

STATEMENT OF AMBASSADOR PATRICK KENNEDY  
UNDER SECRETARY FOR MANAGEMENT  
U.S. DEPARTMENT OF STATE  
Before the Subcommittee on  
National Security, Homeland Defense, and Foreign Operations  
House Committee on Oversight and Government Reform  
"Status Report on the Transition to a Civilian-Led Mission in Iraq"  
October 12, 2011

Chairman Chaffetz, Ranking Member Tierney, distinguished members of the Committee, thank you for inviting me to testify before you again today to discuss the State Department's preparations for the United States' transition from a military-led to a civilian-led presence in Iraq. I want to focus my testimony on the progress made since I was last here in March. With your permission I will summarize my statement and submit my full testimony for the record.

After a long and difficult conflict, we now have the opportunity to see Iraq emerge as a strategic ally in a tumultuous region. A sovereign, stable, and self-reliant Iraq that can act as a force for moderation is profoundly in the national security interests of the United States. Ensuring that Iraq can realize its full potential to be our strategic partner is exactly what the civilian-led presence can accomplish.

We also understand how extraordinarily difficult the budget environment is now and will continue to be in the coming years. We have carefully examined our implementation plans to ensure we are being prudent with our allocated funds

while fulfilling the critical national policy objectives entrusted to us. To advance U.S. national interests in Iraq and the broader region, we must see this transition through -- Iraq must remain a key priority for our government.

And we do this mindful of recent reports such as the Commission on Wartime Contracting (CWC) regarding waste in contingency contracting in order to ensure that US dollars are spent efficiently in this effort.

Continued U.S. engagement is essential to helping Iraq achieve stable institutions and economic strength. In a whole of government approach, Embassy Baghdad and our consulates will be staffed with experienced, capable Foreign Service and civil service personnel, working alongside staff from 15 other federal agencies.

The civilian-led presence will be composed of **three major components** designed to impact critical areas and will build on progress made so far by our Embassy and military colleagues.

- Our Diplomatic Presence. Our diplomatic presence in the north, center, and south of Iraq is designed to maximize influence in key locations.

#### North

- Engagement through our **recently opened** Consulate General in Erbil is essential for facilitating agreements between Baghdad and the Kurdistan

Regional Government on internal disputes. Erbil can assist Embassy Baghdad in covering the Sunni political heartland.

- Co-locating a diplomatic presence with an Office of Security Cooperation (OSC) site will allow the USG to maintain a daily presence in the contested area of Kirkuk, a territory most likely to generate Arab-Kurd conflict that has the potential to endanger Iraq's unity government and undermine Iraq's internal stability. This arrangement would also provide a platform for core program activities (security, judicial, economic engagement) and operations of the Police Development Program, the U.N. and other civilian agencies.

#### Center

- Our Embassy in Baghdad is the foundation for all of our programs and efforts. Embassy civilians will continue to monitor and engage on national issues such as sectarian tensions, economic development, international investment, and strengthened relationships with neighboring states.

#### South

- Work from our **recently opened** Consulate General in Basrah in Iraq's Shia heartland is critical to helping Iraq achieve its full economic potential. Basrah is home to 80% of Iraq's known oil and gas reserves,

and development of these resources provides Iraq its best opportunity to invest in diversifying its economy, improving basic services, and enhancing government institutions. Our presence in Basrah is also critical to supporting American companies invested in Iraq and the many more that are considering investing.

- Police Development and Rule of Law. Over the past seven years, we have helped Iraq's Ministry of the Interior expand its police forces and train them in counterterrorism and basic policing skills. Now we must ensure that these forces have the management, leadership, and technical capabilities to provide for internal security, protect minorities, and uphold the rule of law. These are basic elements for a stable society and reliable economic growth. Effective and reliable Iraqi Security Forces (ISF) also help to ensure the safety of our mission personnel, and will eventually reduce the cost of our presence as security in the country improves and we can rely on Iraqi security for our own protection.
- The Office of Security Cooperation. The OSC will help close gaps in ISF capabilities through security assistance and security cooperation. These programs support Iraq's air, land, and maritime sovereignty missions, sustain our investments in the ISF to date, and play a critical role in building our strategic partnership with Iraq.

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I turn now to an update on the safe and secure management platforms needed to support successful implementation of our policy in Iraq, which is my responsibility as the Under Secretary for Management. We have made much progress since I was here last March. Some things remain the same – we still have a robust contracting oversight system firmly in place and being executed by our Bureau of Administration. The Bureau of Diplomatic Security is overseeing its competitively awarded security task orders using the enhanced oversight and management system put in place over the last several years. Also, we continue to work very closely, every day, on an unprecedented level with our DoD colleagues on implementing this transition; support from DoD is essential to our success, and our cooperative efforts continue to flourish.

