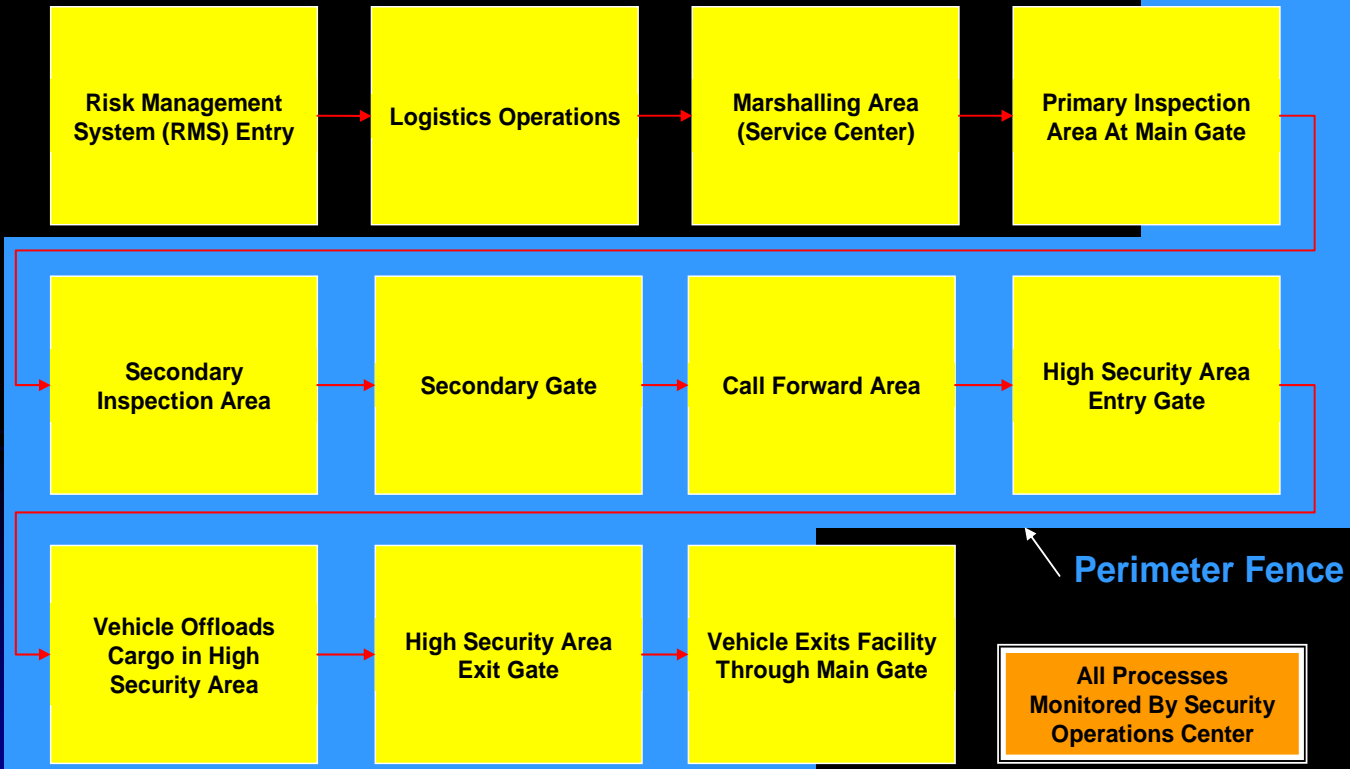
- Month 1:*** Agreement in principle with the PA that the GACB will have the authority to outsource some of its operations.
- Month 2:*** Market and scoping study to determine the optimal degree of outsourcing.
- Month 4:*** Definition of transactions for outsourcing including conditions, detailed legal framework, and commitments to be undertaken by the private sector.
- Months 2-4:*** Implementation of legal framework.
- Months 3-6:*** Detailed design and implementation of transaction(s)
- Month 7:*** Appointment of concessionaire
- Month 7 onwards:*** Contract monitoring

Appendix 12, Logistical Flow at Karni

Truck Flow Pattern at Karni



The Process of Exporting Goods



September 6, 2006

Karni – Gaza Terminal
- DRAFT -

M. Goldsmith

Appendix 13: Karni Liaison Unit Concept

COORDINATION BETWEEN PA AND GOI MANAGERS AT THE KARNI CROSSING (KC)

LIAISON UNIT

Issue: How should the PA managers at the KC manage the coordination of the terminal activities with the Israeli terminal managers?

