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BUSINESS PERSPECTIVES ON UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
RECONSTRUCTION AND DEVELOPMENT CONTRACTS IN AFGHANISTAN

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TUESDAY, FEBRUARY 2, 2010

United States Senate,
Committee on Homeland Security and Governmental Affairs,
Ad Hoc Subcommittee on Contracting Oversight
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:10 p.m.,
in Room 342, Dirksen Senate Office Building, Hon. Claire
McCaskill, Chairman of the Subcommittee, presiding.

Present: Senators McCaskill and Bennett.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator McCaskill. Sit, please. I apologize for being
late. If there is one thing you can bank on around here,
that is when all of the Democrats get together in one room
it is awfully hard to get people to be quiet. So I slipped
out the door. They were still in the middle of heated
discussions about a variety of topics, but I wanted to come
here and begin this because I appreciate all of your time
and efforts in terms of attending today.

I thought it was important, and Senator Bennett is
going to be joining us momentarily, and I look forward to
his participation in this. We are going to try to take some

1 time first in an open session, and then we are going to have
2 some time with staff for a working session after we do this.

3 But it is just really a simple reason I ask you here.
4 I have had three years of pounding away on contracting, and
5 I thought it was about time that I sat down with some of the
6 contractors in a public, but yet informal, way to get your
7 input on the good, the bad and the ugly as it relates to
8 contracting.

9 I have a tendency to see all the contracting through
10 the eyes of an auditor because that is my background and,
11 unfortunately in some instances, rare but nonetheless, as a
12 prosecutor because obviously we have had some significant
13 issues in Iraq as it relates to not just waste, but there
14 has been some fraud involving some of our contracts. So I
15 want to make sure that I learn from you before I travel to
16 Afghanistan.

17 I will go to Afghanistan on a contracting oversight
18 trip, and I am anxious to compare what I see and learn there
19 with what I saw and learned when I went to Kuwait and Iraq
20 in 2007. That was an eye-opening experience for this
21 auditor from the Midwest, to get a front row seat at the
22 contracting issues that permeated the conflict in Iraq. I
23 think I have a pretty good idea about why the problems
24 occurred and what brought about some of the problems, and
25 now I want to see if we have learned anything.

1 So you all are obviously very involved in contracting
2 in Afghanistan, and I thought it was important for me to
3 slow down and make sure I had your perspective on your
4 frustrations with the situation, what is working and what is
5 not, because I think getting informed from your perspective
6 is very important.

7 And I really appreciate your coming here today. It
8 would have been easy to probably defer this. This is not
9 anything that is required, and I want this to not be any
10 kind of--well, I do not want you to feel like you have been
11 to the dentist when you leave here today. I want you to
12 feel like that this has been of value to you and your
13 companies, but also of value to our Country, as we all try
14 to do better.

15 Why do I not give Senator Bennett an opportunity to say
16 a few words?

17 OPENING STATEMENT OF SENATOR BENNETT

18 Senator Bennett. Well, thank you very much, Madam
19 Chairman. I apologize for being tardy.

20 I welcome you all here. I appreciate what you do for
21 the Country and the challenges we face in the Country and
22 what you do specifically for the government.

23 The success of our efforts in Afghanistan, we are now
24 calling it a counterinsurgency operation--keep changing the
25 definitions in the military world--but it is dependent on

1 the ability of the military to work hand in glove with the
2 civilian contractors. You play a critical role in the
3 reconstruction and development there, and this is
4 highlighted in the hearing that the Chairman held on the
5 17th of December, when we had witnesses from AID.

6 We learned that the ability to integrate operations and
7 our success in Afghanistan will depend on a clear and
8 cohesive plan that integrates the missions of the different
9 agencies and everybody concerned. That is the best way to
10 avoid the waste and duplication and confusion that we saw
11 entirely too much of in Iraq.

12 So I join the Chairman in saying we appreciate your
13 being here. We think we can learn some things from you. We
14 are not here to try to, in any sense, turn this into a
15 gotcha sort of session.

16 But we had the AID people in. We got their view of
17 what life was like, dealing with contractors, and it now is
18 appropriate that we get the contractors view of what life is
19 like dealing with AID. Many times, both sides have things
20 that they can learn, and if we can be the catalyst to help
21 both sides go in that direction, why, we want to do that.

22 So, in the popular press, why, there has been a lot of
23 blame for problems in both Iraq and Afghanistan placed on
24 the contractors. Let's beat up the contractors. Let's beat
25 up the contractors because they are the ones that have made

1 all this terrible mistake.

2 I think that is too simplistic an analysis. We have
3 had some poor oversight and unclear performance metrics, a
4 frequent turnover of both agency and contractor staff that
5 has caused in many cases the root causes for the waste and
6 the confusion. So, whether the tasks are done by government
7 employees or contractors, the focus must always be on the
8 mission and not on process or turf battles.

9 So I have said before that too often when our
10 government agencies outsource their work they outsource the
11 results, and this is poor business practice, whether in the
12 marketplace or at home or on the front lines of Afghanistan.
13 Everybody must stay committed to the results and not just
14 say, well, we have given to them somebody else and that is
15 their responsibility.

16 So we need the kind of conversations that I think we
17 are going to have here today, Madam Chairman, and I look
18 forward to them.

19 Senator McCaskill. Thank you, Senator Bennett.

20 Why do we not go around the table and each one of you
21 introduce yourselves and take a minute or two to talk about
22 your work in Afghanistan? And then we will begin, I hope, a
23 lively conversation about some of the questions that I would
24 love it if you would give me, give us your take on this.

25 Just so you know, any written statement you have, we

1 will make part of the roundtable record. But, if you can
2 limit your remarks to a couple of minutes at this point, I
3 think we will have more opportunity for us to speak
4 informally and really get to the root of whatever your
5 frustrations or concerns may be.

6 Why do we not start with you, Mr. Boomgard and go
7 around the table in a clockwise fashion?

8 Mr. Boomgard. Thank you very much, Madam Chairman.

9 This is really a great honor, and we are delighted to
10 be here. I have been in this profession for 27 years, as a
11 development professional, and we have tried to get the word
12 out about the good things that are going on in the field.
13 It is a little too bad that it comes up in the context of
14 contractor oversight, but I think one of the things that
15 will be discovered, as the onion is peeled back here, is
16 that there is a lot of great development work going on.

17 DAI has been around for 40 years. We have been active
18 in Afghanistan for about 20, and right now we have 4
19 different projects that are involved in both stabilization
20 work and development.

21 One of the things that we do is we distinguish, I think
22 quite clearly, between work that goes on that is relief,
23 work that goes on that is stabilization, work that goes on
24 that is reconstruction and work that goes on that is
25 development. While DAI has been involved in a couple of

1 those categories, one of the things that we have seen that
2 happens is sometimes they get confused, and standards that
3 should apply to one are applied to all of them, or others.
4 So one of the things that I am hopeful of is that we get a
5 chance to talk about the differences, the different
6 expectations, the different accountabilities, and the
7 different ways that we need to look at those different kinds
8 of activities.

9 We are really honored to be here and thank you so much
10 for thinking of us in the invitation.

11 Senator McCaskill. Thank you.

12 Mr. Bryski?

13 Mr. Bryski. Yes, Patrick Bryski with Deloitte,
14 previously with BearingPoint. We were recently acquired by
15 Deloitte. I have been in the development business quite a
16 while as well.

17 We have been operating in Afghanistan since I guess 13
18 months after 9/11. We were brought in to actually begin the
19 process of capacity-building in the public sector, dealing
20 in economic governance, the ministry of finance, the central
21 bank, the ministry of commerce and really trying to build an
22 enabling environment, regulatory environment, policy-
23 enabling environment, to really encourage foreign
24 investment, get the private sector moving, get regulatory
25 oversight in the right place, so a lot of the moves forward

1 might benefit the broader population of Afghanistan. That
2 is a project we call the Economic Governance and Growth
3 Initiative.

