OPERATION IS DEFINED AS ONE WHERE THE PROJECTED DEMAND FOR SERVICE AFTER TWO YEARS OF OPERATION WILL GENERATE SUFFICIENT REVENUE EITHER TO COVER THE FULL COST OF THE NEW PASSPORT OFFICE OR, IN THE CASE OF AN OFFICE LOCATED FARTHER THAN FIFTY KILOMETERS FROM AN EXISTING OFFICE, TO ENSURE THAT THE NET OPERATING LOSS OF THE NEW OFFICE WILL NOT EXCEED 0.1 PERCENT OF THE ANNUAL OPERATING EXPENSES OF THE PASSPORT OFFICE.

5. PERSONNEL AND OTHER MATTERS

STANDARDS & CONDITIONS OF SERVICE

STAFFING

5.1 THE PASSPORT OFFICE'S DESIGNATION AS A SPECIAL OPERATING AGENCY DOES NOT AFFECT THE STATUS OF PASSPORT OFFICE EMPLOYEES AS PUBLIC SERVANTS NOR DOES IT AFFECT THEIR UNION REPRESENTATION. THEY REMAIN SUBJECT TO EXISTING TERMS AND CONDITIONS OF EMPLOYMENT. 5.2 THE POSITION OF CHIEF OPERATING OFFICER SHALL BE STAFFED IN ACCORDANCE WITH THE PUBLIC SERVICE EMPLOYMENT ACT AND THE APPLICABLE POLICIES OF THE PUBLIC SERVICE COMMISSION AND THE DEPARTMENT OF EXTERNAL AFFAIRS. ANNEX 1 TO THIS DOCUMENT OUTLINES THE **AUTHORITIES DELEGATED TO THE CHIEF** OPERATING OFFICER FROM THE DEPUTY HEAD.