Background: At any land border crossing it is preferable to have at least a minimum amount of coordination between the management teams on either side of the border. The topics needing coordination include opening hours, security threats, mutual assistance, emergency situations, unscheduled closings etc. At the KC the needs for coordination between the two management teams is greater than usual for two reasons: Firstly Karni is a high risk environment and a close liaison between the two sides on security threats is likely to increase their collective ability to identify the threats and their effectiveness in combating those threats. Second, the back to back operations at the KC (usually at land border crossings the trucks go through to destination without being unloaded and then other trucks being reloaded on the other side) require a greater amount of logistics coordination than if the trucks were allowed to drive through the terminal on their way to destination.

Organizational Structure at KC: The KC organizational structure will have four components:

- Security Services: The main responsibility of the security services is to protect the terminal.
- Logistical Operations: The main responsibility of the logistical operations is to ensure that cargo movement is secure and efficient.
- Liaison Department: The two main responsibilities of the liaison department are to ensure effective liaison with the other PA ministries and to ensure effective coordination with the GOI managers at KC
- Financial and Administrative Services: Their main responsibility is to support the other components of the KC organization.

Liaison Unit: In addition to managing the coordination between the KC and other ministries, the Liaison Department will manage the overall relationship with the management team on the Israeli side. Their role is focused on long term strategies and the resolution of emerging disputes while the communications with the Israelis on day to day issues will take place at many levels including the terminal directors and the heads of security services and logistical operations on both sides. Some of the responsibilities of the Liaison Department will include the following:

- Establish mechanisms to ensure coordination with the managers on the other side on an ongoing basis.
- Establish ongoing information exchange programs.
- Establish methods and ways of dealing with mutual difficulties in management of the terminal.
- Develop joint procedures with the Israelis to inform traders and carriers of alternative terminals available when KC closes.
- Share with the Israeli side multi-year macro economic projection of exports from the Gaza Strip in order to plan the movement of these goods through the crossing points.
- Develop, jointly with the Israelis, service standards.

KARNI – GAZA INFORMATION TECHNOLOGY SYSTEMS DEVELOPMENT

Existing Operating Capability (EOC) through Full Operating Capability (FOC)

INTRODUCTION

As the Karni – Gaza Transit Terminal is an operating and functioning facility it means that any innovations concerning Security and Technology must fully synchronise with the Operational Procedures that are currently in place. It is of paramount importance that there is no reduction in current capabilities due to the introduction of new systems.

