

AN URGENT NEED: COORDINATING RECONSTRUCTION AND STABILIZATION IN
CONTINGENCY OPERATIONS: PART II

MONDAY MARCH 1, 2010

Commission on Wartime Contracting

Washington, D.C.

The Committee met, pursuant to notice, at 9:30 a.m., in Room 216, Hart Senate Office Building, Hon. Michael Thibault, Co-Chairman of the Commission, presiding.

Present: Commissioners Thibault, Shays, Green, Henke, Schinasi, Tiefer, Zakheim

THIBAULT:

Good morning. I'm Mike 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, who will be here. He's on the way—and my fellow commissioners and myself.

I'd like to introduce the commissioners here with us today. And I'll do it from my left to my right. Commissioner Grant Green on my left, Commissioner Dov Zakheim, Commissioner Robert Henke. We'll introduce Chris when he gets in here—Commissioner Charles Tiefer and Commissioner Katherine Schinasi. So, welcome.

We're 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 interagency 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 people in Iraq and Afghanistan.

These concerns apply not only to U.S. government agencies, but to operations conducted by our coalition partners, non-government 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 interagency coordination within the U.S. government, which has committed even larger amounts.

Since the start of the contingency operations in Southwest Asia, the U.S. government has appropriated reconstruction funding alone of more than \$53 billion for Iraq and \$51 billion presently for Afghanistan. The commission is interested in this fact because much of the money passes from taxpayers through the accounts of government agencies to contractors. In fact, more than 50 percent of the workforce, as commonly understood and well-documented, are now contractors.

Our research and investigations since 2008 have naturally looked at the contracting process: contract management, contractor performance, contract auditing and related issues. That's one of this commission's mandates. But we're not straying from our mandate when we raise questions about interagency coordination.

The language of our authorizing statute assigns the commission particular duties. These 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. Our mandate includes organizational structure and how it's working and is it effective.

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 its latest quarterly report to Congress, the special I.G. for Iraq reconstruction or what we refer to as SIGIR, 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," and end of quote. That is why we're holding this hearing today. And that is why we've asked each of our witnesses, the key players in their organizations on this matter, to offer testimony to this commission. Meanwhile, the special I.G. for Afghan reconstruction, not to be confused with SIGIR, but referred to as SIGAR, because that's—the reference,—has also 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 and limitations, which we're very interested in talking about today.

Although our witnesses concurred on the existence of coordination problems, they differed on their views or causes or in their emphasis of 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 at last week's hearing about the adequacy of existing staffing and resources, an area we'll explore.

The National Security Council is an obvious meta-agency candidate for oversight coordination. 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 by the principles 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, as I referenced before 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 suggest, we face a big, complicated problem that even the full transcript of our last hearing can only describe in broad strokes. Pursuing that problem today, we have assembled three expert witnesses.

Thank you gentlemen—from the agencies most heavily involved in America's reconstruction and stabilization efforts. Our witness panel consists of Ambassador John Herbst, coordinator for reconstruction and stabilization, United States Department of State; Mr. James Bever—and if I pronounced that wrong—did I pronounce that right, sir?

BEVER: (OFF-MIKE)

THIBAULT:

I almost always make the point—and I didn't in this case. So thank you for getting lucky—director, task force for Afghanistan and Pakistan, U.S. Agency for International Development, or USAID, as it's referred to; and Dr. James Schear—thank you, sir—deputy assistant Secretary of Defense for partnership strategy and stability operations, United States Department of Defense.

We look forward to hearing our witnesses describe what they have done and what their organizations have done and are planning to improve interagency coordination and to tell us what they think about the comments and suggestions made by last week's witnesses. We've asked our witnesses to summarize their testimony in approximately five minutes to allow adequate time for questions and answers.

As with prior existing practices, when we're done with the complete cycle today, we'll afford each of you a reasonable time, like five minutes, that if you want to summarize different things that you heard to give you the opportunity. You'll—kind of have the last say.

The full text of their statements will be entered into the hearing record and posted on the commission's Web site. We also ask that the witnesses submit any additional information that they may offer to provide and responses to any questions for the record within 15 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, we'll swear you in. Do you swear or affirm that the testimony you give today will be the truth, the whole truth and nothing but the truth?

ALL:

We do.

THIBAULT:

Thank you. Let the record show that all the witnesses responded—in the affirmative. Thank you.

Please be seated, which you already did.

We'll begin with Ambassador Herbst.

Please proceed, sir.

HERBST:

Well, co-chairs...

THIBAULT:

Excuse me, Ambassador Herbst. You know—we're a bipartisan commission, but sometimes I forget my co-chair. And I apologize.

I'd like to now introduce my co-chair, Mr. Christopher Shays. Thank you, Chris.

Ambassador, please?

HERBST:

Co-chairs Thibault and Shays and members of the commission, thanks for the opportunity to speak. I'm the coordinator for reconstruction and stabilization at the State Department, a position which reports directly to the Secretary of State and who is responsible for organizing USG [United States Government] responses to...

THIBAULT:

Ambassador, could you pull your microphone a little closer?

HERBST:

... involved failed and failing states.

THIBAULT:

Great.

HERBST:

While incorporating the lessons learned from past operations, we embody Secretary Clinton's concept of smart power, utilizing all American government resources in the right combination in managing complex crises. In today's highly disconnected world we face a growing danger from failed and failing states. Such areas can become breeding grounds for terrorism, weapons proliferation, trafficking in humans and narcotics, organized crime and piracy. Failed states also generate refugee flows.

While Iraq and Afghanistan are the subjects at hand, they are not the only countries that fall into this category. The complex challenge posed by ungoverned spaces requires the comprehensive USG plan and a response mechanism. To be effective, our response must utilize all the civilian skills appropriate for the crisis in question. And where our military is engaged, the response must integrate civilian and military activities to form a single operation.

As we have learned from past crises, particularly Iraq, the USG cannot afford to respond to reconstruction and stabilization crises in an ad hoc manner, but must be prepared in the manner of the U.S. military with the trained, skilled, equipped and ready civilian force to respond immediately when national security interests are in doubt, whether with the military or without. The Civilian Response Corps [CRC], which is being developed and managed and implemented by S/CRS, is that civilian force.

At full capacity, given our current budget appropriations, the Civilian Response Corps will consist of 264 active members or full-time, dedicated first responders and 2,000 standby...

THIBAULT:

Ambassador?

