

ORAL STATEMENT BY

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BEFORE THE

COMMISSION ON WARTIME CONTRACTING IN IRAQ AND AFGHANISTAN

ON

PRIVATE SECURITY CONTRACTORS IN IRAQ: WHERE ARE WE GOING?

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Introduction

Commissioner Thibault, Commissioner Shays, and distinguished members of the Commission on Wartime Contracting in Iraq and Afghanistan: Thank you for this opportunity to again appear before you to discuss private security contractors (PSCs), as well as the Department of Defense's (DOD) plans for future security contracting and oversight in theater. I am pleased to represent Army leadership, members of the Army acquisition and contracting workforce, and our Soldiers who rely on us for timely and efficient materiel, supplies, and services in support of expeditionary operations.

Role and Performance of PSCs in Iraq

The Federal Government relies heavily on PSCs to provide armed security for convoys, diplomatic and other personnel, and military bases and other facilities in Iraq and Afghanistan. Unarmed PSCs may also perform guard services, electronic monitoring, intelligence analysis, and security training. Although the use of PSCs in Iraq and Afghanistan is unprecedented in our history of warfare, PSCs provide guard services for Army installations throughout the world. Mr. Gary Motsek, Assistant Deputy Under Secretary of Defense (Program Support), in his written statement for the record for this hearing, addressed the relevant metrics of PSCs under Department of Defense (DoD) contracts.

PSCs do not perform inherently governmental functions. The Army complies with the Federal Activities Inventory Reform Act (FAIR Act) and the Federal Acquisition Regulation (FAR), which, in Part 7, defines what is inherently governmental. The

Defense FAR Supplement Part 37 and DFARS 237 specifically allow the use of PSCs in support of the war.

The U.S. Army is making steady, forward progress in its execution and oversight of contracts for PSCs. Contracting for, obtaining, and overseeing private security services in an austere environment, in a fragile economy with a poor financial system, limited rule of law, and during hostilities is a difficult task that is being performed very capably by our warfighters, civilians, and PSCs – in spite of these immense challenges.

A significant improvement in contractor accountability is the Army and DoD transition from manual tracking of contractor personnel to a web-based tracking tool called Synchronized Pre-Deployment and Operational Tracker (SPOT). The use of SPOT became mandatory in January 2010. Also, Multi-National Forces-Iraq established the Armed Contractor Oversight Division which provides oversight policies for governing PSCs focusing on guidance for authorization and use of weapons.

The key to successful oversight of PSCs, like any contract, is trained contracting officers' representatives (CORs). With the publication of the Army G3/5/7's Execution Order on COR appointment and training, more trained CORs are flowing into theater than ever before. The CENTCOM Contracting Command (C3) does not award contracts without a COR, and maintains a near-100% fill level. Currently, there are xxx CORs in the C3. Additionally, the Defense Contract Management Agency (DCMA) has filled 98% of their COR requirements in Iraq (657/644) and 93% in Afghanistan

(416/338), up from 38% in April 2009. The Army Contracting Command is also training CORs prior to deployment and the U.S. Army Training and Doctrine Command is developing distance learning COR training to augment existing materials.

Future Plans for PSCs

Continued support provided by PSCs is vital to the Nation's success in expeditionary operations. As the drawdown progresses, PSCs will maintain an important role in Iraq, including the training of host nation security forces. However, their role will be commensurate with the drawdown of forces, especially with regards to armed security and guard services.

As a result of lessons learned, the DOD has made several improvements in its management of PSCs. For example, an Instruction was published in the Federal Register (DoDI 3020.50, July 2009) which prescribes the selection, accountability, training, equipping, and conduct of personnel performing private security functions under a covered contract in a designated area of combat operations for both DoD and Department of State PSCs. It also prescribes incident reporting, use of equipment, rules for the use of force, and a process for the discipline and removal, as appropriate, of U.S. Government PSC personnel. This generates consistency and fairness across the board.

The Principal Assistant Responsible for Contracting in Afghanistan (PARC-A) has developed a standard Performance Work Statement for PSCs, ensuring compliance with the Afghan Government's Laws and Regulations, as well as DoD requirements. PARC-A is being careful to observe the Afghan Government's Fair Wage Laws as well, to ensure PSC pay is on par with Afghan National Police pay. These efforts have increased PSC compliance with Afghan requirements from 31% to 88%.

Conclusion

The U.S. Army is committed to excellence in all contracting activities. The DOD carefully assesses lessons learned from current operations to make improvements and adjustments along the way to ensure mission success and protection of the interests of the United States, our warfighters, and the U.S. taxpayers.

Thank you.