

Joint Statement of
Commissioners Grant S. Green and Michael Thibault
The Commission on Wartime Contracting in Iraq and Afghanistan

Hearing:

**U.S. Military Leaving Iraq:
Is The State Department Ready?**

United States House of Representatives
Subcommittee on National Security, Homeland Defense, and Foreign Operations
Washington, DC, March 1, 2011.

Good morning, Chairman Chaffetz, Ranking Member Tierney, and Members of the Subcommittee.

I am Grant Green, a member and former acting co-chair of the independent and bipartisan Commission on Wartime Contracting in Iraq and Afghanistan. Participating with me in this joint statement is Commission Co-Chairman Michael Thibault.

Our biographies are on the Commission's website, so I will note just a few points that bear on today's issues. I am a retired U.S. Army officer and have served as Assistant Secretary of Defense, Under Secretary of State for Management, and Executive Secretary of the National Security Council. Mr. Thibault, who is also a U.S. Army veteran, served more than 35 years with the Department of Defense, the last 11 years as deputy director of the Defense Contract Audit

Agency. He has also worked as a private-sector consultant and executive for a Fortune 500 company.

We are here on behalf of all eight Commissioners, who yesterday approved release of a fourth Special Report to Congress, which we have titled, "Iraq—a forgotten mission?" We have brought printed copies with us today, and have also posted the report on the Commission's website, www.wartimecontracting.gov. As with our appearance today, the report reflects bipartisan consensus. We respectfully request that the report be included in the Committee's hearing record.

This hearing poses the question, "U.S. Military Leaving Iraq: Is The State Department Ready?" The short answer is "no," and the short reason for that answer is that establishing and sustaining an expanded U.S. diplomatic presence in Iraq will require State to take on thousands of additional contractor employees that it has neither funds to pay nor resources to manage.

We base our findings and recommendations on the Commission's research and hearings, as well as on two trips to theater to probe the transition process. Mr. Thibault and I led the first trip, which prompted our July 12, 2010, Special Report 3, titled "Better planning for Defense-to-State transition in Iraq needed to avoid mistakes and waste."

Commission Co-Chair Christopher Shays and I led the second trip to Iraq on this issue in December. We observed progress, but our

observations and subsequent research have led to our follow-up Special Report 4, “Iraq—a forgotten mission?”

Teams from State and the Department of Defense have been working hard on identifying transition needs and dealing with hundreds of tasks ranging from logistical support and medical care to air transport and security. State’s plans to establish two permanent and two temporary points of presence in parts of Iraq away from Baghdad will also require reconfiguring some property still occupied by the U.S. military and undertaking some new construction.

All of these activities will require increased contracting, as well as increased funding and increased staffing for contract management and oversight. This is particularly problematic when you consider that the State Department’s recent Quadrennial Diplomacy and Development Review acknowledges that:

- contracts are often State’s “default option” rather than an optimized choice,
- contracts “are often well into performance phase” before strategies and resource for managing them are identified,
- its contract management-and-oversight capability has “languished” even as contracting has grown, and
- State has a “need to restore government capacity in mission-critical areas.”

State deserves credit for recognizing these problems, which we would note also occur in other federal departments.

Besides the collaboration and contract-management challenges, another looming problem for the DoD-to-State transition is *time*. Ten months from today, all but a handful of U.S. military personnel will be gone from Iraq. State needs to have many new contracts in place with contractors at work by October to ensure a good transition. And that means many acquisitions must be launched quickly.

As concerned citizens, we can all agree that the stakes in Iraq and the region are high. As members of the Commission, however, we are confining our observations to the implications of the contracting required for State's planned presence in Iraq after 2011. We are *not* opining on the merits of State's plan, or urging that Congress provide everything that State requests. If anything, considering the extent of contracting waste, fraud, and abuse we have seen in Iraq and Afghanistan, we would encourage the Department and lawmakers to examine that plan closely to seek more economies and safeguards for the taxpayer dollars devoted to contracting.

We are simply pointing out here that the declared policy of the government to expand the Department of State's role and visibility in Iraq after the U.S. military departs has large and unavoidable consequences for contingency contracting that must be recognized and resolved.

Our new Special Report 4, “Iraq—a forgotten mission?,” spells out our concerns in more detail. We will close by quoting the three recommendations in that report. The Commission recommends that:

“1. Congress ensure adequate funding to sustain State Department operations in critical areas of Iraq, including its greatly increased needs for operational contract support.

“2. The Department of State expand its organic capability to meet heightened needs for acquisition personnel, contract management, and contractor oversight.

“3. The Secretaries of State and Defense extend and intensify their collaborative planning for the transition, including executing an agreement to establish a single, senior-level coordinator and decision-maker to guide progress and promptly address major issues whose resolution may exceed the authorities of departmental working groups.”

We respectfully urge the Members of the Subcommittee and other lawmakers to consider these recommendations as they deal with these pressing and critical matters.

This concludes our statement. We will be pleased to answer any questions you may have or to provide follow-up information.

Thank you, Mister Chairman.

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