



**Commission on Wartime Contracting**  
In Iraq and Afghanistan

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## **Wartime Contracting Commission to query federal officials over multi-billion-dollar logistics contracts**

ARLINGTON, VA, April 28, 2009 – A May 4 hearing by the federal Commission on Wartime Contracting in Iraq and Afghanistan will focus on the multi-billion-dollar logistics contracts that support U.S. military operations overseas.

The Congressionally chartered, independent commission will hear testimony at the Capitol Hill session from officials of the Army Contracting Command, the Defense Contract Management Agency, the Defense Contract Audit Agency, and the Army’s LOGCAP Program Office.

LOGCAP, the Logistics Civil Augmentation Program, comprises two concurrent contracts, LOGCAP III, awarded in December 2001 and the contract under which the bulk of work is still being done, and LOGCAP IV, awarded in April 2008. Work is being phased over from LOGCAP III to IV.

The LOGCAP IV contract was competitively awarded in April 2008 to DynCorp International LLC of Fort Worth, Texas; Fluor Intercontinental Inc., of Greenville, S.C.; and Kellogg, Brown and Root (KBR) Services of Houston, Texas. According to the Army, total 10-year spending under the contract could reach \$150 billion for services including delivering food, water, fuel, and spare parts; operating dining and laundry facilities; providing housing and sanitation; moving personnel and supplies; engineering and constructing projects; and maintaining facilities.

The predecessor LOGCAP III contract involved expenditures of \$31 billion between 2001 and March 2009 with KBR as the sole supplier. A new approach in the LOGCAP IV contract allows the three vendors to bid for individual task orders under the overall contract, thereby “creating a competitive environment meant to control costs and enhance quality,” according to the April 2008 award statement issued by the Department of the Army.

“America’s armed forces have relied on contractors for many needs ever since the Revolutionary War,” said Commission co-chair Michael J. Thibault. “Overall, contractors have done their job of providing the goods and services they committed to provide. But as in earlier wartime settings, there have been too many instances of poor definition of needs, weak oversight, flawed performance, and individual wrongdoing – by government as well as by contractor employees. We want our first hearing on this issue to give us a clear picture of how the Army and the Department of Defense administer and

monitor the LOGCAP program.”

Acting co-chair Grant S. Green added, “The information we collect at this hearing may help us frame a future session to hear contractors’ responses to some of the problems and criticisms that have surfaced, and to offer their observations on how the Army’s contracting process works and might be improved. We are committed to getting input from all the players in wartime contracting before we make final recommendations to Congress next year.”

Commissioners are examining issues including contracting challenges in the draw-down of forces in Iraq, the transition from LOGCAP III to IV, contractor performance, the adequacy of contract oversight, and evaluation of LOGCAP program structure and administration.

The LOGCAP concept was developed in the mid-1980s to provide a flexible means to procure goods and services needed to support military deployments. The first contract under LOGCAP umbrella concept was awarded to Brown and Root Services (now KBR) in 1992; it supported U.S. and United Nations forces in Somalia, the Balkans, and other areas. LOGCAP II was awarded to DynCorp in 1997; it supported U.S. forces in the Philippines, Latin America, and East Timor. KBR also won the LOGCAP III award in 2001; it supported military and other operations in Iraq, Afghanistan, Kuwait, Djibouti, and Georgia.

The Commission’s hearing will run from 10 a.m. to 1 p.m. on Monday, May 4, in Room 2154 of the Rayburn House Office Building on Capitol Hill. The session will be the Commission’s first hearing on the House side of the Hill; its first, on Feb. 2, was held in the U.S. Senate Caucus Room. Rep. John F. Tierney of Massachusetts, chairman of the House Subcommittee on National Security and Foreign Affairs, will offer welcoming remarks and comments prior to the witnesses’ testimony.

The Commission on Wartime Contracting in Iraq and Afghanistan was created by Congress in the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181). The CWC has a broad mandate to research and investigate federal-agency contracting for reconstruction, logistical support and security functions in Iraq and Afghanistan.

The CWC will develop findings and recommendations on issues including the extent of reliance on contractors in wartime settings, contractor performance and accountability, federal contracting and management systems and practices, contractor use of force, and potential violations of law. The CWC will issue an interim report this spring and a final report in the summer of 2010; other reports will be issued as appropriate.

The law provides for eight appointed CWC commissioners to direct the staff’s work and decide upon ultimate findings and recommendations. Besides Co-chair Thibault and Acting Co-chair Green, the commissioners are Clark Kent Ervin, Linda J. Gustitus, Robert J. Henke, Christopher H. Shays, Charles Tiefer, and Dov S. Zakheim. The commissioners have a wide range of experience in government, law, military, education, and business.

Additional information appears at the Commission’s Web site, [www.wartimecontracting.gov](http://www.wartimecontracting.gov).