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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Report of Inspection

U.S. Mission to the International Civil Aviation Organization (USICAO) in Montreal, Canada

Report Number ISP-I-08-44, May 2008

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist: and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



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and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, Section 209 of the Foreign Service Act of 1980, the Arms Control and Disarmament Amendments Act of 1987, and the Department of State and Related Agencies Appropriations Act, FY 1996. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its oversight responsibility with respect to the Department of State and the Broadcasting Board of Governors to identify and prevent fraud, waste, abuse, and mismanagement.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG, and have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "Bill Todd", written in a cursive style.

William E. Todd
Acting Inspector General

TABLE OF CONTENTS

KEY JUDGMENTS 1

CONTEXT 3

EXECUTIVE DIRECTION 5

 Leadership 5

 Mission Strategic Plan Process 5

 Rightsizing 6

 Security 6

POLICY AND PROGRAM IMPLEMENTATION 7

 Policy Guidance 7

 Policy Implementation and Reporting 8

 Advocacy 8

RESOURCE MANAGEMENT 11

 Overview 11

 Budget 11

 Quality of Life 12

 Operational Enhancements 12

INFORMATION MANAGEMENT 15

SECURITY 17

 17

MANAGEMENT CONTROLS 19

FORMAL RECOMMENDATIONS 21

INFORMAL RECOMMENDATIONS 23

PRINCIPAL OFFICIALS 25

ABBREVIATIONS 27

KEY JUDGMENTS

- The U.S. Mission to the International Civil Aviation Organization (USICAO) is a lean operation that has taken on increased importance following September 11, 2001, the first time that civil aircraft were used as weapons of mass destruction. This event emphasized the priority of enhanced global civil aviation security along with other priorities such as safety and environmental protection.
- The Office of Inspector General (OIG) had reservations about the adequacy of the budget to support the expanded focus of the mission. OIG recommended that USICAO and the Bureau of International Organizations assess its budget requirements in the next Mission Strategic Plan submission based on increased International Civil Aviation Organization's strategic objectives and U.S. operational responsibilities.
- OIG's review of USICAO found that the mission is effective in advancing U.S. civil aviation policy. The Ambassador sits on the International Civil Aviation Organization (ICAO) Council and skillfully advances U.S. positions in this consensus-based organization. The Ambassador and deputy chief of mission (DCM) effectively "work the corridors" during and between council and committee meetings to create consensus. The DCM uses her knowledge of the Washington Executive Branch to ensure dissemination of information from and to the mission.
- On occasion, USICAO does not receive instructions in a timely fashion. At times this is due to policy differences among offices or agencies in Washington. OIG recommended that USICAO's Washington desk in the Bureau of International Organizations be more active in brokering resolution to cross-cutting differences so that instructions are clear and timely.
- Due to the small size of the mission but the increased importance of policy issues, it is imperative that the mission has continuity of leadership to maintain policy coordination and advocacy in ICAO. OIG recommended that the Bureau of International Organizations closely monitor staffing assignments to avoid transferring the Ambassador and DCM on the same cycle.

The inspection took place in Washington, DC, between January 7 and 25, 2008, and in Montreal, Canada, between February 18 and March 5, 2008. (b) (6)(b) (6)
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CONTEXT

The USICAO is a lean operation which has taken on increased importance following September 11, 2001, the first time that civil aircraft were used as weapons of mass destruction. This event emphasized the priority of enhanced global civil aviation security of the United States and the ICAO in areas such as screening of passengers and flight deck security. Other top priorities are safety in areas such as air navigation and aircraft inspections, as well as environmental protection such as reducing aircraft emissions and noise pollution. Additionally, the United States seeks internal management efficiency in improved budgetary process and human resources policy reform.

ICAO, a UN Specialized Agency headquartered in Montreal, is the global forum for civil aviation. ICAO works to achieve its vision of safe, secure, and sustainable development of civil aviation through cooperation amongst its 190 member states. The relevance of the organization is manifested in the worldwide increases of civil aviation traffic. Annual passenger levels have increased by 46 percent in the past 10 years, representing a change from 1.5 to 2.1 billion passengers per year. There is a parallel increase in international air freight.

ICAO is governed by a council of 36 elected members; the United States has always been elected a member with the U.S. permanent representative in the U.S. chair. Almost unique among UN specialized organizations, the council is composed of resident representatives, largely a result of the fact that the council has sessions three times a year that each last four or five weeks. The business of the ICAO between council sessions is conducted in six permanent committees; the United States has a seat on all of these committees. There are also numerous working group meetings held throughout the year.

