

RON JOHNSON, WISCONSIN, CHAIRMAN

JOHN McCAIN, ARIZONA
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
JAMES LANKFORD, OKLAHOMA
MICHAEL B. ENZI, WYOMING
JOHN HOEVEN, NORTH DAKOTA
STEVE DAINES, MONTANA

CLAIRE McCASKILL, MISSOURI
THOMAS R. CARPER, DELAWARE
JON TESTER, MONTANA
HEIDI HEITKAMP, NORTH DAKOTA
GARY C. PETERS, MICHIGAN
MARGARET WOOD HASSAN, NEW HAMPSHIRE
KAMALA D. HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

November 15, 2017

The Honorable James Mattis
Secretary
Department of Defense
1400 Defense Pentagon
Washington, DC 20301

Dear Mr. Secretary:

I am writing to request a response from the Department of Defense (DOD) to questions raised in a report by the Special Inspector General for Afghanistan Reconstruction (SIGAR) regarding six projects funded by the Afghanistan Infrastructure Fund (AIF) in danger of both failing to achieve their counterinsurgency (COIN) objectives and being sustained once completed and transferred to the Afghan government. These failures reportedly put at risk almost \$400 million in U.S. taxpayer money.¹

In 2011, AIF was established to fund infrastructure projects in support of U.S. COIN strategy with a focus on water, power, and transportation projects, as well as related maintenance and sustainment costs. DOD and the Department of State (State) funded six projects through AIF beginning in 2011. The six projects include a road in Helmand province, physical infrastructure for multiple provincial justice centers, and four power sector projects. A 2012 SIGAR audit reported four of the six projects were up to 15 months behind schedule, putting any intended COIN benefits from the projects in doubt. Currently, SIGAR reports that three of the power sector projects remain incomplete and are now up to five years behind schedule because of land disputes, increased security costs, funding delays, and allegations of contractor fraud.²

SIGAR's report indicates that the COIN objectives the six projects were intended to support cannot be assessed because DOD, State, and the United States Agency for International Development (USAID) did not develop the performance metrics needed to assess the extent to which these objectives were achieved. Even though performance metrics were provided through guidance at both the strategic and operational levels, DOD, State, and USAID chose not to implement the metrics.³

¹ Special Inspector General for Afghanistan Reconstruction, *Afghanistan Infrastructure Fund: Agencies Have Not Assessed Whether Six Projects That Began in Fiscal Year 2011, Worth about \$400 Million, Achieved Counterinsurgency Objectives and Can Be Sustained* (SIGAR 18-10 Audit Report) (Oct. 2017).

² *Id.*

³ *Id.*

In addition, SIGAR reported that all six projects, with a combined investment of nearly \$400 million in U.S. taxpayer dollars, are at risk of failure because they are not being sustained once completed and transferred to the Afghan government. DOD, State, and USAID failed to develop comprehensive sustainment plans, leaving it to the Afghan government, which does not possess the resources to do so. When the AIF funds were appropriated, sustainability was a U.S. strategic goal in civilian-military campaign plans and frameworks. Congress authorized AIF projects with the expectation DOD, State, and USAID would plan for the Afghan government to sustain them. While DOD, State, and USAID originally developed sustainment plans, those plans were missing several critical elements, such as “realistic cost estimates for maintenance of each project, a reliability assessment of the planned source of sustainment funding for each project, and capacity assessment of the Afghan government entity responsible for each project.” When DOD revised guidance for AIF sustainment plans in 2013, it chose not to apply the new guidance to projects started in fiscal year 2011, saying the new guidance didn’t apply to projects retroactively. However, the power sector projects, which remain incomplete and significantly behind schedule, were not awarded until after the new guidance was implemented in 2013 and DOD still chose not to apply the new guidance to these projects.⁴

In order to better understand DOD’s response to SIGAR’s report, including how it intends to implement certain SIGAR recommendations and why it did not concur with other recommendations, please provide a written response to the following questions no later than December 6:

1. DOD declined to concur with SIGAR’s recommendation to develop and share with the appropriate government officials comprehensive sustainment plans for the three incomplete power sector projects, including validated estimates of financial, human, technical, and other resources the Afghan government will require to operate and maintain each project at its intended performance level. In light of DOD’s decision to not concur with SIGAR’s recommendation, please describe how DOD intends to ensure that the Afghan agencies responsible for operation and maintenance of the projects, will sustain the electric power plants at their intended performance levels. Beyond the basic training DOD described in its response to SIGAR’s recommendation, please describe any alternative plans DOD has or intends to develop to assist the Afghan government sustain these projects once transferred.
2. SIGAR recommended DOD assess each project to determine the extent they have achieved their stated objectives. Please describe the status of those assessments. If not completed, please describe a timeline and provide an anticipated completion date for those assessments.
3. SIGAR recommended DOD conduct an assessment of the financial, human, and technical capacities of each agency which will oversee the ongoing power sector projects once they are completed and transferred. Beyond being briefed by USAID regarding Da Afghanistan Breshna Sherkat, please describe any action DOD is taking

⁴ *Id.*

to complete those assessments. Please describe any actions DOD is taking to assess the Ministry of Public Works' capacity to sustain the projects.

4. Please describe DOD's current policy regarding sustainment plans for reconstruction projects in Afghanistan.
5. Please describe the nature and the status of DOD's contingency plans in the event the Afghan government is unable to properly sustain these projects.

