

REVISED STATEMENT – BILL VAN DYKE FEBRUARY 14, 2011

Good morning, Chairman Shays, Chairman Thibault, members of the Commission.

My name is Bill Van Dyke and I am President of Black & Veatch Special Projects Corporation, a wholly owned subsidiary of Black & Veatch Corporation. Black & Veatch Special Projects performs federal government work. I thank the Commission for this opportunity to discuss my company's efforts in support of USAID's mission in Afghanistan.

Black & Veatch Corporation is a leading global provider of electrical power, water, telecommunications and other vital infrastructure. As part of its world-wide reach, the company has proudly supported U.S. Government projects for more than 90 years. Since August 2006, as a partner in The Louis Berger Group/Black & Veatch Special Projects Corporation Joint Venture, we have assisted our USAID client in developing essential energy infrastructure in order to improve the economy and quality of life for the people of Afghanistan. From 2006 until today, total megawatts of power generation available to Afghanistan have more than doubled, and USAID projects supported by Black & Veatch have contributed to approximately 90 percent of that increase. In December 2010, USAID awarded Black & Veatch a separate contract for the Kandahar-Helmand Power Program to enhance electrical power generation, transmission and distribution in the south in support of U.S. Government policy.

Working in support of USAID's mission to increase energy delivery to Afghanistan's people, and with Afghan government organizations, Black & Veatch's dedicated professionals have delivered a number of successes. I'll summarize a few examples:

- We provided advice to the Afghan government in negotiating power purchase agreements with other countries.
- We developed a successful plan in just 35 days that enabled Afghanistan's utility to transmit 70 megawatts (MW) of imported power from Uzbekistan to the Northeast and Kabul, through a complex network of never-before-used existing facilities.



- We constructed the 105-MW Tarakhil Power Plant at a Greenfield site northeast of Kabul which today provides a power generation source for Kabul and will ultimately provide 100 jobs.
- We trained Afghan Kandahar power plant workers to overhaul their generating engines instead of shipping them out of the country, enhancing sustainability of the Kandahar energy operation.

Projects currently underway will enable Afghanistan's utility to better manage loads from domestic hydropower, fossil fuel and imported generation sources.

In achieving successes, we have met significant challenges. In April 2010, our joint venture's living quarters in Kandahar was destroyed by an improvised explosive device. When we were forced to evacuate injured and all other expatriates from the area following this event, Afghan staff, trained by Black & Veatch, continued operating the Kandahar generation station without interruption for weeks, a proven success in training for sustainable operations.

In building the Tarakhil Power Plant, we experienced issues with a subcontractor that we were unable to resolve and that led to that subcontract's termination in June 2009. We addressed this issue in two ways. First, we figured out how to transmit power from Uzbekistan to Kabul, helping Afghanistan's utility to deliver this power in January 2009, far earlier than originally thought possible. Second, Black & Veatch immediately stepped in to perform the remaining work on the Tarakhil Plant, delivering full power for winter 2009-2010, ahead of the schedule promised to USAID at the time of the subcontract termination. USAID turned over ownership of the plant to Afghanistan in June 2010. The plant has met all requests for power dispatch since it was commissioned. More than 2.7 million person hours were worked in building this facility without a serious safety incident.

The costs of taking the Tarakhil project from an empty Greenfield site to an operational facility are comparable to recent acquisitions by the U.S. Army Corps of Engineers to design and build two 10 MW diesel power plants for just over \$51 million that was discussed before this Commission in January. The Tarakhil costs in December 2008, after all subcontracts had



been awarded, were \$260 million as noted in the SIGAR's report. This cost is precisely within the range of our second quarter 2007 estimated range for USAID of \$240 to \$290 million.

Today, measures to provide security represent the largest single challenge due to a changing environment for private security. In the course of our work supporting USAID's mission, Black & Veatch has worked hard to ensure the safety and security of all who work on our USAID projects. We have ongoing efforts underway with USAID, Afghan government agencies and our contractors to determine how we will ensure the security of all workers necessary to complete important projects as we move forward to provide power in Southern Afghanistan in support of the U.S. Government's counter insurgency policy.

We are proud to support USAID efforts which have improved the availability of electrical power to hundreds of thousands of Afghans and will benefit their lives for many years to come. We never forget that our professionals on the ground working in a hazardous environment, and those supporting them, are the ones who deliver the results.

Thank you for the opportunity to appear before you today. I will be pleased to answer your questions on these or other issues.