4 We recently just won the follow-on contract, and we are
5 in the first 100 days of implementing that program.

6 We have a another program called the Afghan
7 Strengthening Civil Service Commission, and it is really to
8 strengthen public sector officials through the civil service
9 commission, so that they can basically develop a vibrant
10 civil service that can bring government service delivery
11 closer to the people, get the people more committed to the
12 government of Afghanistan. We have been working on that
13 project for a couple of years.

14 Senator McCaskill. Thank you.

15 Mr. Dreiman. Thank you, Madam Chairwoman and Senator
16 Bennett. Again, we thank you very much. We appreciate
17 greatly the opportunity to share information with you about
18 our work in Afghanistan.

19 I am Richard Dreiman. I represent Chemonics
20 International. We have been doing development and
21 consulting for 35 years, and one of our first projects
22 starting in 1976 was in Afghanistan.

23 We returned with the U.S. government effort in 2002 and
24 have been working there in partnership with you since. We
25 currently have five activities that include agricultural

1 development, trade, food security, poultry production and
2 community stabilization.

3 And, to echo what Jim Boomgard said, we think there is
4 a lot that the U.S. government and the U.S. citizens can be
5 proud of the work that is going on in Afghanistan. As you
6 rightly point out, there are areas where we can all improve,
7 and we appreciate very much the opportunity to talk about
8 ways we can improve our management and oversight on our side
9 as well as the government.

10 It is a challenging environment out there, as you well
11 know and you will see firsthand. That said, we are
12 committed to the U.S. mission. We believe in it. We see
13 good work happening out there on the ground, despite the
14 security challenges, despite some of the other challenges I
15 am sure we will talk about today.

16 I look forward to doing that and, again, thank you both
17 for this opportunity.

18 Mr. Van Dyke. Chairman McCaskill, Senator Bennett, my
19 name is Bill Van Dyke. I am President of Black and Veatch's
20 Federal Division and Secretary of our joint venture with the
21 Louis Berger Group.

22 Our role within the joint venture is to support USAID's
23 energy mission in Afghanistan. It is a broad mission, and I
24 think it is important to understand the context of how broad
25 it is. It involves not only building a plant like the

1 Tarakhil Plant right outside of Kabul, but helping to advise
2 on buying import power from Uzbekistan which has been a
3 successful job, helping to figure out how to get that power
4 from Uzbekistan down to Kabul which we did in 35 days after
5 being asked how to figure out how to use facilities that had
6 never been used before, helping to generate power in the
7 southern part of Afghanistan. We generate 26 megawatts with
8 Afghan staff every day, and we have trained that staff to
9 not just generate power but to overhaul the engines which
10 previously were shipped out of the country.

11 So we are involved in capacity-building and transfer of
12 the facilities that we have to the Afghan people that we
13 work with.

14 I think it is important from our point of view to note
15 that some of the issues we have faced in an ever changing
16 environment relate to customs, safety and security, and
17 finding contractors who are able to do high-tech kinds of
18 work such as building a power plant. A power plant,
19 incidentally, is now fully available, producing 105
20 megawatts of power as requested.

21 Our issues with USAID primarily have been length of
22 tenure of people--there is quick turnover of people on
23 assignment--and the number of people that USAID has had
24 simply for a very large mission. I know that USAID is
25 addressing those. We are already seeing changes in those,

1 but those have been issues as we have done our work.

2 We are fully committed to supporting USAID's mission
3 there, and we look forward to answering your questions.

4 Senator McCaskill. Thank you.

5 Mr. McCall?

6 Mr. McCall. Madam Chairwoman, Senator Bennett, once
7 again, I want to reiterate that we welcome this discussion.

8 We have an education program. We have been in
9 Afghanistan since--

10 Senator McCaskill. Could you move your microphone a
11 little closer?

12 Mr. McCall. Yes.

13 Senator McCaskill. It is a little hard to hear you. I
14 am feeling for the person behind you, trying to follow you
15 for our friends in the press.

16 Mr. McCall. Okay, how is that?

17 Senator McCaskill. He is going to get a crick in his
18 neck if he keeps listening any harder, trying to hear you.

19 Mr. McCall. All right. We have an education program
20 in Afghanistan since 2003, and it basically is focusing on
21 not only strengthening the ministry of education but teacher
22 training. And the teacher training does involve a number of
23 Afghan organizations, non-governmental organizations that
24 actually do the training out in the field.

25 We are in 11 out of the 30 provinces. The teacher

1 training module that we have established is being used by
2 the World Bank and the other 23 provinces as a model for the
3 teacher training efforts.

4 We involve the local communities, particularly on an
5 issue that traditionally has been sensitive in Afghanistan,
6 which is girls' education, and we have gotten buy-in from
7 local leadership, Shuras, as to the importance of girls'
8 education in Afghanistan.

9 So far, we have trained over 52,000 teachers and
10 another 105,000 are going through training sessions as well.

11 We also are implementing--

12 Senator McCaskill. Let me interrupt you. The 52,000
13 teachers you have trained, that was over what period of
14 time?

15 Mr. McCall. That is from 2003 to present.

16 Senator McCaskill. Okay.

17 Mr. McCall. And 105--

18 Senator McCaskill. Over seven years?

19 Mr. McCall. Well, actually, with this program, since
20 2006, it has been 52,000.

21 Senator McCaskill. Okay.

22 Mr. McCall. Also, we are beginning to implement the
23 Ambassador's Small Grants Initiative which basically is
24 focusing on strengthening women's civil society
25 organizations and basically focusing on advocacy work on

1 their behalf, giving them technical training from an
2 organizational standpoint, and program implementation.

3 And, finally, we have a small program called an
4 Economic Stabilization Program, which focuses on communities
5 where the Taliban have been basically routed and engages the
6 local communities in a series of priorities that they feel
7 are critical to their education needs within the community,
8 including school rehabilitation projects, meals for children
9 and the like.

10 Senator McCaskill. Okay. I have questions for you,
11 but they can wait.

12 Mr. McCall. Yes.

13 Senator McCaskill. Yes?

14 Mr. Owens. Chairman McCaskill, Senator Bennett, good
15 afternoon. Thank you for the opportunity.

16 My name is Dick Owens. I am here today representing
17 International Relief and Development. We are a not-for-
18 profit, non-governmental organization. We have been working
19 in Afghanistan since 2004 principally on behalf of USAID,
20 implementing a contract and a number of cooperative
21 agreements. That is grants.

22 We work in agriculture. We work in support services
23 for the USAID mission, and Afghan government agencies. We
24 also provide support for, and assistance to, the
25 infrastructure office of USAID, and implement a series of

1 community-based railroad construction and reconstruction
2 activities.

3 On a permanent basis, we have staff in 20 provinces in
4 Afghanistan, including Helmand and Kandahar. Our program in
5 the south is, as some of the others have talked about, this
6 new sector, if you will, of stabilization as opposed to
7 traditional humanitarian assistance or developmental
8 activities.

9 And again, I think we are very pleased to be able to
10 have the opportunity to address some of these issues that
11 you have laid out for us today, especially looking at some
12 of the issue as in relations to have lessons learned in Iraq
13 been transferred. Have they been learned? Are they being
14 applied?

15 Afghanistan is not Iraq. There are lessons that can be
16 learned, but in our view, especially our staff on the ground
17 in Afghanistan, it is tougher in Afghanistan than it ever
18 was in Iraq, even at the height of the surge.

19 Senator McCaskill. Thank you.

20 Mr. Shaikh. Madam Chairman, Senator Bennett, thank you
21 for the opportunity to be here.

22 My name is Asif Shaikh. I am President of
23 International Resources Group. I have been in development
24 since birth, having been born in a developing country, and I
25 have seen it from both sides.

