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THE SENATE COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENT AFFAIRS**

**STATEMENT OF
SENATOR JIM WEBB**

**BEFORE THE
SENATE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENT AFFAIRS**

**CONCERNING THE FINAL REPORT OF
THE COMMISSION ON WARTIME CONTRACTING**

**ON
SEPTEMBER 21, 2011**

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Chairman Lieberman, Senator Collins, and distinguished members of the Senate Committee on Homeland Security and Government Affairs. I appreciate very much having this opportunity to appear before you with Senator McCaskill as you examine the important recommendations made by the Commission on Wartime Contracting in its final report that was delivered to Congress just three weeks ago.

I would first like to express my thanks again to Commission Co-Chairs Michael Thibault [T-BOW] and Christopher Shays, their fellow Commissioners and their professional staff for the exemplary work that they have done to satisfy a very ambitious congressional mandate. I believe this Commission demonstrates the way that Congressional commissions should work. It was bi-partisan, independent, high energy, and composed of highly qualified people who were brought in for a specific period of time – a sunsetted commission that will be disestablished in two days.

When I came to the Senate, one of the eye-openers for me as a member of the Senate Foreign Relations Committee was a hearing in which the Department of State testified about \$32 billion in funding for programs for Iraq reconstruction projects. I asked the witnesses to provide the Committee a list of the contracts that had been let, the amount of the contracts, a description of what the contracts were supposed to do, and what the results were. They could not provide us that list. For months we asked them, and they were unable to come up with a list of the contracts that had been let.

As someone who spent five years in the Pentagon—one as a Marine and four as a defense executive—it was very clear to me that something was fundamentally wrong with the way contracts for infrastructure reconstruction, wartime support, and security programs were being put into place in Iraq and Afghanistan after 9/11.

There were good companies, as this Commission report has been careful to mention, who were doing a great deal of good work. But there were also a series of major structural, procedural, and leadership deficiencies in terms of the way wartime-support contracts were being prepared, awarded, and executed. You could look at the dynamics of what was going on—particularly in Iraq at the time—and know it wasn't out of the question to say that even then billions of taxpayer dollars were being exposed to waste, fraud and abuse for a host of reasons.

After many discussions with Senator McCaskill –who had expressed similar concerns as a fellow member of the Senate Armed Services Committee—we introduced legislation in 2007 that led to the establishment of this Commission a year later. As with all legislative proposals, we had to give on some areas that we believed in strongly, such as retroactive accountability for some of the abuses that had taken place. We did not get that provision, nor did we empower the Commission with subpoena authority. But, following close consultation with members of both parties, we were successful in enacting the legislation that put the Commission in place. Just as importantly, we achieved consensus that the Commission would be independent and bipartisan, that it would be energetic, and that it would come to us with the types of recommendations that would prevent the reoccurrence of these systemic problems and abuses in the future.

I commend the Commission for its intensive three-year effort to satisfy its statutory mandate. It went to extraordinary lengths here in the United States, as well as in Iraq and Afghanistan, to perform its mission. Its 25 public hearings ensured full transparency. Today's final report was preceded by two interim reports and five special reports. Each provides well-documented findings and sound recommendations.

The Department of State, the Agency for International Development, and the Department of Defense have already addressed many of the Commission's earlier recommendations. As a result, some contracting policies, procedures, and oversight activities have improved. Senior military commanders in the field now have a better understanding that wartime-support contracting is the commander's business. However, as the Commission's final report makes clear with its estimate that from \$31 billion to \$60 billion in wartime-support contracting has been wasted in Iraq and Afghanistan, we are a long way from having this awareness translated into the additional reforms necessary across federal agencies.

I am confident that members of this Committee and others with oversight responsibilities share these common concerns. When operations in Iraq and Afghanistan draw to a close, there is a real risk that the executive branch will have less impetus, incentive, and interest in instituting and institutionalizing necessary contracting reforms. Budget reductions will make necessary investments to improve the contracting process less appealing—but greater numbers of qualified federal contracting officers and auditors are essential if we are to reduce waste in contracting processes. If the Commission's recommendations are not acted upon aggressively, we will unavoidably repeat past mistakes and relearn old lessons when the next major overseas contingency or humanitarian crisis occurs for which extensive contractor support is necessary.

As the Commission has properly noted, Congress has a role to play to ensure this does not happen. Today's hearing sets us on the right path by allowing the Commissioners to testify directly and to receive the views of witnesses from the Executive Branch.

The Commission's final report makes 15 recommendations. Ten are directed to the State Department, USAID, the Department of Defense and other agencies involved in contingency operations. One recommendation—to elevate and expand the authority of military officials responsible for contingency contracting on the Joint Staff, on the unified combatant commands, and in the military services—is directed only toward DoD. Four of the recommendations are directed toward Congress.

Together with my colleagues on this Committee and on Armed Services and Foreign Relations, I look forward to examining the Commission's recommendations carefully. Professional staff is already working to determine the need for additional legislation going forward, but it is important to emphasize that Executive Branch agencies already have the authority to adopt most of the recommendations directed toward them.

For this reason, at this preliminary point I strongly endorse the Commission's position that we in Congress should enact legislation requiring regular assessments and reporting by each agency to monitor their progress in implementing reform recommendations. Follow-up reports by the Comptroller General also should be used for an independent assessment of each agency's implementation and follow through.

As a member of the United States Senate and one of the two cosponsors of this legislation, I can say today that I know the Commission's recommendations will be listened to carefully and, when appropriate, acted on by the United States Congress.

In closing, when I addressed the Commission at its first public hearing in 2009, my challenge was for it to be aggressive in satisfying its statutory mandate, because the taxpayers, our warfighters, and foreign service professionals serving overseas deserve nothing less. The Commissioners and its professional staff met that challenge and have, in the process, performed an invaluable public service.

The administration and Congress must do their part. We must persevere in reforming wartime and contingency contracting. The waste of billions of taxpayer dollars described by the Commission in its final report is outrageous and intolerable.

Thank you again for the opportunity to appear before you today.