HERBST:

Yes.

THIBAULT:

My—staff is—pinging on me. We're—doing your testimony digitally. We're going to give you a little bit more time. But can you slow it down a little bit? Otherwise, they'll come and say they only caught a few words. Thank you, sir.

HERBST:

I'll slow down. Thank you. Tapping experts from across the USG, the corps is a partnership of eight agencies: State, USAID, Justice, Homeland Security, Treasury, Agriculture, Commerce and Health and Human Services. Through this partnership we can bring true, whole of government approach to complex operations.

To date, 99 members of the corps have deployed to 16 countries. If you count S/CRS staff, this number is 174. We have also deployed CRC members to exercises and to the combatant commands. In one such exercise conducted by EUCOM [U.S. European Command], Austere Challenge, 45 civilians from across the USG participated in what has been the largest single exercise in history.

One of the strengths of the corps is the ability to engage in dedicated planning, conflict assessments and mitigation activities that will reduce the need for future military intervention by helping to stabilize countries at the tipping point of conflict. The goal is to deploy the Civilian Response Corps to prevent conflict and instability, not just to respond to conflict.

In addition to its mission to help prevent and respond quickly and in a coordinated manner to conflict, the corps is unique in its robust readiness requirements, which are the closest in the civilian U.S. government to the training that the U.S. military requires before deploying its soldiers. Every single CRC member must complete a strict training protocol before deploying and maintain readiness on an annual basis.

Although S/CRS was initially established in 2004, S/CRS and the Civilian Response Corps were not authorized by Congress until October of 2008, when the Reconstruction and Stabilization Civilian Management Act was passed as part of the FY '09 national defense authorization bill. What's more, funding was not available to establish, train, and equip the Civilian Response Corps until early fiscal year '09 after being appropriated to State and USAID first under the FY '08 supplemental.

To date, a total of \$290 million has been appropriated, of which \$225 million has been provided under the civilian stabilization initiative. What this means—and this is very important—is that S/CRS has only been truly operational for 18 months, not for four and a half years—five and a-half years. Yet in that short period of time, we have built the Civilian Response Corps to its current strength of 86 active members and 558 standby members. Those numbers grow every week. And I am confident that within two weeks the 86 will be 92. And we'll have 150 by the summer and more beyond that.

We have managed over \$350 million in 1207 funds [reference Section 1207, FY 2006 National Defense Authorization Act, authorizing Secretary of Defense to transfer up to \$100 million per year for two years to the Department of State for programs supporting security, reconstruction or stabilization] transferred from the Department of Defense for conflict prevention projects. This has funded 25 projects in 23 countries.

We have developed something called the Interagency Conflict Assessment Framework [ICAF] with our partners in USAID and used this in 14 countries to come up with ideas to prevent conflict. We have deployed 70 corps members and other staff to Afghanistan alone where we led the development of the first civilian/military integrated campaign plan. We have also [inaudible] operational plans for all 12 American PRTs [Provincial Reconstruction Teams] as well as for Regional Command East and Regional Command South. We provided on short order for Ambassador Holbrooke a team to monitor the Afghan elections. And we provided a—similar team on strategic communications for Ambassador Holbrooke.

We've also deployed Civilian Response Corps members to [U.S. military commands] AFRICOM, SOUTHCOM, and CENTCOM to work on CIV/mil planning and further expand

coordination with the military. We deployed 15 members of the Civilian Response Corps to the Democratic Republic of Congo to follow-up on the secretary's visit.

We responded to the earthquake in Haiti by deploying Civilian Response Corps members in-country to assist the embassy. We provided equipment to USAID's humanitarian relief effort. We activated the CRC from across the agency—from across the U.S. government to staff task forces here.

We were asked one day to help provide support for a specific task force of the State Department. The next morning we provided 40 people, including all eight agencies that make up the Civilian Response Corps. That is true interagency work, true interagency coordination.

This is not to say there have not been challenges. The pace of hiring for the Civilian Response Corps has been slower than anticipated, although we picked up the pace substantially over the past six months.

But that is why the president's fiscal year '11 budget requests flexible hiring authorities, which Congress has already granted for civilian staffing in Iraq and Afghanistan.

I can understand why some are impatient with current efforts to unify the civilian side of the USG for complex operations. No one is more frustrated than I am. But some historical perspective is needed.

The integration of the military in the Goldwater-Nichols took over 10 years. The establishment of joint [command]—SOCOM, Special Operations Command, was an over 10-year project.

We've been in real operation for a year-and-a-half. We are starting to take off. Now is the time to empower us, not to look elsewhere.

To make substantial changes now in the structure will only slow down our efforts to create the essential new tool, this unified civilian force that can be used for complex operations.

Thank you very much.

THIBAULT:

Thank you, Ambassador.

Mr. Bever, please?

BEVER:

Co-Chair Thibault and Co-Chair Shays and other commissioners, thank you very much for inviting AID this morning before your commission.

In my remarks, I want to focus on three main issues. One is planning USAID reconstruction in Afghanistan. The second is interagency and international coordination. And third is lessons we learned from both Afghanistan and Iraq.

I've been with AID for over 27 years. I was on the ground as the mission director in Afghanistan from 2003 to 2004, and then the American aid director for Israel, the West Bank and the Gaza Strip after that, and then deputy assistant administrator for Iraq, and now executive director for Afghanistan and Pakistan for our task force, for our agency. Iraq and Afghanistan share similar development challenges for AID and similar response challenges related to security, staffing, effective contract and grants oversight, just to name a few. At the same time, they're different. They are different operating environments, and they pose some of their own unique challenges.

I'll start related to our planning discussion with our budget. In Iraq, allocations managed by USAID peaked in 2003, a number of years ago, at just under \$5 billion, and it has been coming down since then. Last year, our budget was less than \$500 million.

The largest share of resources were for infrastructure projects up until 2006, and the current shift over time has been towards more stabilization activities that focus on building the Iraq government's capacity, as well as promoting grassroots democracy and economic opportunities for longer term growth—still a major challenge.

If you look at Afghanistan, it's somewhat—a little—different. Over the last five fiscal years, USAID's managed resources have risen from below \$800 million in fiscal year 2006 to the current estimated \$2.1 billion for year 2010.

One of our primary initiatives under the Afghanization model is the Afghan First program. It will increase local procurement and significantly transfer the responsibility of development programs more and more to Afghans, and the Afghan government as they can handle it.