1 IRG has been in business for about 30 years, working
2 around the world. We have three ongoing programs in
3 Afghanistan. Two are relatively modest subcontracts to
4 prime contractors. One is in the land titling arena,
5 helping reestablish the records for all of those who were
6 displaced to buy property ownership. The second is a
7 subcontract in the energy arena.

8 Our prime contract is something called the Afghanistan
9 Clean Energy Project, and it has three principal goals. One
10 is to bring electricity to villages around the country, 300
11 dispersed villages that are off-grid, through renewable
12 energy technologies that appropriate, small scale, and easy
13 to use and to sustain. Secondly is energy efficiency to
14 bring down the demand on the electric grid, which is very
15 strained and barely able to support the needs of economic
16 growth and of the population. And the third, which really
17 cuts across all of what we do in the other two components,
18 is to help build institutional capacity and training in the
19 public sector as well as in the private sector, so that the
20 work that we assist the government in doing now becomes
21 sustainable when we leave.

22 Senator McCaskill. Thank you.

23 Mr. Walker. Senator McCaskill and Senator Bennett,
24 thank you for the opportunity to be here.

25 My name is Larry Walker. I am President of the Louis

1 Berger Group.

2 Berger's long history with USAID in Afghanistan began
3 in the 1970s. After the September 11 attacks, we reentered
4 the country in December of 2001. In December of 2002, we
5 began working with USAID to provide infrastructure support
6 and implementation in what was then what was considered a
7 post-conflict nation.

8 Although Afghanistan has shifted back in many parts of
9 the country to a state in conflict, and particularly where
10 many of our projects are underway, we remain dedicated to
11 completing those projects, and perseverance is really a
12 theme word in getting the work done. The extent of the
13 security risk for these projects is evidenced in the loss of
14 over 200 people that have been killed under our program.

15 Berger's work in Afghanistan has encompassed many
16 different sectors, but primarily in the transportation
17 sector. Currently, we are in a joint venture with Black and
18 Veatch, as Bill had mentioned, where they handle the energy
19 side and we handle the transportation side.

20 USAID and the international community have identified
21 Afghanistan's transportation network as a priority. Roads
22 promote efficient transfer of goods, of course, access to
23 health care, access to education, and jobs. We have
24 successfully implemented over 1,600 kilometers of asphalt
25 roads in Afghanistan, and this is part and parcel of what we

1 do with USAID and other clients worldwide.

2 I regularly visit our project sites. I was just there
3 last month, and I saw firsthand the dedication of our
4 people, both expats and Afghan employees, in really making
5 sure that the job gets done, the infrastructure gets put in
6 the ground and that we successfully provide benefit to the
7 Afghan people and the American taxpayer.

8 Senator McCaskill. Thank you.

9 We are going to throw this open, and I do not want
10 anyone to feel constrained. Feel free to speak up even if
11 the question is not directed to you.

12 I know Senator Bennett will feel comfortable
13 interjecting questions or comments along the way. This is
14 not going to be like a hearing format where I ask questions
15 and he asks questions and I ask questions. Hopefully, this
16 is a conversation.

17 Let me start out just by asking all of you. Raise your
18 hand if your company's contract is overseen or managed by a
19 contractor.

20 Okay, so all of you in terms of your company's work are
21 answerable to someone in AID, and not contractors?

22 Mr. Walker. Correct.

23 Senator McCaskill. Mr. Walker?

24 Mr. Walker. For us, it is a combination. We have had
25 other contractor oversight as well as direct oversight by

1 USAID.

2 Senator McCaskill. Okay. Is that true for some of the
3 others of you, that you have had oversight by contractors in
4 some instances, or it has always been AID?

5 Multiple Participants. Always.

6 Senator McCaskill. Always AID, okay.

7 I think the one thing I want to do, and then I will let
8 Senator Bennett throw out a question, and then we will go
9 back and forth maybe, just asking questions, and you all can
10 fill in other things you think it is important for me to
11 know.

12 I would like you to pretend like you are me, and I am
13 trying to make sure we are getting value for contracting,
14 and I am trying to make sure that we have appropriate
15 oversight on contracting. And I especially want to make
16 sure that we are getting results from contracting.

17 It scares me a little how long some of you have been in
18 Afghanistan, and I wonder if there will be a hearing, a
19 roundtable like this, 20 years from now and that your
20 successors will be at the table, that we are still trying to
21 educate women or we are still trying to build roads or we
22 are still trying to build capacity within the civil service.

23 So I guess what I would like you to do is just go
24 around the table. Based on what you know in Afghanistan and
25 the area that your contract covers or the problems that you

1 see, what is the one question that you would ask of
2 government officials in Afghanistan as it relates to
3 contracting, if you were me and you were going to
4 Afghanistan to try to do a good job in getting good results
5 for the taxpayer? What is the one question I should be
6 asking?

7 Now I know this is you have got to be careful here
8 because you do not want to get in trouble with the people
9 that give you contracts. So I understand you have got to be
10 diplomatic, but I am good at reading between the lines. So
11 you do not have to say where AID is screwing up. You can
12 just say maybe the question you would ask in an area that
13 might expose that there might be vulnerabilities in terms of
14 what AID is doing.

15 And, by the way, I am not saying this is all AID's
16 fault. They may not have enough people. We may not have
17 enough security. I know transportation is certainly an
18 issue, getting stuff in and out.

19 But what is the question you would ask, if you were me,
20 when you go over there? Mr. Boomgard, do you want to start?

21 Mr. Boomgard. I will start. I might as well.

22 And, Senator Bennett, my apologies in my opening
23 remarks. I did not address them to you, and I apologize. I
24 was just nervous.

25 Senator Bennett. I did not notice.

1 [Laughter.]

2 Mr. Boomgard. See, I always get accused of being too
3 honest.

4 You know the real question to ask in Afghanistan, the
5 one that I have puzzled over a little bit, is: How does the
6 process work when you have an agency that has been, I think
7 by everybody's acknowledged admission, been decapitalized
8 over the past 10 years in terms of their expertise and
9 talent? What is the process by which realistic expectations
10 are set for what can be achieved over what time, and what
11 are realistic ways of managing the process by which you
12 continually try to move towards your objectives?

13 One of the things that we have noticed is that, and it
14 particularly applied to Afghanistan. It also applied to
15 Iraq quite a lot, where you had a lot of new, fresh people
16 who were trying to please seemingly a lot of not just USAID
17 mission directors but a lot of other political actors who
18 were very closely involved. It is that they tended to set
19 unrealistic expectations, and they set in motion a chain of
20 things that everybody was sort of trying to achieve
21 unrealistic expectations.

22 And there was nobody there, as there has been, where
23 you have a heavily experienced AID staff and AID team of
24 development professionals to say, time out, what are we
25 really trying to accomplish here? What is the right sort of

1 markers that we need to be going?

2 I think that this has been one of the improvements that
3 we have seen in Afghanistan over the last few years. I
4 think that in my estimation the new USAID mission director
5 is a development professional, a development realist, and I
6 think he has forced down into his folks a little more clear
7 thinking about some of these things.

8 And now there is some catching-up to do with the
9 contractors, the way the IG evaluates programs and other
10 things, to try to make sure that everybody is in sync and
11 everybody has got sort of a shared view of what we are
12 trying to accomplish and at what pace.

13 Senator McCaskill. Okay.

14 Senator Bennett. Madam Chairman?

15 Senator McCaskill. Sure.

16 Senator Bennett. Unfortunately, as happens to all of
17 us, I have been overscheduled. I would like to just ask one
18 question before I have to leave, which may or may not be
19 anything you have on your minds but would be very helpful to
20 me. Then I will leave you to the tender mercies of the
21 Chairman to drill down into the level that can give more
22 specifics.

