



Commission report warns time and funds are short to prepare for State Dept. role in post-withdrawal Iraq

ARLINGTON, VA, March 2, 2011 – Asking if Iraq is “a forgotten mission,” the bipartisan Commission on Wartime Contracting in Iraq and Afghanistan has released a special report to Congress warning that the U.S. Department of State faces large funding and contract-management challenges in Iraq once the U.S. military completes its agreed-upon withdrawal by the end of 2011.

To deal with Iraq’s long-standing ethnic, religious, and regional rivalries, the State Department is working to set up two permanent and two temporary stations remote from the U.S. embassy in Baghdad. The department is also working with the Department of Defense to deal with hundreds of functions currently provided by the U.S. military in Iraq.

State’s taking on security, facilities management, air transport, and other tasks will require thousands of contractor employees. “Yet State is short of needed funding and program-management staff,” the report says. “Very little time remains for State to develop requirements, conduct negotiations, and award competitive contracts for work that must begin at once. Inadequate support risks waste of funds and failure for U.S. policy objectives in Iraq and the region.”

The report recommends that:

- “1. Congress ensure adequate funding to sustain State Department operations in critical areas of Iraq, including its greatly increased needs for operational contract support.
- “2. The Department of State expand its organic capability to meet heightened needs for acquisition personnel, contract management, and contractor oversight.
- “3. The Secretaries of State and Defense extend and intensify their collaborative planning for the transition, including executing an agreement to establish a single, senior-level coordinator and decision-maker to guide progress and promptly address major issues whose resolution may exceed the authorities of departmental working groups.”

The special report, “Iraq—the forgotten mission?,” reflects a bipartisan consensus based on the commission’s staff research and two commissioner-led trips to Iraq, in spring and winter 2010, to explore Defense-to-State transition issues. Commissioner Grant Green was on both trips; Co-Chairs Michael Thibault and Christopher Shays made one trip on transition issues.

Green and Thibault will testify on the transition and the commission’s special report today at a hearing in the U.S. House of Representatives. The Subcommittee on National Security, Homeland Defense, and Foreign Operations hearing, “U.S. Military Leaving Iraq: Is The State Department Ready?,” is scheduled to begin at 9:30 a.m. in Room 2154 of the Rayburn House Office Building. The subcommittee chairman is Rep. Jason Chaffetz (R-Utah); ranking member is Rep. John Tierney (D-Mass.). Other witnesses will include representatives of the Departments of State and Defense.

Green is a former under secretary of state and former assistant secretary of defense. Thibault worked more than 30 years in the Department of Defense, including 11 years as deputy director of the Defense Contract Audit Agency, as well as serving as a consultant and executive in industry.

The special report gives State and Defense credit for cooperating on transition arrangements, but warns, “Without accelerated, aggressive, and persistent cooperation between the departments, and without a substantial

increase in budgetary support from Congress, the post-2011 prospects for Iraq—and for U.S. interests in the region—will be bleak.”

Commission Co-Chair Christopher Shays, a former member of Congress, said the commission report is not urging Congress to write the State Department a blank check for its post-2011 Iraq operations. “It is vital in view of the federal deficit that every department take reasonable steps toward economy and efficiency, and that includes the Department of State,” he said. “Reasonable people can disagree on budget details, but it is clear that State is going to need more funding to replace many services now provided by the military, and to bolster its ability to manage and oversee the contractors who will be replacing the military.”

Thibault noted that the State Department’s recent “Quadrennial Diplomacy and Development Review” highlighted some of the contracting problems that concern the commission. The QDDR, released in December 2010 by Secretary of State Hillary Rodham Clinton, conceded that contracting had become the “default option” for many of State’s activities, and “While the use of contracting has grown, the number of people trained in and responsible for contract management and oversight has languished.”

“This default-option mindset and the government’s failure to provide contract-management and oversight staff to match its growing and in fact over-reliance on contractors isn’t confined to the State Department,” Thibault said. “It’s a widespread problem, as we detailed in our second interim report to Congress, ‘At What Risk?’” That report, issued Feb. 24, offered 32 legislative and policy recommendations to improve contingency contracting. PDFs of both the special and the second interim report are posted at the commission’s website, www.wartimecontracting.gov.

Congress created the commission in 2008 (Public Law 110-181) and directed it to research federal contracting for reconstruction, logistical support, and security functions, and to recommend improvements. The eight commissioners are: Michael Thibault and Christopher Shays, co-chairs; and Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. Executive Director Robert B. Dickson manages the work of the commission staff.

The commission filed its first interim report to Congress in June 2009 and has since added a second interim and four special reports to Congress. The commission’s final report to Congress is due in July 2011.

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