As a result, we've begun to move away from larger awards towards smaller ones and more short-term grants and contract awards with local Afghan firms where they can accountably manage the monies.

We're also working to channel more through the government of Afghanistan ministries, and I can talk about that later.

The shift places additional requirements on AID to work closely with counterparts among the inspectors general. And I want to just state very clearly, we welcome our AID inspector general, we welcome SIGIR in Iraq, we welcome SIGAR in Afghanistan. And, of course, we welcome the GAO.

Interagency and international coordination, I'll just summarize by saying we work closely with UNAMI [United Nations Assistance Mission for Iraq] in the case of Iraq. And we've also worked quite well and quite closely with UNAMA [United Nations Assistance Mission in Afghanistan] in the case of Afghanistan.

We contribute to, for example, the Afghan Reconstruction Trust Fund in the case of Afghanistan. We contributed to the Iraq Reconstruction Finance Facility in the case of Iraq, and have regular coordination meetings with our fellow donors in both countries, including with World Bank, Asian Development Bank in the case of Afghanistan, and so on.

In terms of internal USG coordination, which I'm sure we'll talk a lot more about later this morning, we have worked very closely with the predecessor coordination entities in Iraq, as well as with the current one in the case of Afghanistan under Ambassador Tony Wayne within the USG.

Coordination continues at the PRTs and right down, increasingly now, to the district levels, which we can talk about more, particularly in what—and we welcome the opportunity to discuss it a little more—what we are now calling the "shape, clear, hold, build and transfer" approach as to civ-mil coordination at the local level.

In terms of lessons learned—and I'll wrap up with this—we need to maintain the ability to have speed and flexibility in the way we program our people's money. We need to be able to continue to have a USAID inspector general on the ground with us for concurrent audit. And we need creative approaches to monitor and evaluate our activities where it's too dangerous all too often for American officers to travel.

I will close by saying, we welcome some of the comments that SIGIR, Stuart Bowen, addressed in his book that was published by SIGIR, *Hard Lessons: The Iraq Reconstruction Experience*. We focused on about a dozen of those lessons. And I'd be happy to share some of our thoughts on those for the record afterwards. We've done this with other committees.

I will close my remarks at that point. Thank you, commissioners.

THIBAULT:

Thank you, Mr. Bever.

Welcome, Dr. Schear. Please proceed.

SCHEAR:

Thank you very much, Mr. Co-Chairman, members of the commission. My sincere thanks to all of you for the opportunity to offer some perspective on the coordination challenges that we encounter in the design and execution of stabilization and reconstruction operations.

As OSD[Office of the Secretary of Defense]'s steward for Partnership Strategy and Stability Operations, I could not think of a more timely topic for today's hearing, set against the background as it is of our ongoing Operation Unified Response, our whole-of-government disaster relief effort in the wake of Haiti's devastating earthquake.

I appreciate [that] this is not the core focus of your commission, but I underscore it today, because I think the events of the last several weeks, and, indeed, the courageous efforts of our service personnel to enable the international humanitarian contingency response now underway, are a stark reminder that stabilization and reconstruction are pervasive themes in many types of crisis contingencies, be they sudden-onset natural disasters as in Haiti, or persistent, irregular conflicts as we have seen in Afghanistan and Iraq.

Co-chairs, if I may, I'll briefly summarize the key points of my written statement, which I'll be submitting for the record.

As you all know very well, the coordination of S&R [stabilization and reconstruction] activities is a constant preoccupation of our senior policymakers. We in DOD have been very supportive of institutionalizing structures and processes to strengthen this coordination. We recognize that every contingency requires an integrated effort across multiple lines of operation.

Our overriding priority is to act quickly, smartly and in a thoroughly accountable fashion.

From a U.S. government standpoint, this coordination is fundamentally about strengthening the relationship between the Department of Defense and its interagency partners. And I would add, both in the foreign affairs community and, as we've seen in Haiti, increasingly in the homeland security community, as well.

Since the early 1990s, our country has led or supported a wide range of S&R missions, not only in Afghanistan and Iraq, but also in Cambodia, the Balkans, Somalia, Haiti, East Timor, and other venues. As these cases illustrate, interagency coordination in the S&R domain invariably revolves around three critical areas.

The first area is crisis management, which is conducted by senior diplomats and policymakers and is aimed at mobilizing international action in the face of looming threats or disasters.

A second area is contingency planning and operations, orchestrated mainly by functional specialists who span all the relevant sectors, be it security, relief, rule of law, economic development, that are deemed critical for a given response.

The third area focuses upon the mobilization and effective targeting of resources – not just the funding and authorities, but also human capital, specifically our capability to deploy teams of expeditionary civilian experts and military professionals who can work together in permissive as well as non-permissive settings.

To reinforce coordination, we have supported the development of common operating structures, familiarization with each agency's culture, and opportunity to improve habits of cooperation.

Related to these efforts, I understand that you have had an extended discussion at your recent hearing about ways to improve coordination, centered on the proposal by the Special Inspector General for Iraq Reconstruction to create a U.S. Office of Contingency Operations, so-called USOCO. I understand this is an important issue, and I'd be happy to address our agency views on that in detail in the question-and-answer period.

Let me now turn, if I may, to some issues about sustainability. It's a vitally important issue. Projects— we require that projects which are developed and selected and executed will bring lasting benefit to a local population and enhance legitimacy of the host-nation government. We also want them to endure long after they're handed off to local authorities.

I understand you will have some reasonable interest in the status of our Commander's Emergency Response Program, the so-called CERP program. We understand that is an object of close interest, and I'm ready to discuss that with you.

At the end of the day, sir—and I understand my time is slipping past—we understand that coordination with S&R partners is never going to be flawless. But if the recent past is any indication, we are making some progress. We need to integrate multiple lines of authority to ensure the appropriate response to contingency planning, crisis management and resource mobilization. Scalability and adaptability are also critical ingredients.

Sir, I'll wrap up on that point, and I look forward to your questions. Thank you.

THIBAULT:

Thank you, Dr. Schear.

The process we're going to use today is similar to the process that we used before. We're going to have two rounds of inquiry and questions, led by myself and concluded each round by my co-chair. And then, we'll have an order that we'll go through on this process. So, I start the process off.

And today, I really have two themes, and the first one I talked about—we talked about—in the opening statement, executive leadership, the criticality. That's why we asked you folks to

come up and talk to us. And this commission talks about this all the time, because it's so critical to the process.