The Secretary of Transportation heads the U.S. delegation to the triennial ICAO Assembly which was last held in September 2007. The U.S. delegation over the eight-day meeting included the Administrator of the Federal Aviation Administration (FAA) and the Chairman of the National Transportation Safety Board as well as over 40 other U.S. officials with specialized expertise. Consulate General Montreal provided logistical assistance; however, supporting such a large delegation severely strained USICAO.

USICAO effectively meets its objectives and influences the programmatic activities of the ICAO through the U.S. seat on the council and on the technical expert Air Navigation Commission. As a consensus based organization, it is imperative that mission members “work the corridors” to influence other delegations. Support from a variety of U.S. government agencies in Washington is critical to this success.

USICAO is a small mission consisting of five employees: a permanent representative with ambassadorial rank, a Department Foreign Service officer as DCM and alternate representative, an FAA technical expert who is also an ICAO Air Navigation Commissioner, a Department office management specialist (OMS), and an eligible family member (EFM) who serves as an administrative assistant.

USICAO does not have control over any technical assistance or grant funds for disbursement to ICAO or to any ICAO member states or any aviation entity. Program resource decisions are driven by Washington.

EXECUTIVE DIRECTION

LEADERSHIP

The Ambassador, with substantial private sector civil aviation policy experience, is highly effective in leading the mission. He enjoys a close professional relationship with his DCM and depends on her to manage day-to-day coordination with the Washington-based policy formulating agencies, while he concentrates on council issues. The Ambassador refers to his DCM as his “alter ego,” who is informed on all issues and can step in for him when needed. Due to the small size of the mission but the increased importance of policy issues, it is imperative that the mission has continuity of leadership to maintain policy coordination and advocacy in ICAO.

Recommendation 1: The Bureau of International Organizations should closely monitor staffing assignments to avoid having the Ambassador and deputy chief of mission transfer out of the mission on the same cycle. (Action: IO)

MISSION STRATEGIC PLAN PROCESS

USICAO prepares its own Mission Strategic Plan (MSP) which is submitted to IO in the Department. In the FY 2009 MSP no new staff was requested. Although the mission characterizes the budget as slim but adequate, the OIG team expressed reservations elsewhere in this report on the adequacy of the budget to support the increasing operational responsibilities of this mission. There appears to be a perception that the budget is based on the small size of the mission without taking into consideration the expanded global focus of the mission.

Recommendation 2: The U.S. Mission to the International Civil Aviation Organization, in coordination with the Bureau of International Organizations, should assess its budget requirements in the next Mission Strategic Plan submission based on increased International Civil Aviation Organization strategic objectives and U.S. operational responsibilities. (Action: USICAO, in coordination with IO)

RIGHTSIZING

The OIG team agrees with the conclusions of the Office of Rightsizing the United States Overseas Presence rightsizing review conducted in March 2007 which states that the mission is “right sized.” Any personnel cuts would substantially affect the ability of USICAO to perform its mission. USICAO is dependent on Consulate General Montreal and U.S. Embassy Ottawa for financial management support and Consulate General Montreal for other services noted in the resource management section of this report.

SECURITY

The regional security officer assigned to Consulate General Montreal provides security to USICAO. The ICAO, as landlord, also provides building security, work space security, controlled access to the building, and runs safety drills. Mission management has shown proper concern for safety and security. No classified material is kept on USICAO premises. Classified cables sent to USICAO are read and stored by appropriately cleared USICAO staff at Consulate General Montreal.

POLICY AND PROGRAM IMPLEMENTATION

POLICY GUIDANCE

Numerous agencies and offices in Washington provide policy guidance to USICAO, including the Department of Transportation, the FAA, the Transportation Security Administration, the National Transportation Safety Board, and at the Department: IO/T, the Office of Transportation Policy in the Bureau of Economic, Energy and Business Affairs, the Office of Global Change in the Bureau of Oceans, International Environment and Scientific Affairs, and the Office of the Legal Advisor.

Guidance and instructions are provided to USICAO by cables, e-mails, and occasionally by telephone, depending on the issue. Policy coordination on most ICAO issues, particularly the technical issues, is provided by the Interagency Group on International Civil Aviation (IGIA), a Washington-based group run by the FAA's International Division. IGIA disseminates ICAO documents and materials (principally by e-mail) to relevant U.S. government agencies and U.S. industry in order to coordinate U.S. government policy positions.