23 What impact is the surge going to have on you? You
24 have all undoubtedly thought about that, but looking ahead
25 you are going to get 30,000 more American troops. What

1 impact is that going to have?

2 Senator McCaskill. Mr. Owens?

3 Mr. Owens. Senator Bennett, in Helmand, in Kandahar,
4 where we work--

5 Senator Bennett. Pardon me?

6 Mr. Owens. Specifically, in Regional Command-South, in
7 the provinces of Helmand and Kandahar, where we are working
8 on a specific stabilization activity that has a COIN written
9 through it by USAID, we cannot wait. I mean we are being
10 asked, we are being expected, to build in advance of clear
11 and hold occurring.

12 Senator McCaskill. Now say that again.

13 Mr. Owens. We are being--

14 Senator McCaskill. Speak closely into the microphone.

15 Mr. Owens. There are expectations, not always on the
16 part of USAID, but it is a 3-D approach in Afghanistan that
17 implementing partners will be able to build in advance of
18 clear and hold occurring in some parts of the country. And
19 the sooner we get the plus-up of the troops on the ground,
20 the better.

21 Senator Bennett. If I heard you correctly, you say you
22 are now being asked to do the clearing and the holding--

23 Mr. Owens. The build.

24 Senator Bennett. --as well as the building. In this
25 case, you can turn the clear and the holding over to the

1 troops, and you will do the building.

2 Mr. Owens. No. We are supposed to build behind clear
3 and hold.

4 Senator McCaskill. And now you are being asked to
5 build ahead of?

6 Mr. Owens. There are expectations that we will be able
7 to advance that in advance of the surge.

8 Senator Bennett. I see.

9 Mr. Owens. At the district level in Helmand and in
10 Kandahar, that is a reach.

11 Senator McCaskill. Now where is that coming from?
12 With any specificity, where is this expectation that you are
13 supposed to build prior to clear and hold, where do you feel
14 that is coming from?

15 Mr. Owens. I think that it comes more from the
16 regional command.

17 Senator McCaskill. Military command.

18 Mr. Owens. At the provincial reconstruction team level
19 than from the USAID level. They are, in some instances,
20 very understanding. We work together at the district level,
21 but we are all playing catch-up in those two provinces.

22 Senator McCaskill. What are you actually building?
23 Remind me.

24 Mr. Owens. We do cash for work to rebuild critical
25 agricultural infrastructure. We provide small in-kind non-

1 cash grants to farmers associations. We provide
2 agricultural voucher programs for farmers to procure
3 technological packages to reestablish their traditional
4 agricultural production systems.

5 We provide training, and we provide support to the
6 district level ministry of agriculture, district government,
7 other implementing partners out there.

8 Senator Bennett. Before I have to leave--and again, my
9 apologies--is that a common reaction, we cannot wait, we are
10 looking forward to it as opposed to oh, my gosh, this is
11 another big burden that is going to come?

12 Mr. Shaikh. Senator, if I may, I hesitate to
13 speculate. So, to say we are looking forward to it would be
14 to speculate that it will do everything that we are looking
15 forward to. So I would characterize it as saying that with
16 the surge we will know whether some of the core premises are
17 proven true or not.

18 Senator Bennett. But you do not see it as an
19 organizational challenge that will add to your burdens by
20 virtue of having them there?

21 Multiple Participants. No.

22 Senator Bennett. Oh, okay. Fine.

23 Mr. Boomgard. Could I, Senator? I realize I just
24 spoke.

25 Senator Bennett. Sure.

1 Mr. Boomgard. I think it is important to distinguish
2 between the military surge and the civilian surge, and I
3 think the implications of those two things may be very
4 different. Much of the development work that gets done by
5 the organizations that you brought together happens outside
6 the wire. Most of the civilian surge is happening inside
7 the wire, of people who make demands on people outside the
8 wires.

9 One of the problems that we have is that we do not
10 view--it takes a lot of coordination if you have more
11 officials in the PRTs or in the AID mission in Kabul and
12 there are the same number of us outside the wire to answer
13 to what they want to do.

14 Senator Bennett. The wire is not a security.

15 Mr. Boomgard. It is security.

16 Senator Bennett. You are outside the wire?

17 Mr. Boomgard. Absolutely. Our staff, our Afghan and
18 expatriate staff are living outside the wire. We are not
19 involved, and that is how we get the development results
20 done.

21 Senator Bennett. I see.

22 Multiple Participants. All of us.

23 Senator Bennett. That is helpful.

24 Again, my apologies. Life does that to you.

25 Senator McCaskill. Okay. You know asking to build

1 prior to clear and hold was one of our huge problems in
2 Iraq. It is how we wasted so much money, because we built
3 so many things that then were destroyed after we built them
4 because we did it before we did the clear and hold.

5 So is anyone besides Mr. Owens's company feeling the
6 pressure to now build prior to clear and hold? Do you feel
7 like the work you are doing is going to be undone
8 potentially since the area you are working in is not secure?

9 Mr. Bryski. No.

10 Senator McCaskill. No? No? Okay.

11 Talk to me for a minute. As we go through this, make
12 sure you pipe up whatever questions you would ask if you
13 were me.

14 I am curious how your relationship is with AID and the
15 military. One of the things that has been interesting in
16 the development community and the AID world sphere of
17 influence is the PRTs and CERP--this notion that we now have
18 given the military significant amounts of resources.

19 In fact, I look in the budget. We had the hearing this
20 morning in Armed Services. I think CERP is now up to \$1.5
21 billion. That is a lot of money, and I bet most of that
22 CERP money--I have not had a chance to look yet since we
23 just go the budget--is going into Afghanistan.

24 How do you integrate with the monies that are being
25 spent by CERP? Do you interact with the military? Are they

1 coordinating with you? Do you feel like there is good
2 integration between?

3 I mean they are building roads now. We know that half
4 the projects they are doing are over a half a million
5 dollars. This is not just fixing glass in a storefront
6 which is how it was first explained to me, that they know
7 who the good guys are in the neighborhood and they can give
8 money. The military can give money to the shopkeeper to get
9 his window fixed, which provides stability in the
10 neighborhoods and builds confidence in the American military
11 and so forth, with all of the follow-on.

12 Do you feel like the CERP world is integrating with
13 your world or is it two different worlds?

14 Mr. Bryski. Madam Chairman, I have one example. In
15 the telecom sector, we work very well with the military and
16 their CERP funds. We are involved with setting up the
17 regulatory environment for the telecoms, set up the wireless
18 arrangement, lots of cell phones in the country. You will
19 see nine million people running around with cell phones now.
20 So it is really quite an impressive sort of communications
21 accomplishment.

22 Where the military has come in is they have been able
23 to build the towers around the countryside in order to make
24 this work, and they have used their funds. We have
25 coordinated with them as to where they ought to be in order

1 to make the whole system work, and it has worked quite
2 effectively.

3 Senator McCaskill. Oh, that is great.

4 Are there examples where it has not worked as well with
5 CERP money that is out there, that you all are aware of?
6 Mr. McCall?

7 Mr. McCall. Madam Chair, we have not worked directly
8 with the military. So we are not really affected by that.

9 Our program basically uses Afghans and also community
10 involvement. So we are not really dependent upon the
11 military. We are working alone.

12 In nine of the eleven provinces, we have security
13 problems, but the local staff understands the security
14 dynamics. And if there is a training scheduled in a certain
15 area and they are aware of potential violence, then they
16 will move the training to a safer area. So we are basically
17 totally dependent upon our Afghan staff for the development
18 and implementation of our program. We do not really
19 interact with the military.

20 Senator McCaskill. So, in terms of security issues,
21 your reliance is on Afghans, not on the United States
22 Military. That is fascinating.