And my first one—the second one will be in a second round of questions—my first one is actually an initial compliment to the Secretary of Defense. And when I'm done, Dr. Schear, I'm going to ask you point-blank whether you agree with the secretary, so that should be an easy answer, but you might think about it.

The secretary wrote a letter in the middle of December, December 15th, to the Secretary of State—one secretary to the other secretary. It wasn't written by staff, and staff weren't referenced in it, like “Call so-and-so” or “Contact so-and-so.”

And the title was "Options for Remodeling Security Sector Assistance Authorities." That's quite a title, but that's what the title was. The point—it was a proposal for consideration of one coordination mechanism. Great.

But the leading paragraph, to me, was very powerful—and it was just two significant paragraphs—but part of that paragraph said, even so—and they're talking about the coordination between agencies—even so, the challenges have been substantial: “The expansion of DOD's authorities and funding, driven by requirements in Afghanistan, Iraq and other conflict-prone areas, have produced some notable successes in the past years, but they've also stirred debate over U.S. government roles and missions that often required adjudication at our level.”

A very diplomatic way of saying we had differences that couldn't be resolved, and they had to be pushed to the top.

THIBAULT:

These recurring debates have taxed the time and energy of our departments, and do not meet the nation's long-term needs. My sense is that these requirements will be enduring ones, given current and future security challenges.

I consider that spot-on in terms of a statement, and in terms of a problem definition and a communication that says—it goes on to say, Here's an idea; I'll work with you; I'd like to work with you.

And just last week, Secretary Gates made a keynote presentation to the Nixon Center, Washington, D.C., last Wednesday. And in his comments, he went back to his letter, and he said, last year—you know, we're talking about March now—but he said, last year, I sent Secretary Clinton one proposal as I see as a starting point of discussion for the way ahead. And he laid out the proposal.

And he says both the State and the Defense Departments would contribute to these funds, and no project could move forward—and I'm sure there would be a threshold and things like that;—people work that out—without the approval of both agencies. And he talked about incentivizing collaboration.

But then—Secretary Gates goes on and says, regardless of what approach we take to reform—so he had put out a proposal and a willingness in December and a desire to communicate—what approach we take to reform and modernize America's partner capacity apparatus, whether it's something like the proposal I just mentioned or some other arrangement, it should be informed by the following principles. And he laid out four principles that he proposed, and they all kind of make sense.

And, obviously, this is a major effort on the part of the Secretary of Defense to reach across and to acknowledge that there have been some have been some significant differences in order—you know, and this commission is about efficiency in contracting, not having contract costs elevated because of the lack of coordination as well as organizational structures, which could evolve from this.

I'll start with—I'll make one other statement. In one of my prior lives, for 11 years, I was the number-two person in a pretty big Defense agency. It ranged during those 11 years from 7,000 to 4,000. I want to tell you something that, when we—I was the deputy throughout that period.

And if someone from another department or another agency within the Department of Defense at a high level communicated with us, that was the highest priority. We communicated back. Why? Because why else would you do that? If there's a difference of opinion, we told them—if it was something we had to analyze, we told them how we were going to analyze it. And we usually offered up someone at a very senior level to work with them.

And that seemed to work well, and that's really where I'm coming from—the importance of coordination. So I really—this inquiry is for two of you.

And now, Dr. Schear, without an elaboration—because I think I elaborated for the secretary—do you agree with the Secretary of Defense?

SCHEAR:

Sir,—I don't think it will surprise you to say that I absolutely agree with the Secretary of Defense. I'm very pleased that he has elevated these issues to the point of a national debate for serious consideration across all the agencies of government and with Congress.

I think his concern reflects the fact that, in our current era, there are no purely State Department, diplomatic, or Defense Department military equities. There's no exclusive zone of

equity here. We have overlapping interests. And security sector assistance, as it has been developed, has proven challenging in the past several years to manage.

So I think this is a step forward in the sense of putting out there a proposal. We look forward to further engagement with interagency colleagues on it.

THIBAULT:

Thank you, Dr. Schear.

And throughout the last three months, I have been pinging our staff, and I've said talk—because we have people that have worked for State—and I think I lot of the State Department—I think they're a very formidable organization. And I say where's the response. Well, they seem to say that it's kind of in motion and they're work on it.

I'd like to offer it to poor staff work. In other words, staff should be monitoring—you know, so many communications come across, but I don't know because, as of late last week,—we didn't have a response, and no response was acknowledged.

So Ambassador Herbst, I tried to give you a heads up on this—in fairness—but what's going on, and where's the response, and why hasn't someone worked with your secretary to—you know, you report directly to the secretary—your office does. So you must sit in staff meetings where they talk about the most important things, and contracting and coordination, and a contingent environment is pretty powerful today.

Where's this response?

HERBST:

Certainly, coordination is a very important issue, but I'm afraid I could just tell you that this is being looked at and given serious consideration, and a response will be forthcoming.

THIBAULT:

OK. Well, my time is almost up, but I'll just have to make this statement. I am the Democrat in this bipartisan group, but in this particular case, I am compelled to say that's unacceptable. And I would ask you to go back and say—because I think the Secretary of Defense has been much more diplomatic than I have here by saying it's unacceptable, but I think I have to call it like it is.

And if the two principals, gifted, powerful, dynamic leaders aren't engaging, then we can have you all talking about it until the end of tomorrow, and it'll be a challenge. So I thank you, but I have a deep concern on that.

Commissioner Tiefer, you're next.

TIEFER:

Thank you, Chairman Thibault.

As in the past, I thank you for your leadership in these areas. And you took us so far a year ago when we were just standing up, and I—often didn't know what agency we were talking about, but you always did. So I thank you.

Ambassador Herbst, last week, the commission reviewed SIGAR's report *Applying Hard Lessons*. The State Department has basically brushed that report off despite its very fine work and structure in a way that looks to me like they'd brush us off the same way if we made reform proposals.

And one of the things they did was presenting your office, S/CRS, as so very major that there's no need for—this is State's term—creating new mega structures. So I want to understand just about your office. You gave a helpful opening statement.

Buried in the numbers is that your current active strength of your Civilian Response Corps is 86. Now, some of those are new employees who S/CRS itself, as the agency that contributes them, would be the one that could send them to Afghanistan—or anyone could.