On occasion, there are ICAO policy issues (such as foreign policy or climate change) that cannot be handled solely within the IGIA process. Usually, policy coordination for such issues falls to the one officer in IO/T who serves as the country desk officer for USICAO. The desk officer has the responsibility to act as a broker or facilitator to gather the differing positions and coordinate a decision process to arrive at a U.S. policy position for use by USICAO. Washington-based agencies and USICAO told the OIG team that such coordination occasionally is not well performed, and that support to the mission from IO/T has been uneven. Other offices at the Department have usually filled the gap to hammer out a policy position. It should be noted that the IO/T desk officer is also responsible for about eight additional international organizations. The OIG team was told that during the summer of 2008, upon the end of the tour of the incumbent officer, the position will be abolished, and the officer's portfolio will be added to the similar sized portfolio of another officer in IO/T. Given that current support from the country desk has been insufficient, the OIG team concluded that it is unlikely to improve when the desk has twice as many organizations to support.

Recommendation 3: The Bureau of International Organizations should staff its Office of Technical Specialized Agencies adequately to provide the policy support required by its client organizations. (Action: IO)

POLICY IMPLEMENTATION AND REPORTING

USICAO is organized efficiently with the Ambassador implementing most policy guidance from the U.S. seat in the council and the various committees. The Ambassador, DCM, and other mission members effectively “work the corridors,” explaining and seeking support for U.S. policy. Technical matters addressed in the Air Navigation Commission are handled well by the highly qualified FAA technical expert on the mission staff. Mission members, using the IGIA process, cables, e-mails, and telephone inform Washington agencies of issues upcoming in the various ICAO bodies. They seek instructions and/or policy guidance, providing context, analysis, and suggestions for such guidance from their vantage point at the organization’s headquarters.

Similarly, after the various meetings, mission officers report the results of the sessions. While maybe not in the detail or in as timely a fashion as some Washington agencies might wish, given the mission size, reporting is adequate.

There is an increasing reliance on e-mails for communication to and from USICAO and interested Washington agencies when seeking guidance and passing information. This is partly because some agencies (such as the Department of Transportation) have difficulty retrieving Department cable traffic. E-mails are also found to be a quicker and more effective way to keep interested parties informed of developments. Most issues that should be on record are dealt with by cable. USICAO maintains limited hard copy files but extensive electronic files of cables and e-mails.

ADVOCACY

Air travel is a fact of life for most people in North America, if not the world. Issues addressed at ICAO are essential to safe and secure international and national air travel. There is a wealth of knowledge on these issues among the staff of USICAO. The OIG team informally recommended mission officers should work more closely

with the public diplomacy section at Consulate General Montreal on possible opportunities for advocacy/outreach on the work of ICAO and the U.S. role and policies for and in the organization.

RESOURCE MANAGEMENT

OVERVIEW

USICAO is managed by a productive, well organized staff that meets mission needs with few resources. The staff work closely and support one another. Often this includes overlapping duties as the small office responds to the agenda of the council and other committee meetings.

BUDGET

Funding for USICAO is provided from various sources. IO funds the operation budget, and the Bureau of Overseas Buildings Operations funds the office space monthly rent of approximately \$6,800 (the Canadian government owns the building and leases it to ICAO at a very favorable rate). In FY 2007, USICAO managed an operational budget of \$123, 917, which was about the same as was spent in FY 2006. The request for FY 2008 is \$136,000, but that was cut to a target budget of \$94,000 by IO. The FY 2007 representation budget of \$10,000 has been targeted for FY 2008 at \$9,000. The representation budget is in addition to the \$94,000 budget for FY 2008.

This significant budget reduction will hamper mission operations, because there is little discretionary spending. Unlike other organizations, the majority of line items in the budget are for services that have fixed flat charges such as salaries, postage, Internet service, phone, local transportation, and office machine maintenance. USICAO does not use contractors or consultants, has one copier, one fax machine, and is budgeted for no overtime.

IO manages the Department account for UN agencies, and pays the U.S. assessed contribution to ICAO. In FY 2008 this was about \$18 million and varies as the U.S. government pays 25 percent of ICAO's budget. In addition, IO pays \$950,000 to \$1 million for ICAO's global aviation security program which is the global standards program for aviation security to prevent future 9/11's.

Management support is received from Embassy Ottawa and Consulate General Montreal with International Cooperative Administrative Support Services paid for under the program allotment. USICAO said support from both was very good. Services provided include: expendable supplies, voucher processing, customs and shipping, information technology support, procurements, and the regional security program services.

