

Statement of

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Good afternoon, Chairman McCaskill ... Senator Bennett ... Members of the Subcommittee. My name is William Campbell. I am Director of the Operations Directorate in the Office of the Comptroller at the Department of Defense.

Thank you for the opportunity to explain from a budget perspective the actions of the Department of Defense to improve the oversight of reconstruction projects in Afghanistan. My remarks will focus on the Commander's Emergency Response Program or CERP.

The Commander's Emergency Response Program began in fiscal year 2004 and is designed to enable local commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility. CERP is a valuable tool permitting commanders to fund projects that will immediately assist the local population.

In testimony before the Senate Armed Services Committee last April, General David Petraeus, Commander of CENTCOM, called CERP "a vital counter-insurgency tool for our commanders in Afghanistan and Iraq." He added, "Small CERP projects can be the most efficient and effective means to address a local community's needs, and where security is lacking, it is often the only immediate means for addressing those needs."

Since 2004, DoD has obligated approximately \$1.6 billion for CERP in Afghanistan, including \$550.6 million in FY 2009. Those funds enabled 2,268 CERP projects in FY 2009, with two-thirds of the funds spent on transportation. Over 96 percent of all projects were valued at less than \$500,000. In recognition of the program's effectiveness and value, Congress has authorized another \$1.3 billion in FY 2010 for CERP in Afghanistan and Iraq. CENTCOM plans to allocate the bulk of those funds to operations in Afghanistan.

By its nature, CERP involves decentralized implementation by local commanders in theater. Its hallmarks are responsiveness to urgent needs and flexibility. We have heard the concerns expressed by Members of Congress, studied the findings of recent audit reports and examined lessons learned from previous deployments. We have taken steps within the Department, the Army and the CENTCOM theater to improve the oversight of the program – all without diminishing the key element of flexibility and responsiveness this program provides to the commander in the field.

Within DoD, the Office of the Comptroller provides guidance for the program through the Financial Management Regulation (FMR). These regulations went through a significant update in December 2008. This guidance is supplemented by field level instructions and training. All guidance is continually updated to respond to changing operational conditions.

To improve oversight of the program, the Army has enhanced CERP training for four key positions: the project manager, the project purchasing officer, the paying agent, and the unit commander. The first three form a triad of expertise that every project must have. Unit commanders are vital to ensure the appropriate projects are identified. Integrated training and detailed procedures provide the checks and balances necessary in every project.

In addition, in Afghanistan, the U.S. Agency for International Development now participates as a voting member on the CERP review board at the command level. Their participation prevents duplication of effort and also helps identify any problem with sustainment of projects nominated for CERP.

The time, energy and ingenuity that people have devoted to improving CERP reflects both a desire to spend taxpayer funds wisely and to maintain a program that has proven to be a valuable tool in the fight in Afghanistan and Iraq.

DoD recognizes that more improvements can be made in the management of CERP to maintain the flexibility and accountability essential to a field-driven program. To that end, the Deputy Secretary of Defense will lead a review of CERP to determine how best to enhance the Department's guidance, management, and oversight. This report will be completed and made available to the Congress in the spring.

Let me again thank you for the tremendous support of the Congress to this program. I would be happy to respond to your questions about the value of CERP.