But my understanding is most of these 86 already worked for the State Department, for DOD, or for AID. One way to describe these people is they are dual-hatted. The agency—their own agency—the State Department could contribute them to Afghanistan even if S/CRS didn't exist.

So the first half of my question is: If the number under 30 for the actual number of single-hatted employees of S/CRS is far off, please give me an actual number. My second half of that question is that Jack Lew, the deputy Secretary of State,—has said that there will be a civilian surge in Afghanistan and in the provincial reconstruction teams of just under a thousand, about 980 was the number I saw. This civilian surge is one of the very best of his many fine efforts.

He's trying to provide support to go with our military surge, more power to him. Of those 980, is the number from your active corps just about 16, less than 2 percent of the civilian surge? Can you tell me numbers that are more precise than under 30 for single-hatted and about 16 for civilian surge if I'm far off?

HERBST:

I believe your concept of single-hattedness does not apply. There are 86 members right now of the active component of the Civilian Response Corps. If we had not received a budget to build a Civilian Response Corps, these 86 members would not exist.

In many cases—I don't have the numbers handy, but I can get them to you——some of the 86 were hired from outside. In some cases, they were employees on board who moved from one job in their respective agencies to another job.

But they are simply members of the Civilian Response Corps in their agencies. They are not, quote-unquote, dual-hatted the way you described.

TIEFER:

Well, I'll have to stand with my numbers. I have not been given alternative numbers, although I understand you might supply them for the record.

HERBST:

No, no. But the point—I'm not...

TIEFER:

I know you dispute the concept. I had hoped I would have different numbers as for those who do or don't have another job besides your corps.

HERBST:

And what I'm saying is...

TIEFER:

You dispute the concept. I understand.

HERBST:

OK. Good.

TIEFER:

Mr. Bever, AID has a—excuse my putting it this way—a god-awful personnel shortage in Afghanistan. This is not criticism. This is praise that you have a shortage of personnel everywhere; you're doing what you can.

Isn't it the case that S/CRS is giving to Afghanistan so few people that—I'd be interested in your characterization. I know you want to be friendly, and you're grateful for whatever they give you, but I want a characterization of how many people S/CRS is giving AID in Afghanistan. My own characterization, which you can accept or reject, is that it's a handful of people; that it's less than 20. But you tell me.

BEVER:

Thank you, Commissioner.

First, I do want to acknowledge that we and S/CRS have worked very closely together. And I've highly regarded and respected Ambassador Herbst's leadership in taking on a very tough task at the State Department and his coordination in reaching out to AID and others. That's the first thing I want to say.

The second is that, when I went out to Afghanistan again, maybe about a year ago or so, I was impressed with a couple of very sharp officers there who had organized a coordination group at the embassy. And I was very pleased to see that those were S/CRS officers. I think they have now since finished their time and recycled back to Washington.

There are—I don't have the precise numbers—but...

TIEFER:

Is under 20 approximately correct?

BEVER:

I think under 20—my count would be certainly correct from my understanding to the extent that what we have reached into the SCRS...

TIEFER:

OK. If I can—my time is limited, and I'll just say, when we're talking about numbers so small, I cannot understand why the State Department hides behind S/CRS in refusing to look at the reform proposals like SIGIR's and, I expect, like ours. It's a small agency. It's not its own fault that it's a small agency, but it's a small agency.

Mr. Bever, I want ask you about the Kabul power plant. My time is going to expire, but we'll have later rounds, so I'll take it up from there.

The public has kind of nicknamed it the "white elephant" of Kabul. I want to see if it lives up to that characterization. I know you're proud of the plant. Ambassador Eikenberry's proud of the plant. It's a \$300 million, 105 megawatt power plant in Kabul just now being completed. I'm sure it will make a contribution, but I want to look at its sustainability. This is the first hearing that's been in public since SIGAR published two very important reports, one on the 20th of January just about this plant, then one on the 15th on energy of Afghanistan generally.

Let's start with sustainability. AID picked to make this plant something costly, and I would say, wildly overambitious by making it a dual-fueled plant that runs either on diesel fuel—which is the fuel of Afghanistan—that's natural—or heavy fuel oil, for which there is no distribution network in Afghanistan. Heavy fuel oil is much harder to use. It's lower quality. It's left-over fuel. It needs far more technical skills than the Afghans have. The Afghans have said they won't even dare use heavy fuel oil for the first two years.

SIGAR has said that the, quote, "the improper use of heavy fuel oil could lead to the complete failure of the generators." We know—this is a story that sounds very similar to non-sustainability in Iraq. I want to ask can you bring yourself to admit, perhaps, in retrospect, it was a mistake to build it on that basis? And even if you can't go that far, could you say you've taken on a real risk about sustainability with this power plant of Kabul?

BEVER:

Just to make this short—and we can go into this later or later for QFRs [Questions for the Record]. I certainly would agree with the second point, Commissioner, that it's a risk. There's always a risk for sustainability.

This particular plant was a high-end model, but it was built in blocks so that it could be adapted. We knew from the beginning that the fuel supply was going to be a key question, but all of these kinds of programs and projects, they take years in duration over multiple administrations—in this case, multiple ambassadorships and AID directors.

What we have negotiated with the Afghan government is the importance of them taking the responsibility for the fuel supply. It is important for the fuel to be checked, cleaned and verified before it's used in the equipment, or in fact you can ruin the equipment.

However, I think if you were to talk to the people of Kabul, they would complain less about power supply now than they did a year or two ago, especially in the wintertime. What we didn't know at the time that this plant was being put together was whether the NEPS, the North East Power Supply system, with power wheeled from the Central Asian republics, was actually going to ever make it to Kabul.

This was a guarantee insurance program. And in fact, at times when that power supply has gone down, either because of sabotage or otherwise, this plant has kicked in and kept the power flowing to the city.

So there are some—good reasons to have this backup system, which is really meant to supplement the old thermal station in town as well as the lack of hydro capacity during the peak winter times. Thank you.

TIEFER:

If you'd excuse me, I'm going to do one more question on this. Thanks for the grace of my two co-chairs.

You said this was a high-end plant. That strikes me as an underestimate. I'll try some numbers on you. You can disagree. This plant is costing about 22 cents a kilowatt-hour. Power from the main competitor, which is a power line from Uzbekistan costs only 6 cents a kilowatt-hour, about one-fourth as much.