23 Do you think the Afghans are communicating with the
24 American military or do you think they just know as much or
25 maybe more than the American military about the security?

1 Mr. McCall. I think the one advantage we all have is
2 an extremely loyal Afghan staff and a very good source of
3 intelligence. I mean they are the ones who are out on the
4 front lines, and if there is a potential security threat,
5 they are not going to risk their lives, quite frankly.

6 They will be able to adapt and accommodate to the
7 security threat and move into areas. If you are doing a
8 training, it may be a village 10 miles from where they
9 originally scheduled to do the training, but they adapt
10 within the security environment to make sure they get the
11 job done. There have been times trainings had to be
12 cancelled, but most of the trainings have occurred within
13 the context of the staff themselves determining what the
14 best location would be from a security standpoint.

15 Senator McCaskill. Mr. Dreiman?

16 Mr. Dreiman. Madam Chairman, two examples where we
17 found the collaboration extremely effect: One, on our
18 agricultural project, we have worked with a number of PRTs
19 and CERPs where they have provided the financial resources
20 for trellises, cement trellises. We provided the
21 agricultural extension agents and the technical advice to
22 farmers to learn how to trellis their grapes, increasing
23 their yield by 60, 70 percent, putting it off the ground.
24 That collaboration with the CERPs and the PRTs in those
25 areas have been very positive.

1 We have also been involved in organizing 10
2 agricultural fairs in Kabul and then in other main cities
3 around the country--a major accomplishment in that it has
4 brought together more than 100,000 Afghan men, women and
5 children to learn about new agricultural techniques,
6 agricultural inputs, agricultural markets. All of those ag
7 fairs, all 10 of them, have occurred without a security
8 incident. To pull that off has required enormous
9 coordination between the U.S. security teams in the embassy
10 and AID, the ISAF forces, the Afghan National Police, Afghan
11 National Army and our own security providers, and the
12 collaboration has been outstanding.

13 Senator McCaskill. You are one of the companies that
14 has been there a long time in Afghanistan?

15 Mr. Dreiman. Yes, ma'am.

16 Senator McCaskill. How many years?

17 Mr. Dreiman. Since 2002.

18 Senator McCaskill. Okay. Have you always been doing
19 work in the agricultural sector?

20 Mr. Dreiman. A large part of our work has been, yes.

21 Senator McCaskill. So do you see progress in the
22 agricultural sector as it relates to poppies versus all of
23 the other agricultural products that can be produced? Do
24 you think we have made progress?

25 Mr. Dreiman. I cannot speculate on the poppies. It is

1 a separate issue.

2 In terms of helping Afghan farmers grow more, market
3 more, export more, I think we have made tremendous progress.
4 Most recently, Secretary Vilsack was visiting Afghanistan.
5 He visited a juice factory in Kabul, that USAID funded our
6 project, supported with technical assistance. It is now
7 going to provide an opportunity for thousands of Afghan
8 farmers to sell pomegranates, apples. We helped facilitate
9 the first export of apples from Afghanistan to India,
10 opening up a tremendous market, and the export of
11 pomegranates.

12 So the poppy is a serious issue. We have not worked on
13 that. Alternatively, we have focused on where are there
14 legal market agricultural activities that Afghans can take
15 advantage of both within Afghanistan and in the region, and
16 we have seen significant progress.

17 Mr. Walker. We are currently working on a project
18 right now that is a joint military-USAID activity in Oruzgan
19 Province with two bridges, and the coordination between the
20 military and USAID and ourselves is going very well at this
21 point.

22 We also had a project a number of years ago in building
23 the Tarin Kowt Road up into Oruzgan Province down from
24 Kandahar, and it was a really interesting project in that
25 what we ended up ultimately doing was embedding with a

1 combat engineering battalion and worked side by side, and
2 the coordination with that battalion was great.

3 Senator McCaskill. I assume that you are like most
4 contractors in Afghanistan in that the vast majority of your
5 employees in theater are in fact Afghans, correct?

6 Multiple Participants. Yes.

7 Senator McCaskill. And how many of you were in Iraq?
8 And that was not the case there, correct?

9 Multiple Participants. No.

10 Mr. McCall. In our case, it was.

11 Senator McCaskill. In your case, it was?

12 Mr. McCall. Yes.

13 Senator McCaskill. Well, yes, you were training
14 teachers.

15 Mr. McCall. About 50-50 in Iraq.

16 Senator McCaskill. You were 50-50 in Iraq.

17 Are you like most contractors, that it is over 80
18 percent Afghans?

19 Mr. Bryski. About that, yes.

20 Senator McCaskill. So why the difference? Why were
21 there so few Iraqis employed in Iraq on these development
22 contracts and why is there a predominant Afghan workforce in
23 Afghanistan? How did that change occur and why?

24 Mr. Bryski. Madam Chair, I know one of the challenges
25 we had in Iraq was, one, I think the Iraqis were concerned

1 they were going to get bumped off if they were working with
2 us.

3 Senator McCaskill. So you think you could not hire
4 Iraqis because they were worried that by working with you
5 they would be killed?

6 Mr. Bryski. Guilt by association.

7 Senator McCaskill. And there is not that fear in
8 Afghanistan?

9 Mr. Bryski. There is not where we operate. Perhaps in
10 the south, it is a bit more challenging, but that is
11 certainly a difference between the two situations.

12 In addition, the sort of security protocols in terms of
13 trying to vett the background of the Iraqi personnel, the
14 professionals that we would be trying to retain, to bring on
15 and work with us, was significantly more challenging in the
16 Iraq context because of concerns over Ba'athists coming back
17 into the workforce. We did not want to be hiring former
18 terrorists and insurgents and the like. That is not as
19 significant a challenge in Afghanistan.

20 Senator McCaskill. Well, I am curious about that. I
21 think we think of the Taliban, even though it is not a huge
22 force, and we think of the tribal problem in Afghanistan
23 being as acute in terms of a lack of a central government.

24 I mean I have had experts tell me, well, you had much
25 more of an infrastructure of services in Iraq than you have

1 in Afghanistan, which would make me believe that it would be
2 harder to vett because of all the tribal issues in
3 Afghanistan than it was in Iraq.

4 Mr. Bryski. Not in our experience.

5 Senator McCaskill. But you are telling me that it is
6 counterintuitive. Would the rest of you agree with that,
7 that it is easier to hire Afghans because, one, they are
8 more willing to work for you and, two, there is less
9 security concern about them?

10 Mr. Owens. No.

11 Senator McCaskill. No? What about?

12 Mr. Owens. I think it is equally challenging in both
13 countries.

14 I think in Afghanistan there are geographic
15 constraints. It is much more difficult in some cases in the
16 south, Regional Command-South, Regional Command-East, where
17 there is more active insurgency. But I mean we have been
18 able to hire a lot of really outstanding Afghani staff in
19 both places and keep them for a week until the night letters
20 start coming in.

21 Senator McCaskill. Until the what start coming in?

22 Mr. Owens. Night letters, the threatening letters
23 arrive on their doorstep.

24 Senator McCaskill. Night letters.

25 Mr. Owens. They get cell phone calls from the

1 insurgents, warning them off, or their families get the
2 call. It is a constant challenge. It is something you
3 constantly have to work at. But, just like Iraq, it can be
4 done.

5 I mean the vast majority of our staff in Iraq and
6 Afghanistan are Afghani nationals, but it results in putting
7 them at risk in some cases, and it also means you are going
8 to see--I am not sure what the percentage is. It varies by
9 project and by region, but there is always going to be that
10 turnover, that you constantly have to recruit behind and
11 against. It is the fact of life.

12 Senator McCaskill. Maybe you also can help understand
13 the difference between these two countries in terms of the
14 contracting workforce being third party nationals versus in-
15 country citizens. Mr. McCall?

