

Opening Statement by Senator Robert F. Bennett

February 2, 2010

Subcommittee on Contracting Oversight

U.S. Senate Homeland Security & Governmental Affairs Committee

“Business Perspectives on United States Agency for International Development Reconstruction and Development Contracts in Afghanistan”

The success of the U.S. efforts in Afghanistan, now described as a counterinsurgency operation, is dependent on the ability of our U.S. military organizations to work hand-in-glove with civilian agencies to develop a safe and secure Afghanistan. It is undeniable that contractors play a critical role in Afghan reconstruction and development. These points were highlighted during the Subcommittee’s hearing on December 17th, when witnesses from the Departments of Defense and State, the U.S. Agency for International Development (USAID), and the U.S. Army testified on their roles in the planning, award, management and oversight of contracts in support of the U.S. mission in Afghanistan. We learned that the ability to integrate operations, and our success in Afghanistan, will depend on a clear and cohesive plan that integrates the missions of these different agencies, particularly in light of the plan to deploy an additional 30,000 troops. In achieving this, I believe we will avoid the waste, duplicity and confusion that often hampered similar efforts in Iraq.

At today’s round table, the Subcommittee turns its attention to gaining ground-level insight into the operational experiences and specific challenges faced by companies with reconstruction and development contracts with USAID. The Subcommittee is keenly aware of the contract abuses in Iraq that led to fraud, waste and abuse. Today’s round table will enable us to better gauge the extent to which the hard lessons-learned from Iraq are being incorporated into operations in Afghanistan.

There are over 100,000 contractors currently in Afghanistan performing important services, and with the intensification of our efforts there, their contributions are essential to mission success. As I stated at the Subcommittee’s December 17th hearing, my citing this number is not meant to alarm anyone; in fact, I believe that contractors have an important role in government operations. With respect to military operations, when contractor personnel can relieve our troops from doing support work, they are able to concentrate on the mission they were trained and deployed to do – war-fighting. Apropos to today’s roundtable, when used by our civilian reconstruction agencies, contractor employees enable a broader extension of our building and development expertise. And, when we use Afghan local contractors, we bolster the delicate and growing Afghan economy by funding its private sector.

I am encouraged to see that today we are convening a round table where the major reconstruction contractors will also have an opportunity to share their insights into this challenge. As we are reliant on these businesses in our efforts in Afghanistan, I believe that not only can we benefit from the efficiencies that contractors can often bring in support of our war fighters and reconstruction experts, but we can also leverage their perspective as our private sector partners to gain a more efficient, and effective, result.

No doubt, we need contractors; but, it is our unrelenting duty to maintain ownership of the mission and be meticulous stewards of Americans' tax dollars whether contracts are in support of our military mission or stabilization of a hostile region. We must make every effort to avoid the mistakes that were made with some contracts in Iraq. Much of the blame for those problems has been placed on the contractors, but I think that is too simplistic of an analysis. I feel that poor oversight, unclear performance metrics and frequent turn-over of agency and contractor staff were often the root causes for this waste. Whether the tasks are done by government employees or contractors, we must be mindful of the mission – and not be mired in process.

I have said before that too often, when our government agencies outsource their work they also outsource the results. This is poor business practice, whether in the marketplace here at home, or on the front lines of Afghanistan. Without leadership and oversight, sub-standard contract performance will result, if not outright failures, and an indefensible waste of precious tax dollars.

At the December 17th hearing, Charles North, Deputy Director of USAID's Afghanistan-Pakistan Task Force, shared with the Subcommittee through his oral and written testimony that USAID is expanding the number of American staff on the ground in Afghanistan from 180 to 333 by early this year. Additionally, USAID has 136 Afghan staff and 16 third-country nationals. The increase of USAID personnel is a positive development. The Subcommittee hopes through these round table discussions today it becomes evident that these staff increases yield more comprehensive and effective oversight of USAID contractors.

I also look to learn from the USAID contractors about their perspective on the operational and security environment in Afghanistan. I am particularly interested in the logistics of these projects, the security of those working there, compliance with the "SPOT" personnel database, as well as planning for the increase in Armed Forces, civilian, and contractor personnel expected in the coming months.

Deputy Director North's testimony characterized Afghanistan as a high risk environment in which corruption and extortion pose significant risks. He said USAID has well designed systems to minimize this behavior. I am very interested in hearing the USAID contractors' perspective on the robustness of these systems. I cannot stress enough that when the government relies on contractors to satisfy critical military or reconstruction mission requirements overseas,

we must also be mindful that their employees are an extension of our military forces and our humanitarian personnel abroad. Therefore, we must be sure that the command, control and communication of contractor personnel in theater is no less than we would expect of that within our own military units or civilian agencies. The behavior of our contractors and their employees must also reflect the highest ethical standards and values of our nations to the Afghan people.

I look forward to hearing the insights of our round table witnesses as we work toward strengthening contract oversight related to our critical military and civilian Afghanistan missions.

Thank you Madam Chairwoman.