I know you have strategic reasons for not wanting to be dependent on Uzbekistan. When I say "you," both the United States and Afghanistan have these reasons, but pricewise, 22 cents versus 6 cents, civil servants—not just sort of anybody out there, the press—but civil servants—who had been in the relevant ministries of Afghanistan say the country cannot afford this.

It costs out that it is costing, if it's run at full capacity, if you price diesel fuel at a reasonable price, like \$1 a liter, which might even be low over the term of time, costs \$280 million, which is one-third of the entire Afghan national budget—\$280 million. It's a poor country. Aren't the Afghans going to be dependent on us?

Let me ask you when do you reasonably expect the Afghan government to be able to pay for this—near year, five years, 10 years, 15 years? When—put a number of years on the—when will the poor Afghans be able to afford this high-end power plant?

BEVER:

By high-end I was comparing it to what was there before, which is the old, decrepit Northwest Kabul power station that the American people kept functioning all through the—period since we dispersed the—Taliban in late 2001.

As far as the costs go, no question this is more expensive per kilowatt-hour. That's on the assumption that you get the [other] kilowatt hours coming in from the Central Asian republics on a reliable basis. And the power gets very expensive when you don't have it at all in terms of the impact on families, business and the economy, hospitals and everything else.

Also, customers in the Kabul area, which is now almost 5 million population, pay a very high price per kilowatt hour because of local standby diesel generation that they have to depend on when the Central Asian republics supplies weren't there and the old decrepit system was not working. So it's probably a lot closer to the 22 cents – what they actually were spending per kilowatt-hour for their family or commercial needs – than the 6 cents.

In terms of the \$280 million being a third of the national budget, the numbers are right, but I'm not sure the \$280 million would be the actual annualized cost to the consumer base, because that plant that we built is meant for peaking power, meant for emergency standby power [i.e., not for steady, baseline power].

So assuming the Central Asian republics supply the power from—the NEPS system, I'm not sure. I'd have to check and get back to you on that number.

As far as the budget and how much can the Afghan government afford, that's a good question. It's a good question we all ask ourselves about everything we do in Afghanistan, including the expenditures on what will eventually be 300,000 troops and police forces. That's probably seven or eight or 10 times the current revenue base of the government of Afghanistan. This—pales by comparison.

TIEFER:

I agree.

BEVER:

So I think over time the international community will have to be contributing...

TIEFER:

Mr. Bever, I hate to cut you off, but I have so exceeded my time.

Thank you.

CHAIRMAN:

Thank you, Commissioner Tiefer.

Commissioner Henke, please?

HENKE:

Thank you.

Gentlemen, good morning. I have a question for each of you on National Security Presidential Directive 44, NSPD 44 signed in December of 2005. I'm sure you're all very familiar with it from the point of inception now to—the point of implementation. And the subject of the directive from the president is management of interagency efforts in reconstruction and stabilization, which is exactly what we're here to talk about today.

—The proverbial bottom line for the directive is it very clearly pins the roles on the Secretary of State for leadership in interagency operations. "The Secretary of State shall coordinate and lead integrated U.S. government operations efforts to conduct stabilization and reconstruction activities."

One of the duties in there, Ambassador and others,—one of the specific duties is to identify lessons learned and to integrate them into operations. So my question for each of you is if you could each identify for us two or three lessons learned from recent operations that have then been implemented into what is currently going on in either Iraq or Afghanistan.

So just two or three examples from each of you, very succinct, demonstrable examples, and examples that are not what we're going to do the next time we do and Afghanistan or what we're going to do in five years, but things that have already changed the dynamic, the operational tempo. What I'm really getting at is large organizations and how they are nimble and able to learn quickly and respond and change real time. So if each of you would give us two or three lessons learned that are effective today.

HERBST:

One of the most important lessons we learned in Iraq, and for that matter Afghanistan, was the importance of integrating what civilians and military do. So our staff went out to each American PRT in Afghanistan and helped write plans for civ-mil operations.

We did the same in R.C.-East [Regional Command East] and R.C.-South [Regional Command South], and we created a civ-mil group at the embassy in Kabul that wrote a national plan of civ-mil operations. That is learning from the past, something that has been done. It has improved our efforts in Afghanistan.

Also, study what was going on the ground. Our folks in Afghanistan, who are small in number, but had important niche functions, came up with the concept of district teams, to go at levels below the PRTs. And those in fact are being implemented now under General McChrystal.

HENKE:

District teams to do what, sir?

HERBST:

To oversee the provision or help the Afghan government provide services to establish a civilian presence at a more local level below provincial centers.

HENKE:

OK.

Mr. Bever?

BEVER:

At the higher level, I would say a very important lesson learned is to listen carefully to our host country government, our host country civil society, and our host country private sector and try to gear what we do to what they want. And in that regard, I think one of the lessons learned here in the case of Afghanistan is how we have tried very hard to link our program to the Afghan national development strategy.

I'd say on a more operational level from the accountability perspective, a lesson we've learned the hard way over time is that your IG [Inspector General] is like your in-house physician. You

want him or her with you all the time. You may not like the procedures they use, but you want to know the results and the diagnosis so you can deal with it.

And so we have called in the IG for concurrent audit in our programs. They are resident with us. We think this is a best practice for these kinds of programs.

And the third, I think, would be to say—well, two others. One is grant mechanisms. Early in a conflict for AID, we have learned it's helpful to have not only contract mechanisms as well as other experienced officers ourselves that have served in conflict zones, but to be able to have quick response, very quick moving grant mechanisms, where we can mobilize thousands of small activities very quickly. We did this both in Iraq and Afghanistan.

Finally, a real lesson learned for me was to reach out to our Foreign Service national corps of USAID around the world and to get the best of them to come into these conflicts zones as third-country nationals to supplement our American staff.

Thank you, sir.

SCHEAR:

Sir, the prior two remarks cover an enormously rich ground. I'm not sure there's much I can add, but I will add one thing. And that is certainly the points about the district teams and related to that, civilian imbeds in our regional military commands I think has been very significant.

But the one lesson I learned is we need to think harder about how we collect lessons learned. There always is a tension between what I would call first-person lessons learned—how I did it—and third-person lessons learned—how they did it. And the level of—bias or independence is clearly going to be weighed in relation to first and third person. We are looking very hard at systems and processes—that rely and in fact work on our current IT capacity to have masses of people with experience to—contribute to a lessons learned dialogue. There needs to be a referee for that, because there will always be a certain noise factor. And we're looking hard at how to institutionalize that within the Department of Defense and more broadly for the interagency.