If you have any questions please contact Jackson Eaton with my staff at (202) 224-9872 or Jackson_Eaton@hsgac.senate.gov. Please send any official correspondence related to this request to Lucy Balczak at Lucy_Balczak@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman

RON JOHNSON, WISCONSIN, CHAIRMAN

JOHN McCAIN, ARIZONA
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
JAMES LANKFORD, OKLAHOMA
MICHAEL B. ENZI, WYOMING
JOHN HOEVEN, NORTH DAKOTA
STEVE DAINES, MONTANA

CLAIRE McCASKILL, MISSOURI
THOMAS R. CARPER, DELAWARE
JON TESTER, MONTANA
HEIDI HEITKAMP, NORTH DAKOTA
GARY C. PETERS, MICHIGAN
MARGARET WOOD HASSAN, NEW HAMPSHIRE
KAMALA D. HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

November 15, 2017

The Honorable Rex Tillerson
Secretary
Department of State
2201 C Street, NW
Washington, DC 20520

Dear Mr. Secretary:

I am writing to request a response from the Department of State (State) to questions raised in a report by the Special Inspector General for Afghanistan Reconstruction (SIGAR) regarding six projects funded by the Afghanistan Infrastructure Fund (AIF) in danger of both failing to achieve their counterinsurgency (COIN) objectives and being sustained once completed and transferred to the Afghan government. These failures reportedly put at risk almost \$400 million in U.S. taxpayer money invested in these projects.¹

In 2011, AIF was established to fund infrastructure projects in support of U.S. COIN strategy with a focus on water, power, and transportation projects, as well as related maintenance and sustainment costs. State and the Department of Defense (DOD) funded six projects through AIF beginning in 2011. The six projects include a road in Helmand province, physical infrastructure for multiple provincial justice centers, and four power sector projects. A 2012 SIGAR audit reported four of the six projects were up to 15 months behind schedule, putting any intended COIN benefits from the projects in doubt. Currently, SIGAR reports that three of the power sector projects remain incomplete and are now up to five years behind schedule because of land disputes, increased security costs, funding delays, and allegations of contractor fraud.²

SIGAR's report indicates that the COIN objectives the six projects were intended to support cannot be assessed because DOD, State, and the United States Agency for International Development (USAID) did not develop the performance metrics needed to assess the extent to which these objectives were achieved. Even though performance metrics were provided through guidance at both the strategic and operational levels, DOD, State, and USAID chose not to implement the metrics.³

¹ Special Inspector General for Afghanistan Reconstruction, *Afghanistan Infrastructure Fund: Agencies Have Not Assessed Whether Six Projects That Began in Fiscal Year 2011, Worth about \$400 Million, Achieved Countinsurgency Objectives and Can Be Sustained* (SIGAR 18-10 Audit Report) (Oct. 2017).

² *Id.*

³ *Id.*

In addition, SIGAR reported that all six projects, with a combined investment of nearly \$400 million in U.S. taxpayer dollars, are at risk of failure because they are not being sustained once completed and transferred to the Afghan government. DOD, State, and USAID failed to develop comprehensive sustainment plans, leaving it to the Afghan government, which does not possess the resources to do so. When the AIF funds were appropriated, sustainability was a U.S. strategic goal in civilian-military campaign plans and frameworks. Congress authorized AIF projects with the expectation DOD, State, and USAID would plan for the Afghan government to sustain them. While DOD, State, and USAID originally developed sustainment plans, those plans were missing several critical elements, such as “realistic cost estimates for maintenance of each project, a reliability assessment of the planned source of sustainment funding for each project, and capacity assessment of the Afghan government entity responsible for each project.” When DOD revised guidance for AIF sustainment plans in 2013, it chose not to apply the new guidance to projects started in fiscal year 2011, saying the new guidance didn’t apply to projects retroactively. However, the power sector projects, which remain incomplete and significantly behind schedule, were not awarded until after the new guidance was implemented in 2013 and DOD still chose not to apply the new guidance to these projects.⁴

In order to better understand State’s response to SIGAR’s report, including how it intends to implement certain SIGAR recommendations and why it did not concur with other recommendations, please provide a written response to the following questions no later than December 6:

1. Despite the concerns raised in the report regarding the effectiveness and sustainability of the AIF projects, State declined to concur with any of SIGAR’s recommendations. In light of the fact that over \$400 million dollars was spent on these programs and that money is in jeopardy of being wasted due to these failures, beyond the regular notifications, reports, and briefings State provides to Congress about these projects, please describe the actions State is taking to ensure the projects reach their stated goals and are sustained after they are transferred to the Afghan government.
2. Please describe the actions State is taking to determine if the projects have reached their stated objectives.
3. Please describe the actions State is taking to determine whether or not the Afghan agencies responsible for the projects once they have been transferred have the capacity to sustain them. If those agencies do not have that capacity, please describe the actions State is taking to help them achieve that capacity.
4. Please describe State’s current policy regarding sustainment plans for reconstruction projects in Afghanistan.

⁴ *Id.*

The Honorable Rex Tillerson
November 15, 2017
Page 3

5. Please describe the nature and the status of State's contingency plans in the event the Afghan government is unable to properly sustain these projects and the U.S government is forced to.

If you have any questions please contact Jackson Eaton with my staff at (202) 224-9872 or Jackson_Eaton@hsgac.senate.gov. Please send any official correspondence related to this request to Lucy Balcezak at Lucy_Balcezak@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman