

STATEMENT OF AMBASSADOR PATRICK KENNEDY
UNDER SECRETARY FOR MANAGEMENT
U.S. DEPARTMENT OF STATE
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National Security, Homeland Defense, and Foreign Operations
House Committee on Oversight and Government Reform
“U.S. Military Leaving Iraq: Is the State Department Ready?”
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Thank you for inviting me to appear before you today to discuss the State Department’s preparations for the United States’ transition from a military-led to a civilian-led presence in Iraq.

Our efforts to drawdown in Iraq are a critical part of our transition to full Iraqi responsibility, in line with the President’s goal of supporting an Iraq that is sovereign, stable, and self-reliant. The second part of our strategy is no less important: sustained diplomacy in support of a strategic long-term partnership between the United States and Iraq. The Administration's request is designed to provide us with the resources necessary to implement and operate the diplomatic platform that will enable us to advance U.S. interests in Iraq, including consolidation of Iraq's democratic transition, Iraq's reintegration into the global economy, and sustained pressure on Al Qai'da in Iraq. This platform will also make possible an American partnership with Iraq that will contribute to peace and security in the region, a goal that burns brighter in the wake of recent events.

As Secretary Clinton, Secretary Gates, and Admiral Mullen have emphasized, short-changing our civilian presence now would undercut our ability to pursue our enduring national interests in Iraq. Vice President Biden stated during his most recent visit to Iraq that it is vital that we leave behind an Iraq that is worthy of the sacrifices that so many U.S. military personnel and civilians have made.

Between 2010 and 2012, the U.S. military drawdown will save the U.S. taxpayers \$51 billion, while the State Department's total operating budget request for Iraq will only increase \$2.5 billion over the same period of time. So, although the State Department's 2012 funding needs will naturally increase because of the military-to-civilian transition, the overall cost to the U.S. taxpayer will decrease dramatically. All this is to say: a stable Iraq is in the U.S. national interest. We need to be fully funded for our Iraq program in both FY-11 and FY-12. Anything less would severely affect the transition.

This is an overview of the larger policy issues we face in Iraq, and there are many State Department and Department of Defense (DoD) staff working on the policy issues, both large and small. Today, I would like to address the safe and secure management platforms we are establishing to support successful implementation of our policy in Iraq, which is my responsibility as the Under Secretary for Management. 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 is now fine-tuning the diplomatic notes that will be exchanged to codify our agreement.

Facilities: To the maximum extent possible, we are repurposing existing DoD infrastructures and property for each of the Consulates General and Embassy Branch Office sites. The Bureau of Overseas Buildings Operations (OBO) has received bids for the Consulate in Basrah, and the Embassy Branch Offices in Kirkuk, and Mosul. Solicitations have been let for Police Development Program at Camp Shield and the aviation/life support area at the Baghdad military airport, i.e., Sather. OBO will let the solicitation for Police Development Program compound Erbil in the middle of this month. We expect contracts to be awarded as soon as practical.

Security: All U.S. personnel and contractors in Iraq will be under Chief of Mission authority. However, security will be a shared responsibility, with the State Department's Bureau of Diplomatic Security (DS) responsible for all State Department sites and DoD responsible for the OSC-I personnel. As such, DoD will be staffing and funding its security operations. At those locations where OSC-I is collocated with State, DS and DoD security will be required to closely

coordinate movements, but DS will have sole responsibility for the facilities security. The contracts for static and movement security have either been awarded or are about to be awarded.

- We are in the process of finalizing an agreement with DoD to loan us 60 Mine Resistant Ambush Protected (MRAPs) vehicles;
- We will utilize an Army contract for maintenance of the tactical vehicles and much of the security equipment;
- An Unmanned Aerial Vehicle reconnaissance program is being established;
- We are coordinating with DoD on the deployment of a “sense and warn” system to detect and warn of indirect fire at each site;
- We will have tactical radio communications to ensure secure over-the-horizon capability in our vehicles; and
- We will have tactical operations centers (TOCs) at each site.

Life Support: A scope of work for life support – facility operation, food service, laundry, etc. – has been developed and the solicitation has been issued; we expect to award a contract no later than July 31.

Medical: To ensure the safety and well-being of our personnel, we plan to establish robust medical units in Baghdad, Basrah, Kirkuk, and Mosul, as well as smaller medical units at seven other sites. These units will be staffed and equipped to stabilize trauma cases that would then be moved to nearby, first-world

medical facilities (Jordan and Kuwait). A solicitation has been released and we expect to award a contract no later than May 20.