I would underscore in this capacity the establishment of a Center for Complex Operations at the National Defense University, stood up last year. And working on lessons learned, best practices is—part of their charter, and we hope they will in time produce a very good, coherent way forward on how we comply with lessons learned.

HENKE:

So, Dr. Schear,—what is the lesson learned that is applicable—or not just applicable, but being applied to the current operation in Afghanistan?

SCHEAR:

Well, that one has to start with a lessons learned process up front. It can't be a tack-on at the very end. We have to be looking systematically and coherently at field practices, the returns from all levels, from the subdistrict, district, all the way up to the national level in the host nation.—So I would say the lesson is let's start with the collection and evaluation process up front.

HENKE:

Mr. Bever, your first point—could you elaborate on that? It was listen to what the host government, the host-nation government wants and desires. Could—you elaborate and tell us how that is being done today and why it's different than it was six or seven years ago?

BEVER:

In the case—of Afghanistan, obviously,—we tried from the beginning to work with our Afghan government counterparts. There wasn't much of a civil society available at the time, frankly, and very little of a private sector to deal with. Over time—with our help and others and their own internal leadership, they've enhanced those.

Gradually, they managed to put together something they themselves are very proud of, which is the Afghan National Development Strategy [ANDS]. It is not—a budgetized strategy, however, and it lacks prioritization. So they—it's still a work in progress, too, but it gave us a framework as—with our people's money, to put the money against those things which the Afghans themselves, their leaders, believe is important and their reformers believe it's important, whether it's in the health sector, whether it's in the agriculture sector or the education center or deepening governance into their society.

And that's what we have framed our money around, as has the Afghan Reconstruction Trust Fund, which is a multi-donor mechanism that's also key to that national development strategy. So it's a—framework and a tool which—helps us to minimize duplication. It doesn't guarantee it, but it helps us to minimize the duplication both between federal agencies and—between us and other donors.

HENKE:

And what—real briefly, what was the single thing that brought that about, the ANDS?

BEVER:

It was a multi-donor effort and—came from also within the Afghan cabinet itself and some of their reformers, the finance minister, the—economy minister, to put this together so that in fact they had a better vision of where they want to head in the future. And it's taken two years—two-and-a-half years for them to do it in various iterations.

HENKE:

OK. Thank you. My time's expired.

CHAIRMAN:

Thank you, Commissioner.

Commissioner Schinasi, please?

SCHINASI:

Thank you. Good morning, and thank you all for being with us this morning. And I'm going to touch—just one observation that echoes my co-chair's position on this.

I have watched with increasing concern over the last couple of decades about the militarization of our foreign policy. And I think I first became aware of that when the Admiral who—was like combatant commander in the Pacific—was able to get meetings with heads of states that our ambassadors were not able to get, because it was in fact the admiral who had access to the resources that the ambassadors could not bring to bear to help countries in our partnership.

And so I would just say I hope that the delays in responding to Secretary Gates' proposal will in the end prove to be worth the wait, as you said Ambassador Herbst. Goldwater-Nichols took us a long time to develop, and nobody who was involved in that process was happy about it as we went through it. But I think by all accounts we're in a better position today having gone through that painful process.

You all talked a lot this morning about the process of coordination. In my experience there are three kinds of coordination. One is it's a meeting on your calendar every month or every quarter. And you go in and you say what you're doing. And the other person says what they are doing. And then you go back to your real job.

The second kind is you go in, and you say, you know, "I need some help here." And your partner says, "I'm sorry, but my boss says I have other objectives. And I really don't have the time or the resources to help you." And then the third kind is the kind that, you know, we hope we all can get to, which is, "I need some help." And your partner says, "Well that's not exactly in my lane, but I know somebody who can help you, or I'll see—what I can do to—free up some resources, because in fact we are after the same objective here."

So let me just ask you for a result of some of the coordination that you all have been talking about in the process. And if I could, I'd like to refer to the CERP program. That is something that presumably you all are meeting on. I think in one of your statements you said that—there is now more of a civilian component in looking at and approving CERP projects. Can any of you give me an example of a project that was turned down that a commander came forward with because of—the participation of the civilian agencies?

Start at any end. Dr. Schear?

SCHEAR:

Thank you. I actually cannot give you a good example, because I have not been working at that level to—refine my understanding of the actual results of the process. I know it's—an important priority. Possibly my colleague, Jim Bever, could—speak to that.

BEVER:

On—those that have been turned down, I'm going to have to research that. But I can give you some examples—ones where we've coordinated better that I'm proud of. And, you know, this has been an evolution. When this CERP—and—it's, you know, ancestors shall we say were started back in 2002—2003 even, it—was a highly constrained mechanism.

Even then we tried to coordinate with our military colleagues at Bagram at the time I was there. But what we see now is an effort as much as possible at the PRT level. And it's not—perfect. It—an imperfect situation. But there's a hard effort at—these PRTs to try to coordinate what happens with CERP money, and what happens with the civilian money.

I think there's a growing appreciation by our military colleagues that what you might do with CERP first and foremost you want to do no harm. And second, you ideally want what you do

with CERP to fulfill something as part of a continuum of development that can be picked up by others—ourselves, the British, the Afghan government themselves. And that it's somehow coordinated with the center planning.

For example, construction with a school—that it's actually on the ministry of education's plans that they will have teachers, the books, the maintenance, and everything else for that particular location, and it's not duplicating the fact that there's another school up the valley. And they could all be going to the same facility, or the same teachers.

An example I would give you that I'm aware of is one related to the destruction of some bridges in the south along the Kabul-Kandahar highway. These are bridges that we built at—considerable expense, and—loss of life in order to build those bridges. They were—a year ago they were blown up by either criminal or Taliban elements. And when—and it slowed down the traffic, and it led to other problems.

What we found was CERP had some money that they could put into it. We didn't feel it was appropriate for us to put additional AID money into it. It was a military need as well as a civilian need. And what our military colleagues did, and what our people did at the PRT, and I think it was in Zabul—in Kalat—was to allow our military colleagues to use implementing mechanisms, and implementers that had originally built that bridge to rebuild it, but with CERP money. So there was very close coordination on that. And that's the kind of thing we want to see more of. Thank you. That's—the kind of example I can give you now.

SCHINASI:

Thank you.

And Ambassador Herbst, I'm going to change my question a little bit for you, because Mr. Bever did give me that example.