As discussed in March, there are eight key components to launching these platforms, and I am pleased to give you a brief status report on our progress for each.

**Property:** The Embassy is aggressively pursuing property negotiations with the Government of Iraq and has conveyed diplomatic notes detailing the language of the agreement and specifying the requested locations. We are awaiting a formal response from the Government of Iraq’s Ministry of Foreign Affairs to ratify the agreement.

**Facilities:** Construction contracts for all sites have been competitively awarded and build-out is underway. To the maximum extent possible, we are repurposing existing DoD infrastructure and property at all of our sites. DoD is transferring a significant amount of building/construction materials to State (e.g. containerized housing units and T-walls).

**Security:** In order to meet a set of unique security challenges, the Department's Diplomatic Security Bureau is taking on new missions and roles. The Department has deployed DS security professionals, including members of the newly created Security Protective Specialists job category, to posts throughout Iraq. DS has established an unmanned aerial vehicle program to conduct reconnaissance for protective security details and over-watch of our facilities. We are putting in place Sense and Warn systems to maintain the capability to detect, and alert us to indirect fire attacks. The deployment of mine resistant – ambush protected (MRAP) vehicles will enhance our ability to respond defensively outside of secure Mission facilities and increase our Quick Reaction Force capabilities.

As we discussed in March, the Department competitively awarded a base contract for Worldwide Protective Services to eight companies in September 2010. Task orders under this contract are competed among base contract awardees and awarded on the basis of best value, allowing for increased competition and thereby

controlling costs. As of now, task orders for static and movement security have been awarded for all Department of State sites.

The joint DoD Equipping Board has identified more than 3,260 individual pieces of equipment worth approximately \$224 million to be transferred as excess, sold, or loaned to State. These include medical, sense-and-warn, IT, and biometric input equipment, as well as 60 MRAPs. Sustainment for this equipment will be provided on a reimbursable basis through a contract managed by the Army Sustainment Command at Rock Island.

DoD is also loaning the State Department its Biometric Automated Toolset System (BATS) and Biometric Identification System for Access (BISA). Use of DoD's BATS/BISA systems and data bases will greatly assist the Embassy's Regional Security Office (RSO) in facilitating access control and identifying and vetting prospective locally engaged staff.

As discussed in March, we have worked over the past few years, to enhance Department oversight of all our contracts, including those for private security contractors. The private security contractors who protect our diplomats in high-risk environments perform an essential function that enables the conduct of American diplomacy in the places where it is needed most. Our Bureau of Diplomatic Security has refined and expanded its plan for oversight and operational control of PSC personnel. For the Worldwide Protective Services

contract, Diplomatic Security will have more than 175 direct-hire personnel to administer the contract and its task orders, to ensure contract compliance of approximately 5,000 security contract employees.

Much attention has been focused on the US Government's use of private security contractors in conflict zones. DoD has used PSCs in Iraq to perform personal security, convoy security and statistic security. DoD reports approximately 9,500 security contractors in Iraq as of the 4<sup>th</sup> Quarter 2011, down from a high of about 15,280 in June 2009. For State – 5,000 is a significant number, but it reflects the need to secure our facilities and protect USG staff from a number of agencies, most of whom are civilians, when traveling outside our compounds, in what remains an unstable security environment. This staffing level reflects State's continuous operations in countries such as Iraq and Afghanistan, where previously we would have suspended our operations.

We have sought to reduce risks associated with using contractors through robust oversight. Contractors are operationally overseen and contractually managed by direct hire Department of State personnel. We have also instituted cultural training and behavioral standards to lessen the chance that a contractor's behavior will offend the sensibilities of the local populace. In situations where private security contractors have acted inappropriately or not performed as required we took corrective action.

The Baghdad guard force and other PSCs in contingency areas such as Kabul are like other local guards, serving as the first line of defense for our facilities and staff, but they differ from our typical local guard forces in that they have higher recruiting, screening, and training requirements; a high percentage of American and Third Country National personnel; and some specialized support services such as medical and logistics.

The Kabul and Baghdad guard forces also have specialized weapons and equipment which are necessary to defend against the extreme threats in those countries and defend our personnel and facilities from attack.

The recent terrorist attack in Kabul illustrates the critical need for enhanced and robust security programs, including properly equipped private security contractors who are operationally overseen by direct hire members of the Department's Diplomatic Security Service and act in concert with host country security forces. In contingency areas, such as Iraq and Afghanistan, our PSCs are under management and oversight of DS direct hire personnel; as illustrated by the September 13 terrorist incident in Kabul, the Embassy's security elements acted swiftly to protect embassy staff and Afghan visitors in the compound, moved them to safe locations, assumed defensive positions, and took defensive actions as directed by the Chief of Mission.

Oversight of security contractors is an area where CWC's recommendations have been particularly helpful. CWC provided strong support to the Department, resulting in the enactment of an authority in the Consolidated Appropriation Act of 2010 that allowed guard contracts in Iraq, Afghanistan, and Pakistan to be awarded on a best value basis. Previously we could only award on the basis of lowest cost, technically acceptable. Enactment by Congress of this authority presented the opportunity to combine the World-wide Personal Protective Services II, Baghdad Embassy Security Force, and Kabul Embassy Security Force requirements into a single multiple award, indefinite delivery/indefinite quantity (IDIQ) contract for non-permissive environments.

The CWC in its final report of August 31, 2011, provided in recommendation 4 that:

- When private security or other contractors are to be armed, they should be overseen by government employees and tracked in a centralized system, as is done in Iraq.
- Reliance on private security contractors should be accompanied by greater use and emphasis on vetting, training, authorizing arms, and weapons control; post-convoy debriefing, locational tracking and video monitoring; and more thorough and comprehensive management.

State has already instituted operational measures, as well as increased contract oversight to ensure professionalism and responsibility through improved direct oversight of security contractor personnel when CWC's report was written. Diplomatic Security is already staffed to achieve this oversight. Its actions for management, oversight, and operational control of contract personnel include:

- DS Special Agents at each post in Iraq and Afghanistan serve as managers for the Static Guard and Personal Protective Security programs;
- DS Special Agents at each post also serve as Contracting Officer's Representatives (CORs) and Assistant CORs (A/COR) for the direct management and oversight of the Worldwide Protective Services (WPS) contract;
- DS personnel at each post are assigned as Government Technical Monitors (GTMs) to assist the COR and A/COR in the oversight of the WPS contract;
- DS personnel provide direct operational oversight of all protective motorcades in Iraq and Afghanistan;
- DS personnel continue to conduct frequent, unannounced health and welfare after-hours visits to WPS housing compounds. Collocation of contractor life support areas on Embassy, Consulate or other compounds enhances after-hours oversight of contractor personnel;

- Revised mission firearms policies strengthen rules on the use of force and new less-than-lethal equipment has been fielded as a means to minimize the need for deadly force;
- Video recording systems and tracking systems installed in vehicles to enhance oversight and contractor accountability;
- All incidents involving a weapons discharge and/or other serious incidents are thoroughly investigated by the Regional Security Office.
- Revised standards of conduct are in place, including a ban on alcohol.
- In Erbil under the new WPS contract, all Third Country National (TCN) guards are being replaced with Local National (LN) Kurdish guards, thus reducing costs and building permanency in the guard force program.

Additionally, the Department tracks both security and non-security contractors through the USG-designated common database for contracts and contractors in Iraq and Afghanistan - SPOT, the “Synchronized Predeployment and Operational Tracker,” which was developed by DoD.

Mr. Chairman, the Department responded to your June 8 letter concerning the “lost functionalities” that will be transitioned to the Government of Iraq (GOI) once the U.S. military departs, or will be shared between the GOI and the remaining USG civilian mission. We hope you found our response helpful in

addressing your concerns, and I will be glad to discuss this topic further today. We understand that there are risks, but we are committed to executing our assigned mission – advancing U.S. national security by maintaining a strong U.S. diplomatic presence in Iraq.

**Life Support:** A scope of work for life support – facility operation, food service, laundry, etc. – was developed and a solicitation was issued. We will procure life support services under DoD’s competitively awarded Logistics Civil Augmentation Program or LOGCAP.

Kellogg, Brown & Root (KBR) won the competitively competed Iraq Post 2011 Base Life Support Task Order on Aug 1<sup>st</sup> and has begun the transition from LOGCAP III to LOGCAP IV.

**Medical:** To ensure the safety and well-being of our personnel, we are establishing robust medical units, staffed and equipped to stabilize trauma cases that would then be moved to nearby, first-world medical facilities in Jordan and Kuwait. State competitively awarded a medical contract in June 2011 to CHS Medical to provide the country-wide medical support in Iraq covering Chief of Mission personnel. The implementation phase is on schedule, and the scope is expanding to include Ambulance Services, Mortuary Services, and Food Inspection.

**Aviation:** Implementation of aviation support is progressing smoothly under an existing competitively awarded contract. This will manage and execute State Department's aviation operations in support of all U.S. Government elements, using five fixed-wing aircraft (Dehavilland "Dash 8") and 34 helicopters. This program will provide medical evacuation support, movement of Quick Reaction Force personnel, transportation of personnel by fixed and rotary wing aircraft within Iraq using a "hub and spoke" concept, and fixed wing movement of personnel into and out of Iraq.