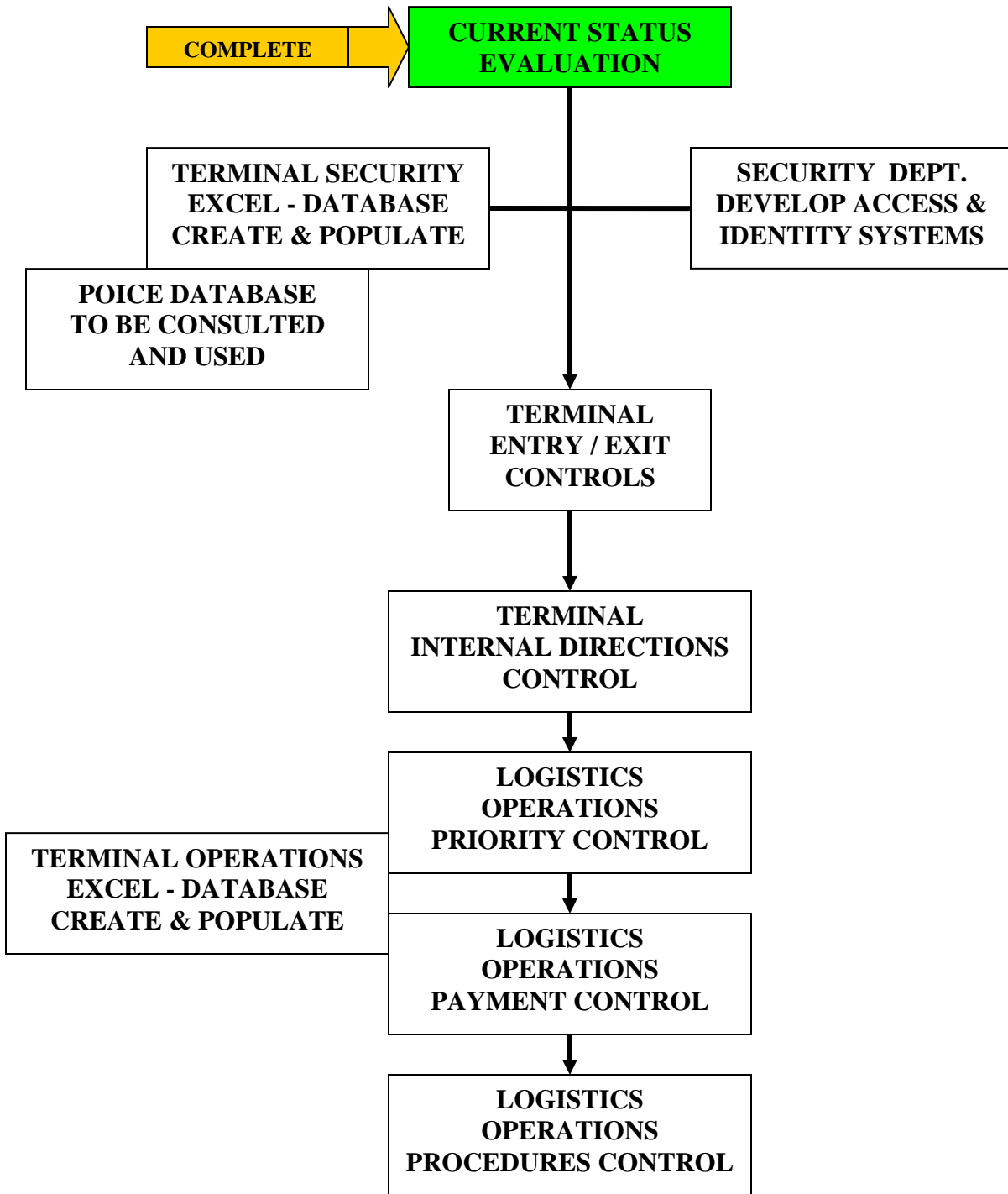
Any new Security or Operational system proposed must be introduced using a Progressive and Incremental Approach. It must be capable of initially running in Parallel with any existing process and then progressively Converge to form a new Logistics Operational System that is Secure, Transparent, Efficient and Effective. There are three phases to characterize this transition:

- **Existing Operating Capabilities (EOC) – Those people, equipment and processes that exist today *without* intervention from the USSC.**
- **Initial Operating Capabilities (IOC) – The baseline requirements identified for implementation by the USSC to meet *minimum standards* set forth for the safe and effective operation of Karni Crossing in furtherance of the AMA.**
- **Full Operating Capabilities (FOC) – Represents the end-goal requirements where Karni Crossing meets or exceeds operational measures as set forth for the AMA.**

The first stage of this process is to carry-out a **Current Status Evaluation** to ascertain not only the procedures but also to what extent Information Technology (IT) is used in the overall transit process. This evaluation essentially establishes the EOC at Karni Crossing. The next stage is to progressively introduce very basic IT Systems into each department of the Terminal commencing with the Security Services. (Karni Excel Security Database). This establishes the IOC at Karni Crossing. Once the Terminal is running effectively more complex systems will be introduced to meet FOC, based on the performance of a **Needs Assessment**.

Progressive Incremental Approach	
Existing Operating Capabilities	Maintain Throughput of the Terminal.
Initial Operating Capabilities	Increase Security Capabilities – Access & Identity
	Increase Current Throughput – Improved Organization
	Optimize Security Capabilities – Improved Controls.
	Invoke Firmer Transparent Systems
	Optimize Registration & Priority Systems.
Full Operating Capabilities	Introduce Risk Management & Profiling
	Integrate Departmental Systems
	Develop Terminal Booking Website
	Introduce Biometrics & Security Components
	Implement Automated Risk Management System
	Review whole System & Enhance where appropriate

Karni – Gaza IT Systems Introduction



CURRENT STATUS EVALUATION

Karni – Gaza Procedures

The crossing is divided into two main Areas, The Northern and the Southern Area which mainly deal with imports and exports of most goods. Additionally, there are two areas dedicated for special products: Area Zero is used for handling Steel, Hay/Straw, Aluminium Profiles and scrap metal, and Area 34 is dedicated for containers.