Aviation: The International Narcotics and Law Enforcement (INL) Bureau's Air Wing will manage and execute State Department's aviation operations in Iraq in support of all elements, using five fixed-wing aircraft (Dash 800) and 41 helicopters. The fixed-wing aircraft have been purchased, as have 18 helicopters. The rest of the helicopters are already in our inventory. This program will support the Quick Reaction Force and medical evacuation capabilities, as well as underpin the INL Police Development Program and transport personnel into and out of Iraq. Our ability to establish the air wing as envisaged, however, is contingent on receiving our full funding request for Iraq.

Information Technology (IT): The full range of IT support services is being planned; that is, the circuitry, satellite, and strategic operational backbone of our unclassified and classified networks, to telephone and radio, and our diplomatic pouch and mail.

Contracting and Contract Oversight: Much of our success in Iraq will depend on an effective contracting effort. Unlike other U.S. embassies, we are not operating in a permissive environment in either Iraq or Afghanistan. Such a non-permissive environment means that we cannot depend on local services such as a static guard force or a cleaning crew made up of host-country nationals, nor can we

frequent markets, gas stations, hardware stores, or pharmacies. This is why we are so heavily dependent on contractors – at least until the security environment improves. To ensure we meet this critical goal, we have developed a contracting strategy that takes into account life support, security, transportation, communications, and facilities.

While we have decided it is most effective for the State Department to use its own competitive process to award most contract actions, we are also leveraging DoD resources where DoD has superior capabilities in theater. The Logistics Civil Augmentation Program, or “LOGCAP,” is one such example. It is a tested, proven support mechanism with strong, mandatory contract management requirements. Use of LOGCAP, on an interim basis, gives the State Department sufficient time to solicit for and award a life support contract of its own. Another example is use of the Defense Logistics Agency prime vendor contracts for food and fuel.

I want to assure this Committee that as the Under Secretary for Management, I take our contract oversight responsibilities seriously. After the Nisour Square incident in 2007, I led an interagency team that crafted measures to enhance oversight of personal security contractors. These extensive oversight measures are in place in Iraq today. Mindful of the valuable insights we have received from the Commission on Wartime Contracting (CWC) and the Special Inspector General for Iraq Reconstruction, we are taking a host of additional

measures to ensure proper U.S. Government management and oversight over the increased number of contractors.

Our primary Contracting Team is located in Washington, DC, where it can draw on headquarters expertise. In Iraq, there are multiple levels of technical oversight, depending upon the complexity of each contract. In February 2008, the Office of Acquisition Management converted to a fee-for-service organization, charging bureaus a one percent fee on all State Department procurements. Since that time, we have hired 102 additional staff for contract administration.

For the security contractors, there will be more than 200 direct-hire security agents to manage approximately 7,000 contractors; that is a ratio of approximately 1 to 35. Additionally, for the LOGCAP contract, we are supplementing our oversight with subject matter experts from DoD and we are currently discussing our need for a deployed contingency staff with the Defense Contract Management Agency. Thus, for Iraq, we did not arrive at our decision to use contractors by default -- it is a deliberately chosen strategy to address the transitory nature of our needs. Using contract support for these functions makes sense, as opposed to building up a more permanent, U.S. direct-hire staff.

Let me be clear that as the security environment improves, we will transition to a more traditional mode of operation. We have already begun this effort where we can. For example, in Erbil, 92 percent of our static guard force is made up of

local nationals. The Bureau of International Narcotics and Law Enforcement is engaging with U.S. federal, state and local law enforcement agencies to obtain subject matter experts to fill its Police Development Program positions – rather than using contractors.

In addition, to strengthen the State Department's Iraq planning further, on February 14, 2011, the Secretary of State announced the appointment of Ambassador Patricia M. Haslach as Iraq Transition Coordinator. The Iraq Transition Coordinator (S/ITC) will be responsible for coordinating all State Department aspects of the U.S. transition from military to civilian operations in Iraq.

In conclusion, as Vice President Biden has stated, not since the Marshall Plan has there been a military-to-civilian transition on a scale such as this one. The State Department and DoD have been collaborating on what are unprecedented levels for more than two years, both in Washington, DC and in Iraq. We are making very good progress.

Thank you again for the opportunity to appear before you today. I will be happy to answer any questions the Subcommittee may have, and I look forward to working hand-in-hand with the Congress on implementing platforms that will enable us to advance the U.S. national interest in a free and stable Iraq.