**Information Technology (IT):** We are implementing a full range of IT support services: terrestrial circuitry and satellite to support our unclassified and classified networks, our telephone and radio programs, and our diplomatic pouch and mail requirements. In many cases we partnered with DoD to improve efficiency and reduce costs. For example, DISA is our provider for high speed connectivity to Embassy Baghdad. Additionally, where appropriate, existing DoD equipment such as telephone switches are being used to sustain diplomatic operations.

**Contracting and Contract Oversight:** Since Iraq remains a non-permissive operating environment, we continue to focus on an effective contracting effort to implement the transition. To ensure we meet this critical goal, we have developed a contracting strategy that takes into account life support, security,

transportation, communications, and facilities which I discussed in March. The Department has deployed experienced contracting personnel and has the ability to surge other resources when needed to address specific contingency operations. Through internal funding mechanisms (a one percent fee charged on all contracting services), the Department is able to draw upon its own resources, including the hiring of 102 additional contracting staff over the past several years.

As noted above, we continue to leverage the DoD resources in theater where DoD has superior capabilities, as in our use of LOGCAP IV. Use of LOGCAP will give the Department sufficient time to solicit for and award a life support contract of its own.

The Department is working jointly with the Army Contracting Command, and with State Bureaus including Near Eastern Affairs, Diplomatic Security, and Internal Narcotics and Law Enforcement, on the training and deployment of CORs.

Throughout our contracting efforts, the Department is always cognizant of inherently governmental functions, and we contract for services that are not inherently governmental. Department personnel were actively engaged with the Office of Federal Procurement Policy and with our colleagues in other agencies, including DoD, on preparing both the draft and final Policy Letter to better define inherently governmental performance.

There is no doubt that the scope of the Department's diplomatic activities in Iraq is beyond anything that we have done in the past. However, State has history of stepping up to, and meeting, challenges, from opening over two dozen new diplomatic posts after the fall of the Berlin Wall, to constructing 82 new embassy compounds in the past 11 years, after the bombings of our East African embassies. We now operate in countries where, in the past, we would have closed operations.

We have the competence and the personnel to mobilize in Iraq, and we have DoD's full and unerring support and partnership at every level from Secretary Panetta and Chairman Dempsey all the way down to the excess-property clerks who give us equipment.

With the teams we have in place – the executive steering group, our team in Baghdad, led by Ambassador Jeffrey, joint State-DoD teams, the Department's Iraq Transition Coordinator Ambassador Haslach, and the staff that I work with every day on Iraq transition issues – we will deliver on this mission because it is in the U.S. national interest that we do so.

Thank you again for inviting me here today and for your ongoing support for the Department of State. I welcome any questions you have.

**Patrick F. Kennedy**  
**Under Secretary for Management**  
**Department of State**

Patrick F. Kennedy, a Career Minister in the Foreign Service, was confirmed by the U.S. Senate as Under Secretary of State for Management on November 6, 2007. As Under Secretary for Management he is responsible for the people, resources, facilities, technology, consular affairs, and security of the Department of State and is the Secretary's principal advisor on management issues. He also provides regular direction to the Bureau of Resource Management, and the Chief Financial Officer serves as a core member of the Under Secretary's senior management team. He is the State Department's representative on the President's Management Council.

Prior to assuming his new position, he was Director of the Office of Management Policy, Rightsizing, and Innovation from May 2007; Deputy Director of National Intelligence for Management from April 2005 to May 2007; and from February 2005 to April 2005 he headed the Transition Team that set up the newly created Office of the Director of National Intelligence.

From September 2001 to May 2005 he was U.S. Representative to the United Nations for Management and Reform with the Rank of Ambassador. During this period he also served from May 2003 to the end of November 2003 as Chief of Staff of the Coalition Provisional Authority in Iraq, and from May 2004 to late August 2004 as the Chief of Staff of the Transition Unit in Iraq.

In 1993 he became Assistant Secretary of State for Administration and served in the post until 2001. Concurrently, from August 1996 to August 1997 he served as the Acting Under Secretary for Management; during 1998, as Acting Assistant Secretary of State for Diplomatic Security; and from 1997 to 2001 as the coordinator for the reorganization of the foreign affairs agencies. From 1973, when he joined the Foreign Service, to 1993, he served in a number of positions in Washington and overseas, including as Management Counselor at the Embassy in Cairo and Executive Director and Deputy Executive Secretary of the Executive Secretariat.

Mr. Kennedy is a native of Chicago, Illinois and received a BSFS from Georgetown University.