I: Entry Requirements to Karni:

- Drivers and their Trucks should have a permit to enter Karni Crossing. Permit is issued by Preventive Security Organization (PSO)
- Businesses which are importing or exporting goods should make arrangements with shipping companies to fix a time for the delivery
- Exporters should obtain an (Export Permit) Form A from the Passage General Department (BPGD) and stamp it from the relevant ministry (Ministry of National Economy, Ministry of Agriculture, ..etc.).
- Empty Trucks entering the crossing to bring goods to Gaza are inspected by the PSO (mainly visually)
- Empty containers destined for Israel have to be inspected also (see form 8)

II: Data Collection and Registration:

- After entering the terminal the driver will be directed to the dedicated hall or gate for loading imported products or unloading goods destined for Israel or exports.
- For trucks using area 29 (Conveyor Belt) that is used for animal feed and grains, grains into the truck, the BPGD registers the information using Form -1, and the driver is also asked to fill form 2. Form 2 is used as a surrogate to invoices or customs documents as these types of goods do not have customs declarations.
- For trucks using area 34 (containers) the officers fill form 9 that registers the details of the shipment
- Area Zero is dedicated for hay, aluminium profiles, steel or scrap metal. After loading the truck the officer fills form – 6.
- Other trucks loading or unloading normal goods are either destined for the northern or the southern area of the terminal. Two types of forms are filled: Form-12 the daily activities sheet and forms 13 and 14 Exported and Imported Goods List – Southern Area Form-13 and Northern Area Form-14. Form 12 is mainly used to monitor the performance of the terminal in terms of starting time, number of openings for each hall and ending time. Forms 13 and 14 register the time, goods destination and the number of trucks.
- All trucks go to the registration office after loading or unloading goods, where form 3 is filled detailing the goods information.
- The registration office gives the driver Form 5. The driver then goes to all the mentioned ministries and departments to sign and stamp the paper. Also the registration office gives the drivers form 7 to trucks carrying containers.

III: Exiting Procedures:

- The truck driver carries form 5 and the security form and goes to the shed adjacent to the Industrial estate for security inspection and registration by other ministries.

- Once form 5 is stamped by all relevant ministries, the truck driver goes back to the registration office to stamp the exit form from the registration office.
- Truck driver heads for the exit and delivers the exit form and the security form to the gate. Forms are put in a box and forms are collected by the registration office at the end of the day.

IV: Data Processing and Reporting

- Shift officers deliver all registration forms to the acting manager. These forms are 1, 3, 6, 12, 13 and 14.
- The registration office produces 3 semi final reports, form 4 for imports, form 10 for containers and form 15 for exports
- The acting manager reviews the forms and submits them to the manager.
- The manager then compiles all the forms and produces form 16, The Final Daily report which summarizes the activities of the day.
- At the end of each month a monthly report is produced containing more details on the activities.