16 Mr. McCall. Yes, let me just make a point. One of the
17 things is I think to some degree there is an advantage of
18 being in education because education, quite frankly in both
19 Afghanistan and Iraq, is a very high priority for parents.
20 We have had implementing partners threatened in Afghanistan,
21 but we have had instances when local council Shuras and
22 elders basically send out the word: Do not mess with this
23 project. It is very, very important to us.

24 And the threats have ceased.

25 We found the same thing in Iraq when we were doing the

1 school rehabilitation projects, which were basically
2 implemented by local education committees comprised of
3 parents and teachers. They basically set up neighborhood
4 watches and said, this is our school.

5 We did not have a footprint. It was totally an Iraqi
6 owned process, just like in Afghanistan it is an Afghanistan
7 and local owned process. I think that has a significant
8 impact on the willingness of the community to basically send
9 out the message: Do not mess with it. This is ours.

10 Senator McCaskill. Yes?

11 Mr. Boomgard. Madam Chairman, I think that one of the
12 things that is sort of a fictional thing is that in Iraq we
13 were able to subcontract work to more substantial Iraqi
14 firms that picked up more of the local hire labor. So I
15 think on our projects the proportion of locals versus
16 expatriate staff is about the same for us.

17 In terms of our own hiring, what would appear as prime
18 subcontractor employees, we have a much higher balance of
19 expats because much more of the local work was able to be
20 subcontracted out to substantial local firms. So, at least
21 that was our experience.

22 And so it may not appear in the data, but in fact, in
23 doing the work, you cannot do successful development if you
24 are doing it all with outsiders. You have to have local
25 ownership. You have to have local participation.

1 In fact, one of the things that I think is different
2 now in Afghanistan, and is something worth looking into, is
3 over the past four or five years you have seen an enormous
4 increase in the capacity of the professional Afghan staff to
5 lead some of these development efforts whereas in the
6 beginning they were just being trained. They were just
7 learning how to do it. Now that they have been on the job
8 for two or three years, they are sort of getting it, and
9 they can bring on new people and train them.

10 So we are seeing a development process go on in terms
11 of capacity-building, and this applies in our work in the
12 small business field. It applies in our work in the
13 stabilization field, and it applies also in the alternative
14 livelihoods work that we have done.

15 Senator McCaskill. Yes, Mr. Shaikh.

16 Mr. Shaikh. Madam Chairman, I would agree with what
17 Jim said about substantial subcontractors in Iraq.

18 I would also look at the profile of the hostilities in
19 both countries. When we came into Iraq, the level of
20 hostility was intense. It has actually leveled off since
21 then. We have been in Afghanistan now coming on nine years.
22 When we entered, after the Taliban were removed from
23 Afghanistan, the level of hostility was relatively low. We
24 were more welcome. So we have had a longer time to build
25 relationships in that country with Afghan staff, and I think

1 those two profiles are quite different.

2 Senator McCaskill. That makes sense.

3 Mr. Bryski. Very true.

4 Senator McCaskill. That makes sense. So what you are
5 saying is the data in some ways are misleading because in
6 Iraq you were subcontracting with existing Iraqi firms that
7 were in fact providing the Iraqi workforce. So the data may
8 show that people that worked for you were not, but they were
9 in the subcontracting.

10 Whereas, in Afghanistan, there is not as much
11 subcontracting going on?

12 Mr. Boomgard. In our case, there are fewer substantial
13 local businesses to subcontract as a result of sort of the
14 general level of economic development in Afghanistan. Well,
15 that is one of the things that we have been trying to build
16 up and help build up over the time in our small business
17 development project, but there are many fewer firms to work
18 with.

19 Mr. Walker. An important fact, though, is over the
20 last few years we have seen an emergence of these firms.

21 Mr. Boomgard. Yes.

22 Mr. Walker. In the case of the firms that we work
23 with, there are six firms that actually were founded under
24 our program and now hold prime contracts with nine -USAID
25 clients. Three of our employees, Afghan employees, decided

1 that they wanted to set up their own construction companies,
2 and we encouraged them to do that. They now hold prime
3 contracts with nine USAID clients. We think that is a
4 tremendous success.

5 Senator McCaskill. That is great.

6 Tell me some of what you think are the biggest
7 challenges right now, that you face in what you are trying
8 to do, with the current situation in the country. What do
9 your folks over there on the ground tell you are the biggest
10 problems?

11 Mr. McCall. Quite frankly, I think--and it has been
12 that way for some time--security, security, security.
13 Within that kind of environment, you have to have the
14 capacity to be very flexible. You have to have the
15 capacity, quite frankly, beyond the U.S. government to rely
16 upon your local staff to provide you the intelligence, to
17 make sure you are not putting people in harm's way during
18 the implementation of these programs.

19 We are in areas that have not had a significant Taliban
20 presence, historical presence, historically. But there is a
21 Taliban presence, and they are intimidating, and they do
22 threaten. And it is just a constant struggle with us.

23 We have been very, very fortunate, with the exception
24 of one person, that we have not lost anybody. But that is a
25 constant challenge.

1 Senator McCaskill. Yes, Mr. Dreiman.

2 Mr. Dreiman. Madam Chairman, related to security is
3 the general issue of recruitment and staffing. It is a
4 challenge for us to find the right people who can go out
5 there and perform and be successful, and, because of the
6 security constraints and the dangers, people do not stay a
7 long time.

8 Where we have been most successful is in our previous
9 work in Helmand. We had a team of about nine people who
10 spent the last two and a half years of the project there,
11 and our AID officers were also in-country two and a half to
12 three years. So we had continuity on our side, and AID had
13 continuity, and I think that contributed significantly to
14 the project being able to develop a work plan and have the
15 people who understand that work plan implement it fully.
16 That is where we saw the success--so, recruitment for us and
17 staffing on the USAID side because we see a lot of turnover
18 as well, which is a challenge for the U.S. government.

19 Senator McCaskill. All of your companies have been
20 working with AID for a long time, correct?

21 Multiple Participants. Correct.

22 Senator McCaskill. Who is the newest guy at the table?

23 Mr. McCall. We are probably the newest. We started in
24 2006.

25 Senator McCaskill. Okay. So the least amount of

1 experience you have with AID is four years.

2 Mr. McCall. Yes.

3 Senator McCaskill. And everybody else has many more
4 years. Most people have many more years than that. Okay.

5 So is there a difference now in terms of turnover of
6 AID staff and continuity as opposed to a decade ago?

7 Mr. Dreiman. Related to Afghanistan, yes.

8 Mr. Bryski. I think it is Afghan-specific.

9 Mr. Dreiman. Typically, a USAID officer will go to a
10 mission for four years. That person will be on the ground,
11 understand the country, have contacts within the government
12 community, the business community, the NGO community, and
13 really be somebody well situated to design and manage and
14 oversee a contract. And on our side, implementing those
15 contracts, we will have people who work with the AID
16 officers over an extended period.

17 Because of Afghanistan, because of the conflict,
18 because of how AID does its staffing, there is a pretty high
19 turnover. That continuity on both sides I think has been a
20 major challenge for us, to see the projects through
21 successfully.

22 Senator McCaskill. So, in some instances, you all are
23 telling new AID people what is going on as opposed to them
24 being in a position to oversee you and monitor what you are
25 doing. You are educating a revolving door of AID people, is

1 that unfair? Is that characterization unfair?

2 Mr. Boomgard. It is not unfair, but you know AID has
3 always relied on implementing partners to work with them in
4 implementing programs in the field. So we have always been
5 providing people with Ph.D.s and technical experts, and the
6 good collaborative relationship with development
7 entrepreneurs on the AID side and good development
8 professionals on the implementation side was always very
9 productive.