QUALITY OF LIFE

Morale in the mission is good. However, it is adversely impacted by the fact that medical care in Quebec Province, Canada is difficult to obtain with most medical appointments requiring a several hours trip across the border to Vermont or New York State. As noted in the most recent post report, “because there is a shortage of medical professionals willing to work for the prevailing wage, access to health care is governed by the queue. Doctors are heavily booked, sometimes months in advance.”

OPERATIONAL ENHANCEMENTS

The OIG team discussed several areas of operational enhancements with the USICAO staff. Despite tight budget restrictions, funding to purchase Blackberries for the staff would contribute toward communication enhancement between key staff members and the permanent representative, especially for council meetings and other committee meetings that are used to set the agendas for the council. An example of how useful direct communications can be took place during the July 2006 Heathrow Airport incident when the OMS, also accredited as an alternate representative, represented the United States at a meeting called urgently by the president of the council to discuss ICAO’s response to the event. That response included convening an extraordinary council meeting for that emergency, which the Ambassador attended. Blackberries would have permitted the Ambassador to be in continual contact with alternate representatives to give advice.

While the management staff at Consulate General Montreal provides day-to-day support to USICAO, budgetary issues, travel voucher processing, and other important functions are provided by management at the embassy in Ottawa. It would be valuable for the USICAO OMS and EFM to learn proper procedures and establish relationships with key staff at the embassy. A short visit to Embassy Ottawa by the USICAO OMS and EFM would pay benefits in requesting and receiving management services.

The OIG team informally recommended that USICAO consider these operational enhancements within budgetary constraints.

INFORMATION MANAGEMENT

The Department maintains one unclassified OpenNet-Plus workstation and no classified systems at USICAO. Five mission staff members share one OpenNet-Plus workstation. The one workstation is normally sufficient to meet the needs of the office. However, several times a year, Department temporary duty staff and other delegation visits cause a bottleneck in the use of the one OpenNet-Plus workstation. The unclassified Department OpenNet-Plus workstation is set up in a storage vault. At the end of each day the storage vault door is closed and secured with a Bureau of Diplomatic Security approved lock

Recommendation 4: The U.S. Mission to the International Civil Aviation Organization, in coordination with the Bureau of Information Resource Management, should install one additional OpenNet-Plus workstation within their vault area. (Action: USICAO, in coordination with IRM)

SECURITY

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MANAGEMENT CONTROLS

The majority of support services are provided outside USICAO, and there were no apparent internal control issues. The Ambassador, as part of the annual Chief of Mission certification, prepares a management control letter that is sent to the Department through IO. The Ambassador is in a different category under the annual certification completed by most Chief of Missions as he is confirmed by the Senate but is not a full plenipotentiary appointment.

INFORMAL RECOMMENDATIONS

Informal recommendations cover matters not requiring action by organizations outside of the inspected unit and/or the parent regional bureau and are not subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

There are significant increases in air travel and cargo, which requires more policy advocacy on safe and secure international air traffic.

Informal Recommendation 1: The U.S. Mission to the International Civil Aviation Organization should have officers work more closely with the public diplomacy section at Consulate General Montreal on opportunities for advocacy/outreach on the work of the International Civil Aviation Organization and the U.S. role and policies for and in the organization.

Key members of the small USICAO staff are constantly involved in committee meetings, working groups, and corridor advocacy in support of U.S. policy on rapidly changing ICAO agenda items. Timely communications is essential to share policy guidance and instructions.

Informal Recommendation 2: The U.S. Mission to the International Civil Aviation Organization should consider operational enhancements to improve its efficiency such as the acquisition of Blackberries.

There is value added to periodic orientation visits to Embassy Ottawa for the USICAO OMS and EFM to learn proper procedures and establish relationships to be effectively supported by the embassy.

Informal Recommendation 3: The U.S. Mission to the International Civil Aviation Organization should seek funding for the office management specialist and the eligible family member to travel to Embassy Ottawa for orientation and training in the management section.

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Donald T. Bliss Jr.	02/06
Deputy Chief of Mission	Laura P. Faux-Gable	08/06
Other Agencies:		
Federal Aviation Administration	Stephen Creamer	12/05

ABBREVIATIONS

DCM	Deputy chief of mission
Department	Department of State
EFM	Eligible family member
FAA	Federal Aviation Administration
ICAO	International Civil Aviation Organization
IGIA	Interagency Group on International Civil Aviation
IO	Bureau of International Organizations
IO/T	Office of Specialized Agencies, Bureau of International Organizations
MSP	Mission Strategic Plan
NTSB	National Transportation Safety Board
OIG	Office of Inspector General
OMS	Office management specialist
USICAO	U.S. Mission to the International Civil Aviation Organization

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