

Joint Statement of  
Michael Thibault and Christopher Shays, Co-Chairs  
The Commission on Wartime Contracting in Iraq and Afghanistan

Hearing:

## An Urgent Need: Coordinating Reconstruction and Stabilization in Contingency Operations (Part Two)

Room 216, Hart Senate Office Building, Washington, DC  
9:30 a.m., March 1, 2010

---

*[As prepared for delivery]*

Good morning. I am Michael Thibault, co-chairman of the Commission on Wartime Contracting in Iraq and Afghanistan. This opening statement is made on behalf of Co-Chairman Christopher Shays, my fellow Commissioners, and myself. The other Commissioners at the dais today are — *<introduce>*.

We are here for the second installment of our hearing, “An Urgent Need: Coordinating Reconstruction and Stabilization in Contingency Operations.”

We began our public exploration of that topic last Monday. The Commission heard testimony from the Special Inspectors General for reconstruction in Iraq and Afghanistan, and from witnesses representing the U.S. Institute for Peace, the International Crisis Group, and the RAND Corporation.

It was an interesting and productive session. Our witnesses agreed that there are serious gaps and defects in inter-agency coordination of reconstruction and stabilization projects, and that these shortcomings can put huge sums of money at risk of waste, and undermine our efforts to improve the lives of the people of Iraq and Afghanistan.

These concerns apply not only to U.S. government agencies, but to operations conducted by coalition partners, non-governmental entities, and international organizations like the World Bank and the United Nations. During this decade, international pledges of assistance for Iraq and Afghanistan have climbed to nearly \$80 billion. However, our focus here is on inter-agency coordination within the U.S. government, which has committed even larger amounts. Since the start of its contingency operations in

Southwest Asia, the U.S. Congress has appropriated reconstruction funding of more than \$53 billion for Iraq and \$51 billion for Afghanistan.

The Commission is interested in this fact because much of that money passes from taxpayers, through the accounts of government agencies, to contractors. Our research and investigations since 2008 have naturally looked at the contracting process, contract management, contractor performance, contract auditing, and related issues.

But we are not straying from our mandate when we raise questions about inter-agency coordination. The language of our authorizing statute assigns the Commission “particular duties.” Those duties include assessing, and I quote, “the appropriateness of the organizational structure, policies, practices, and resources of the Department of Defense and the Department of State for handling program management and contracting.” So here we are.

As I mentioned, our witnesses last week concurred that there are substantive coordination problems in federal agencies’ reconstruction and stabilization efforts that senior leadership needs to address in a timely manner. There is, in fact, no locus of visibility over all our projects, never mind a locus of coordinating authority. In his latest quarterly report to Congress, the Special IG for Iraq Reconstruction observes that the U.S. military has improved its in-house cooperation and integration. But he adds, “The Iraq experience illustrates the need to

expand cooperation and integration across U.S. agencies, but most especially among DoD, DoS, and USAID.” That is why we are holding this hearing today, and that is why we have asked each of our witnesses to offer testimony to this Commission.

Meanwhile, the Special IG for Afghanistan Reconstruction has called attention in his latest report to inadequate coordination of programs in judicial reform and the Afghan energy sector, as well as questions of staff and resource adequacy.

Although our witnesses concurred on the existence of coordination problems, they differed on their views of causes, or in their emphasis on multiple causes. The State Department’s Office of the Coordinator for Reconstruction and Stabilization, or S/CRS, has primary responsibility for coordinating planning and execution of reconstruction and stabilization efforts, but there were questions raised about the adequacy of staffing and resources.

The National Security Council is an obvious meta-agency candidate for coordination oversight, but it functions far above the operational level, and testimony suggested that its Interagency Management System is not functioning as intended. If so, this is disturbing. Some have further suggested that the federal government needs an altogether new organization to oversee interagency coordination. Or it may be that the real problem is not structure, staffing, or resources, but execution on the ground—carrying out well-planned, well-coordinated, sensible projects with the

organizations in place today that local people need, want, and can sustain.

Without effective leadership, and without full and complete coordination by all executive organizations, there is added risk that funds appropriated for reconstruction, now exceeding \$104 billion, will be inefficiently and ineffectively spent. Apart from wasting taxpayers' money, that outcome would also jeopardize achieving U.S. objectives of peace, good governance, stability, and economic growth for Southwest Asia.

As the divergence of last week's diagnoses suggests, we face a big, complicated problem that even the full transcript of our last hearing can describe only in broad strokes. Pursuing that problem today, we have assembled three expert witnesses from the agencies most heavily involved in America's reconstruction and stabilization efforts. Our witness panel consists of:

- Ambassador John E. Herbst  
Coordinator for Reconstruction  
and Stabilization,  
U.S. Department of State
- Mr. James A. Bever  
Director, Task Force for  
Afghanistan and Pakistan,  
U.S. Agency for International  
Development
- Dr. James Schear  
Deputy Assistant Secretary of  
Defense for  
Partnership Strategy and  
Stability Operations,

U.S. Department of Defense

We look forward to hearing our witnesses describe what they have done and are planning to improve interagency coordination, and to tell us what they think about the comments and suggestions made by last weeks' witnesses.

We have asked our witnesses to summarize their testimony in 5 minutes to allow adequate time for questions and answers. The full texts of their statements will be entered into the hearing record and posted on the Commission's website. We also ask that witnesses submit any additional information they may offer to provide and responses to any questions for the record within 15 business days following this hearing.

The Commission appreciates the cooperation of our witnesses, and looks forward to an informative session.

If the witnesses will please stand and raise their right hands, I will swear them in:

Do you swear or affirm that the testimony you give today will be the truth, the whole truth, and nothing but the truth?

Let the record show that all witnesses responded in the affirmative. Thank you. Please be seated. We will begin with Ambassador Herbst. Please proceed, Sir.

###