

Statement of
Senator Susan M. Collins

**'Management and Oversight of Contingency
Contracting in Hostile Zones'**

Joint Hearing of the Subcommittee on Federal Financial
Management and the Subcommittee on Oversight of
Government Management

January 24, 2008

**I commend the chairmen and ranking members
for holding this joint hearing, and for their diligent
focus on a serious problem: ensuring that taxpayers'
dollars are spent wisely, even in a combat zone.**

**Natural disasters and military deployments since
2000 have helped double the dollar volume of
federal contracting to more than \$400 billion a year.
A vast amount of that contracting has gone into the
Iraq reconstruction effort, which has now passed the
\$45 billion mark.**

Despite the great increase in the value and volume of federal contracting, staffing and training efforts for the federal acquisition workforce have lagged. Too many federal contracting actions continue to escape the discipline of full and open competition. Meanwhile - and not coincidentally - GAO and agency Inspectors General have identified waste, fraud, and abuse running into the billions of dollars.

These problems demand action. They waste taxpayer dollars and impede achievement of program objectives. And as we saw in the response to Hurricane Katrina, they can also cost lives.

Contracting problems in hostile zones carry the added risks of frustrating military missions, jeopardizing relations with friendly governments,

and diluting the effectiveness of America's financial commitments to promoting security, stability, and respect for human rights.

Last fall's "Gansler Report" highlighted problems in Army contracting for expeditionary missions. The key findings of the commission, chaired by former Undersecretary of Defense Dr. Jacques Gansler, paralleled what the Committee found in its investigation of contracting in Afghanistan and Iraq: vastly expanded workload, inadequate staffing, insufficient training, and deficient oversight.

Similarly, the Gansler Report drew the stark conclusion that "The Army contracting community has reached a 'tipping point' that requires extraordinary action."

The Senate took an important step toward contracting reform with its unanimous passage of S. 680 in November. In addition to the many contracting reforms in that bill, we also focused on improving the acquisition workforce. Our legislation would establish a contingency contracting corps to ensure that trained and experienced contracting officers can deploy to combat zones or to areas struck by natural disaster. The House has acted on a similar bill.

The Gansler Report and the invaluable work of the Special Inspector General for Iraq Reconstruction make it clear that more must be done to improve contracting in hostile areas. I look forward to hearing today's testimony.

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