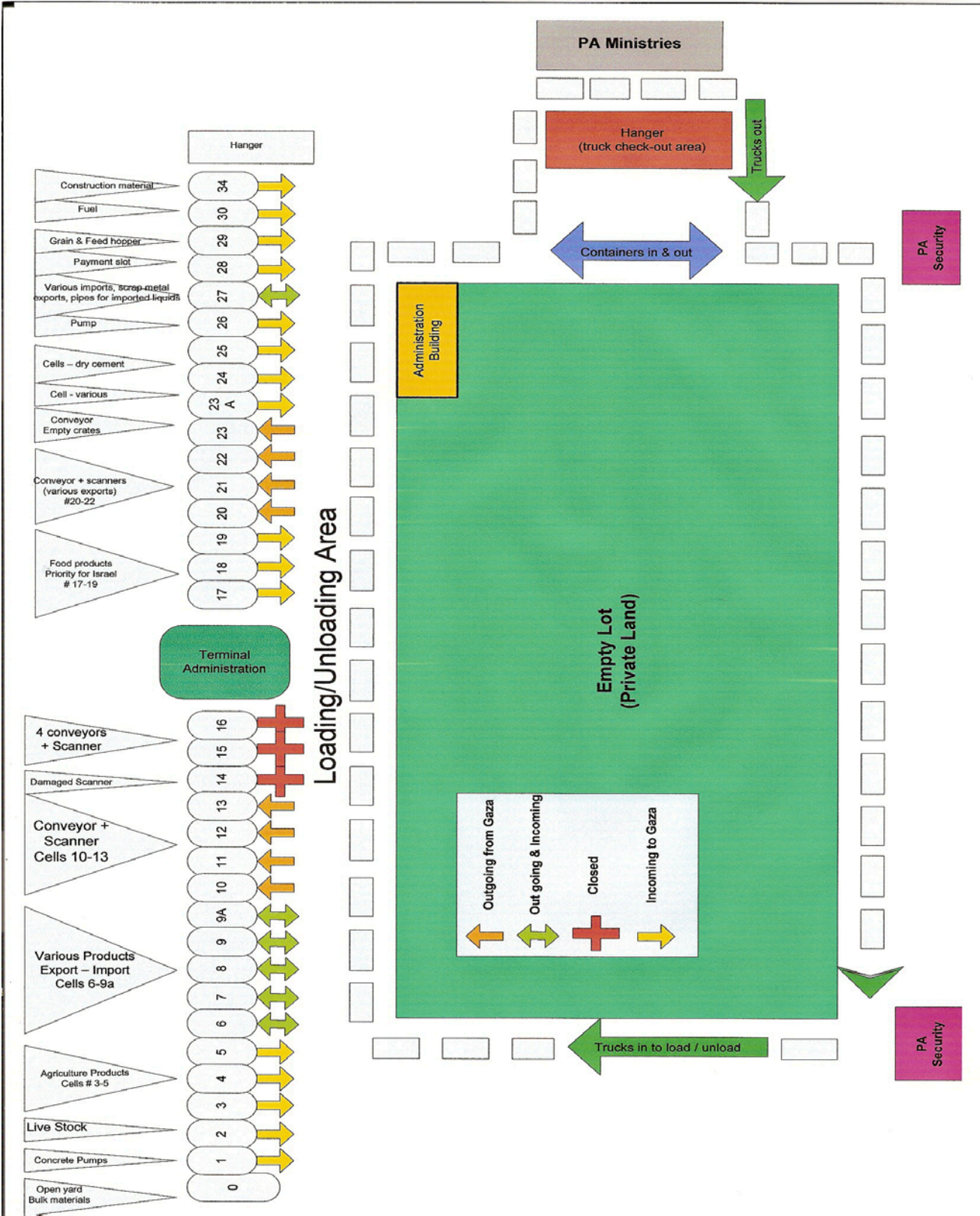
Notes:

1- The data collection is carried out manually. Data is transferred at the end of the day to the registration office which has 2 officers for data entry and registration.

2- The IT capabilities of the Borders Operational department are minimal.

3- Electricity outages cause delays to the production of the final report.

Diagram A: Current Transit Operations for both Import and Export



Initial Operating Capabilities (IOC)

It is important to note that the Karni Terminal is evolving on both the Israeli and Gazan sides and that any IT Systems introduced must be flexible enough to adapt to any changes. For example, there are several current and planned alterations in progress on the Israeli side of the Karni Terminal which will affect both location of Transit Cells and Procedures.

Additionally, as the Karni Terminal on both sides is a current functioning entity, that any newly introduced IT Systems do not conflict with Logistics or Security Operations but converge seamlessly with any on-going functions.

Therefore, due to these and other development reasons it is highly recommended that, initially, only basic IT Systems are introduced on an incremental basis and ensure this is carried out on a department-by-department process which should in-turn reduce any confusion and terminal disruption.