10 That has been upset, and it has been sort of the
11 reduction in AID staff overall. It has been what we refer
12 to as the giant sucking sound of Iraq and Afghanistan, where
13 a lot of very good AID people have been pulled in, in other
14 countries, and programs in other countries have suffered as
15 a result of that.

16 Then it is the security situation where, unfortunately,
17 if we were in Indonesia an AID official or you, if you
18 visited, could go out and visit 10 different project sites
19 and really see what is going on and get an appreciation and
20 talk to a lot of different people.

21 In Afghanistan, you cannot do that, and people are
22 stuck either inside the embassy, in AID compounds or they
23 are stuck within the PRT compound. It is much harder to get
24 good development work. It is much harder for us to
25 implement and for AID to oversee. So we have learned to

1 deal with it I think, by now, but it has taken a while.

2 Senator McCaskill. Your characterization is that all
3 of your work is going on outside of the wire. Are you
4 saying that the AID supervision of your work is not going
5 outside the wire?

6 Mr. Boomgard. No, they--

7 Mr. Bryski. Not as actively as in other countries.

8 Mr. Boomgard. In other countries, it is regular,
9 routine, daily, weekly, monthly interactions. Now, in
10 Afghanistan, we are finding it is more sort of reports,
11 emails, what is going on and so forth.

12 Senator McCaskill. So we are "phoning it in" because
13 of security concerns of person-to-person oversight onsite.

14 Mr. Boomgard. That is exactly right.

15 Mr. McCall. Well, the regional security officers for
16 direct U.S. government employees are very, very stringent
17 when it comes to allowing U.S. direct hires.

18 Senator McCaskill. We will hire you to do it; we just
19 will not let our folks go out there.

20 Mr. McCall. Yes.

21 Mr. Walker. And the AID folks are chomping at the bit
22 to go out. So it is not like they want to stay behind the
23 wire, but they have these security restrictions that are
24 imposed upon them. If you look at USAID in their historic
25 practice, they are a boots-on-the-ground organization.

1 Mr. McCall. Yes.

2 Mr. Walker. They do work side by side with you all
3 over the world, and there have been great successes because
4 of that. But they have some impositions on them now in
5 Afghanistan that, like I said, they chomp at the bit. They
6 want to get out there, and they have restrictions.

7 Senator McCaskill. How long have these restrictions
8 been in place? When did this change, because some of you
9 have been in Afghanistan for 20, 30 years?

10 Mr. McCall. No, actually, I think if you go back to
11 the bombing in Kenya, the embassy in Kenya and Tanzania,
12 that forced co-location of USAID with the embassies, in the
13 embassy compounds. Once you are forced to co-locate, you
14 are governed by the security of that compound. So it
15 started back then.

16 Mr. Dreiman. Madam Chairwoman, I think we saw--with
17 the escalation in insurgency and terrorist attacks in the
18 last three years, we have seen our counterparts at AID
19 become more and more restricted in their travel, from the
20 AID mission director to the office chiefs, to the technical
21 officers who do oversee our programs. They want to get out,
22 and they are restricted by the embassy security regulations.

23 When we were in Helmand, they would travel down to the
24 PRT. We would meet with them in there. And for whatever
25 security reason, they were not allowed to go two kilometers

1 across town to our office, depending on the day and the
2 circumstances. That was in the last three years where we
3 have seen a lot more restriction, both within Kabul and
4 around the country.

5 Mr. Walker. And I do not think any of us would imply
6 that they do not get out. It is just they do not get out as
7 much as they historically would in other programs. They get
8 out, but not as much as they historically have.

9 Senator McCaskill. On this database thing, this SPOT
10 database, does anybody want to talk about that? No, you do
11 not want to talk about or you do not know about it?

12 Mr. Boomgard. We do not know. We had to look it up.

13 Mr. Van Dyke. It is not in our contract. We had never
14 heard of it.

15 Mr. McCall. It is not in our contract either.

16 Senator McCaskill. You had never heard of it?

17 Mr. Van Dyke. No, it is not in our contract. I mean
18 we are not required to comply with it.

19 Mr. Walker. We do not use it in Afghanistan

20 Mr. Van Dyke. Right. So it is hard for us to talk
21 about it.

22 Senator McCaskill. Yikes. That is interesting. Oh,
23 okay. So I knew that AID was not excited about it. I had
24 no idea that they were that unexcited about it.

25 So do you think it is a good idea, that you should be

1 entering information into a unified database as it relates
2 to contracting within contingency operations?

3 Would it be hard?

4 Mr. Van Dyke. I guess, you know, I do not understand
5 the database role. But, to the extent that we are asked to
6 enter people's names, we are very careful about our people's
7 names who are working in Afghanistan, for security reasons,
8 and we would have a concern about that.

9 Senator McCaskill. Okay. So you would have a concern
10 about threatening the security of people who work for you by
11 their name being printed somewhere and therefore potentially
12 being able to get in the hands of the bad guys and target
13 them?

14 Mr. Van Dyke. Yes.

15 Senator McCaskill. Aside from that, would there be any
16 information that might be required in a government-run
17 database as it relates to your contract that would cause you
18 concerns?

19 Mr. Walker. I think the challenge is less on data
20 going into a database as much as when SPOT, because we work
21 with it in Iraq, when it is used to coordinate movements of
22 personnel. When you are working outside the wire and if you
23 have a long linear asset, coordination can be a real
24 challenge. So our concern with SPOT usage in Afghanistan
25 would be the coordination of movement, that it would

1 actually be effective enough, so you could still get your
2 job done with all the other challenges that have.

3 Senator McCaskill. Yes. Well, I am just trying to get
4 some kind of source of information where we can actually say
5 with certainty how many contractors we have. You know. I
6 mean basics like that.

7 I mean that was one of the jaw-dropping moments when
8 nobody could tell me how many contractors were in Iraq. I
9 mean they finally admitted they had no idea how many
10 contractors were in Iraq back several years ago now.

11 We are better now, but that was the idea. We were
12 going to have this database that all the contract
13 information would go into, so we could do performance
14 measures. We could figure out are your companies more
15 efficient and more effective than somebody who has never
16 worked in Afghanistan or is it better comparing how many.
17 There is lots of information we can get besides personal
18 identities that would be very helpful to us in terms of
19 contracting practices and oversight. So the fact that you
20 all did not know about it is disconcerting.

21 Well, let's circle back. What questions should I ask
22 other than are you using the database that was designed to
23 have you use, so that we could keep track of, and you never
24 heard of it?

25 What other questions should I ask when I am over there,

1 of the people either that are doing contracting in the
2 military or the people that are managing your contracts?

3 Yes.

4 Mr. Shaikh. Madam Chairman, I think if I were asking a
5 first question it would be perhaps to the senior AID
6 representatives there who had experience in other parts of
7 the world and who have seen these cycles more than once.
8 And the question I would ask is: What additional resources
9 do you need to meet the challenge that we all know has to be
10 met? And how best should we manage and sequence them in
11 order to make the situation better, and not just throw a lot
12 of things that will be harder to manage at them? And to
13 engage them in a dialogue about the process of getting from
14 here to there.

15 There are a lot of very experienced people in the USAID
16 mission in Afghanistan. They are well aware of the
17 pressures, the visibility and the mission. So that is
18 probably what I would start with.

19 Senator McCaskill. As a follow-up to that, how do you
20 all feel about what the state of contracting will be in
21 regards to development once the 30,000 troops have gotten
22 there and then, more importantly, with knowing that they are
23 going to begin to leave in the summer of 2011? Do you see
24 that impacting the state of your contracts and the
25 challenges that you are facing, whether it is in building up

1 the banking system or whether it is education teachers?

2 I mean does it make any difference in your world, how
3 many troops are actually there at any given time?

4 Mr. Owens. Madam Chair, yes, it does. Again, I think
5 it is specific in many instances to the geography. In the
6 south, it does make--in our view--a significant difference.
7 I mean the security, or lack thereof, is often an overriding
8 factor.