Full Operating Capabilities (FOC)

An automated Risk Management System (RMS) is ultimately required to improve security at Karni Crossing, which at a minimum, can:

- Improve logistics:
 - Optimize vehicular access into and movement throughout facility
 - Optimize timing of vehicle arrival and transfer
 - Vehicle, cargo and driver identification, correlation, and continuity
 - Facilitate efficient and secure goods transfer process
- Improve security, situational and geospatial awareness:
 - Identify and track suspicious activity
 - Identify and track suspicious cargo and quarantine as required
 - Identify and track suspicious individuals
 - Integrate local intelligence with wide area collateral intelligence
- Improve timely communications
- Automate documentation allowing Karni Crossing to leverage experiential learning, correlation, and behavior for improving overall security
- Develop a model that can be replicated at additional border crossings, while ensuring economies of scale
- Ensure that the model can be logically extended over time utilizing the latest proven best of breed methodologies and technologies

Needs Assessment Overview:

Given the criticality of the RMS component, the time required and the potential cost, a Needs Assessment is required in order to facilitate proper design and implementation. The outcome of the Needs Assessment is to generate an overall systems plan and associated implementation schedule to improve the aforementioned functional areas at Karni Crossing. Included will be an implementation plan that documents and addresses Initial Operating Capabilities (IOC) through long-term strategies to

address the needs of this facility at Full Operating Capabilities (FOC), while considering possible replication to additional transfer stations in the future. Additionally, the report will outline in detail the process and technology components for the border crossing solution. This product will enable the generation of a concise Request for Qualifications (RFQ) for tender.

The Needs Assessment will investigate and document the following:

Documents, Policy, Process, and Logistics Review

- Appropriate documentation as it relates to the Karni plan
- Standard operations procedures of the existing facility
 - Border management and the import / export of goods to / from Gaza and Israel
 - Security
 - Goods check against Manifest
- Queuing process and multi-border matching of import/export vehicles
- Documentation requirements and processing procedures
- Physical security measures
- Presidential Guard (PG), National Security Forces (NSF), emergency services and other relevant first responders, e.g. Palestinian Police
 - Communications and device capabilities
- Communications and document flow between the General Administration for Crossings and Borders (GACB) and Israel at FOC
- Manifest process from creation through to delivery
- Identification procedures for vehicles, drivers, goods and correlations
- Lessons learned from previous experience at similar facilities, e.g. Raffa Crossing
- Site history of applicable incidents

Site Survey

- Boundaries of responsibility
- Vehicle ingress and egress paths
- Queuing area and plan
- Facility architectural drawings
- Staffing and roles
- Plans for future expansion
- Lines of view
- Secured and unsecured areas
- Security stations and objectives
- Fueling areas (local and enroute)
- Communication and Power Infrastructure and reliability
- Plans and space for future expansion
- Lighting layout

Technology Survey

- Existing (installed) technology analysis
- Communications infrastructure capabilities
- Overview of the regional technology capabilities and infrastructure
- Technology tools in place on the Israel side (with interfaces) at FOC
- Background and skills of staff (both sides)

Goals Analysis

- Documentation of key stakeholders
- Goal and needs interviews with key stakeholders
- Acceptance and cultural capability to adopt new technology
- Acceptance of generalized tracking and monitoring
- Political landscape overview relative to the facility
- Implementation timeline

These factors and others (determined at the time of the analysis) will be compiled and documented in a Requirements and Goals document. In addition to this Requirements and Goals document, an Assessment Report will be generated that describes a logical phase-based rollout plan from IOC through FOC. Finally, a roadmap will be provided for duplication of this facility that allows for communications and information sharing across all the facilities that allows for a single security portal across any distance.

The major objectives of this SOW are to:

- 1) Request, gather, and document all pertinent information and create a **Requirements and Goals** document, which discusses the current facility, the challenges faced, the infrastructure capabilities, the risks, and the goals of the key stakeholders.
- 2) Create a **Needs Assessment Report** that proposes and clearly defines a solution at the Karni - Gaza border crossing that:
 - a) Defines near term as well as long term deployment projections
 - b) Defines technology and infrastructure deployment projections
 - c) Proposes procedures and policies on top of these technologies (for example manifest documentation process)
 - d) Documents technology implementation versus problem it focuses on
 - e) Documents a future vision of technologies and processes that can be implemented as extensions to the base system, as well as replication and coordination of multiple border crossing points.
 - f) Documents the training requirements of the various roles.
 - g) Documents the costs of acquisition and deployment of the processes and technologies.
 - h) Document all sensors, coverage, and termination.
 - i) Develop initial systems logic and flowcharts.