9 Whether that impacts how AID, as our donor who we are
10 implementing on behalf of, changes the way it looks at its
11 priorities, how it does contracting or grants, I am not sure
12 that will impact it. I really do not know.

13 I think the concern will be potentially how long does
14 the stabilization phase go. What will be the definition of
15 success in terms of, okay, now it is time to shift out of
16 the stabilization type activities, focus back on more of a
17 developmental portfolio by USAID and other donors? That is
18 an Administration policy decision based on what happens on
19 the ground.

20 Mr. Walker. I think from our perspective it is not how
21 many, but where. Again, the south and the east are the
22 tough places to work.

23 There are projects that need to be built that right now
24 should not be built, given a lack of permissive environment.
25 There is a power line that needs to go from Kajaki Dam to

1 Kandahar, as a second power line. In our discussion with
2 USAID, we could not recommend going forward with that. It
3 would be a waste of money because then it would get blown
4 up. AID agreed, so that has been put on hold. So, if the
5 surge allows that part of the project to be implemented,
6 then it will increase even more power into Kandahar and
7 Lashkar Gah.

8 So I guess from our perspective, it is a where, not a
9 how many.

10 Senator McCaskill. Any disagreement with that? Where,
11 not how many?

12 Okay, I also have to go on to my next event.

13 I think this has been really helpful. I will tell you
14 that I think you probably know a lot more that you are not
15 telling me, about things that we could do better. I get
16 that you are in this weird position and that you are
17 contractors and that maybe some of the things the government
18 is doing. I do not mean to say the saying that my
19 grandmother used to always say: Do not look a gift horse in
20 the mouth.

21 I know that it may be awkward to criticize the
22 government that you are contracting with, but if there are
23 things that we should be doing better, that allow us to get
24 a better deal in terms of the impact we are having, I hope
25 you will be comfortable sharing them with me in the next

1 couple of weeks, with staff. You can do it anonymously. I
2 mean I do not even care where the information comes from.

3 It is just you are a resource that has been untapped.
4 Contractors on the ground know a lot. They know our
5 weaknesses in terms of contracting, oversight, all of those
6 things, but they are the least likely place that we get good
7 information because you are trying to get along with the
8 people you get contracts with. You are not trying to be
9 their oversight.

10 So I get that I have put you in a somewhat awkward
11 position by asking you to try to help me help you by
12 learning more about contract oversight and the challenges
13 you face there.

14 I do think we have a challenge in that as we have
15 learned about fighting insurgencies the military has morphed
16 from a traditional fighting military to a more comprehensive
17 military as it relates to clear and hold, and the hold part
18 involving things much more broadly than our traditional
19 military ever thought about. And it has kind of been a
20 clash of two cultures--the world of military development and
21 the world of AID development.

22 So, any wisdom you could impart to the staff or to us
23 anonymous, or however you are comfortable, about how you see
24 that going because in likelihood conflicts that our Country
25 is involved in, in the future, we will never go back to the

1 traditional role of military. We are going to be involved
2 in the kinds of conflicts that you have seen in Iraq and
3 obviously the kind of conflict that we are now engaged in,
4 in Afghanistan.

5 This is not about developing a battle plan. This is
6 about how do we get Afghans to step up, participate in their
7 government, grow something other than poppies, learn that
8 greed and corruption are not part of a healthy society.
9 Well, I should not say that. Greed seems to be part of
10 ours, and ours is pretty healthy. But you know what I mean,
11 that we are trying to empower the Afghans to do for
12 themselves what we are trying to help them with now.

13 It is interesting that the change in the military
14 culture and the collision in some ways with the development
15 world I do not think has always been handled well, with good
16 communication or with good understanding. So I would like
17 to see that happen in a more integrated way if possible.

18 Mr. Boomgard. Do you have time for one more quick
19 comment?

20 Senator McCaskill. Sure.

21 Mr. Boomgard. When you are in Afghanistan, and this
22 goes back to your question, ask the question about USAID and
23 military collaboration because if you are sitting here in
24 Washington one gets one impression. When you out there and
25 you see what is going on in the field, you are finding, over

1 the last year or two, military commanders that are working
2 valley to valley that get it, that understand how to work
3 with development partners.

4 Something has been put into the water or something, and
5 there is a lot of collaboration between the military and
6 USAID, I think at the planning level and at the operation
7 level in the field. The most effective operations that have
8 gone on over the last six months, Nawa Valley and other
9 places, have been a direct result of the very close
10 collaboration on the ground, in the right sequence, between
11 military commander that get it and development professionals
12 that finally have figured out how to do this dance and make
13 it work.

14 You do not hear that here in Washington. You hear a
15 lot more of this--

16 Senator McCaskill. About the conflict.

17 Mr. Boomgard. And it turns out that AID people and
18 military people get along really well. They are both
19 operational. They are both sort of on the ground. They are
20 both there.

21 Senator McCaskill. And they need each other.

22 Mr. Boomgard. And they need each other.

23 I think when you ask about it out there it will be very
24 interesting to see whether or not the answers that you get
25 there are identical with sort of what you sense when you are

1 walking around Washington.

2 Senator McCaskill. I think that, and I look forward to
3 that. It was interesting because when I was in Iraq it was
4 just at the beginning of the PRTs and the CERP program, and
5 there was still this wariness on the part of the AID people
6 I talked to, that: What do they think they are doing? This
7 is our sand box.

8 Now I think obviously this has evolved, and there is
9 probably a greater appreciation now, particularly on the
10 ground, for the interdependency and how one cannot succeed
11 without the other.

12 That is great. I will look forward to it.

13 Anything else?

14 Mr. McCall. I agree with Jim.

15 Senator McCaskill. It is better.

16 Mr. McCall. I think it is better.

17 Mr. Bryski. I think a lot of it comes from Ambassador
18 Eikenberry's whole-of-government approach. He has got all
19 the bits of government working together. It is not AID. It
20 is not DoD. It is USG, and it is working.

21 Senator McCaskill. Now is he the ambassador that you
22 see as the ambassador that you all work with most? I have
23 trouble with how many ambassadors we have over there. We
24 have a plethora of ambassadors.

25 Mr. Bryski. Anthony Wayne; he is the one that oversees

1 economic development.

2 Mr. Boomgard. Most of us do not get to meet with
3 ambassadors.

4 Senator McCaskill. There is more than one.

5 Mr. McCall. I have some views I will communicate
6 later.

7 Senator McCaskill. Okay. Anything else before I have
8 to run? Staff will be here to maybe follow up on a couple
9 of specific questions on some issues.

10 But this has been very good. You know I have a
11 tendency to sometimes be so aggressive in trying to go after
12 the waste and the inefficiencies that I forget to take a
13 timeout and acknowledge that there are good hardworking
14 people that are doing work as contractors.

15 I resisted the temptation to ask each one of you how
16 much your companies were going to be making this year on
17 this conflict, or how much your NGO was contracted with. We
18 can get that information later.

19 You guys are not the enemy, I do know that. You are
20 not the enemy.

21 There are some folks who have taken advantage of a lack
22 of oversight. I think a lot of that occurred in the
23 logistical support of the military as we moved in quickly,
24 into a conflict without sufficient numbers of soldiers,
25 frankly, to do the logistical support. So we had to

1 contract all of it, and it kind of got blown up quickly and
2 got a little out of control.

3 But I think you all are doing admirable work. And
4 please convey to the people that work for you in-country
5 that we know that they are outside the wire and they are
6 doing work that is important and dangerous, and they should
7 be admired for that. I will look forward to meeting some of
8 them when I am in-country.

9 And thank you very much for being here today.

10 Multiple Participants. Thank you.

11 [Whereupon, at 3:24 p.m., the Subcommittee was
12 adjourned.]