We had a hearing last week as you know. And one of the witnesses at that hearing who had spent an awful lot of time on the ground in Afghanistan made the point that—S/CRS had lobbied to get more involved and on the ground in the implementation of projects, but that it had not been able to do so. And it was therefore being marginalized.

So you would—based on your testimony this morning, you would not agree with that characterization?

HERBST:

So that I understand the question, his point was—we lobbied to be more involved in projects in Afghanistan?

SCHINASI:

Yes. That's correct.

HERBST:

All—we certainly...

(CROSSTALK)

SCHINASI:

He said you hadn't been able to get in.

HERBST:

All—I would—I would disagree with that characterization. There—are a number of points here that are very important. The first is we've been asked to do specific things in Afghanistan where our staff brings unique value. So we—are responsible for all the civilian planning that has taken place.

We've been asked to get involved in other projects where they needed people who could be put together quickly, and do the job. So for example Ambassador Holbrooke needed a team to go out and help with the elections. Manage it from the U.S. perspective, cause the U.S. was not responsible for the elections as a whole. We put together a team of eight in the matter of a few weeks led by retired Ambassador, Tim Carney.

We did the same when he asked for something for strategic communications. When UNAMA needed help providing analysis of capacity in—the office of the president of Afghanistan for managing in the Afghan national development strategy, they came to us to ask—to send people out. And we send people out. So these things we've all done.

Now we are not—given the size of the Civilian Response Corps—able to provide a significant portion of the civilian uplift. If we had been given money in 2007 rather than 2008, we would have had the numbers we have right now available 12 months ago. And we could have gone in—

but—we didn't. What we have though is a capacity, which is growing by the day. And which will be available for future operations. In—not numbers of many hundreds, but of a few hundreds.

SCHINASI:

And my time is up now. But I'm going to come back to resource next round.

(OFF MIKE)

(THIBAUT):

—I'm going to figure out—push that talk button. Yes. Thank you Commissioner (inaudible). Commissioner Zakheim, please?

ZAKHEIM:

Oh, thank you very much.

First of all I want to associate myself with Co-Chairman Thibault's comments as Commissioner Schinasi did. I think this is a bipartisan concern. And I really think your agencies need to take note of it. Particularly the State Department.

Secondly, Ambassador Herbst—all three of you actually I know reasonably well. And—you're all terrific public servants. Got some issues though with some of your agencies that—you're associated with. And one of them, Ambassador Herbst, springs from the answer you just gave Commissioner Henke on my right here.

You mentioned Iraq and Afghanistan. But I look at this map, and I don't see a single person from S/CRS in Iraq. Why?

HERBST:

The simple answer is we have not been asked to go in. Although—we have not been asked to go in. That's correct. But though it is true that I had a conversation a couple of weeks ago with Cameron Munter, who is at our embassy in—Baghdad. And he proposed a role for us. And we are now discussing with him how we might be helpful.

ZAKHEIM:

So what you're telling me is in spite of the fact that we're so desperately short of civilians. In spite of the fact that the secretary of Defense wrote to the secretary of State that he is prepared to support State Department on this. In spite of the fact that you're building up a—special response corps, nobody has yet asked you for anything definitive on Iraq?

HERBST:

As I said. Yes. But it...

(CROSSTALK)

ZAKHEIM:

Thank you.

HERBST:

Wait. I...

(CROSSTALK)

ZAKHEIM:

Now let me ask you something else. You say you have 86 active folks right now. Correct? And this builds on my colleague, Commissioner Tiefer's questions. Again this map—it's kind of interesting. We desperately need people in Afghanistan. You just responded to Commissioner Schinasi on this. How come you've got people in Ecuador, in Bangladesh, in Panama. Last time I checked, Panama wasn't suffering from a major internal conflict. In Paraguay. Could you explain that please?

HERBST:

Well first of all, let's talk about the staffing of Afghanistan...

(CROSSTALK)

ZAKHEIM:

No. Actually I'd like to talk about the staffing...

(CROSSTALK)

HERBST:

Well—, but I—will come to your question. But it's important to understand, you—I think you're setting up a false dichotomy. If we had the Civilian Response Corps fully built with the civilian uplift, I think it's safe to say we have been asked to provide a substantial number of the (inaudible) civilians going into Afghanistan.

But since we did not, because the civilian uplift began a year ago, and we had only had funding at that point for less than six months, we did not have serious resources. As a consequence, when they were staffing for Afghanistan they used the same model they used for Iraq. And that same model involved bringing in contractors using some—civilians were currently in the U.S. government, but also bringing in contractors. It's that simple.

Now I'll answer your question regarding what are we doing—these other things. The civilian response capacity we are building is immense. One to help with ongoing conflict situations. And two to help prevent the appearance of ongoing conflict situations. There are in each country we've been stability questions which we have helped to address. But point of fact—until we have a substantial—Civilian Response Corps—so your saying, "Well you're not in Afghanistan in a major way," is a false argument.

ZAKHEIM:

Well wait a minute. Wait a minute here. You're saying that you have made—not you, but the State Department has made a choice. That with its limited Civilian Response Corps resources the

man or woman on the margin goes to Panama, and the contractor goes to Afghanistan. Is that what you're telling me?

HERBST:

I'm telling you that the folks—the office which is responsible for staffing in Afghanistan makes decisions as to whom to send.

ZAKHEIM:

And that's in the State Department?

(CROSSTALK)

HERBST:

And that—is in the State Department. And that is not my—that is not my office.

ZAKHEIM:

I..

(CROSSTALK)

HERBST:

My—office has provided the names of people who are available for Afghanistan. It's also true—that since we have a mechanism which is working now for staffing civilians into Afghanistan it's useful to have a—capacity in reserve for other things that may and will come up.

ZAKHEIM:

OK. Look. You've just proved my point that I don't have a problem with you. I have a problem with your agency. Because there's some office that's making these decisions, and for the life of me I'm—maybe I'm just simple minded. But I can't figure out how those decisions are being made.

Let me ask you this. When you say there are 19 people in—or 16, or whatever the number is—less than 20 I guess the number is. Right?

(TIEFER):

Right.

ZAKHEIM:

Charles?

(TIEFER):

That's right...

(CROSSTALK)

ZAKHEIM:

Less than 20. Are they full time equivalents or people who are there the whole time, or are the people rotating in and out? How does it work?

HERBST:

We have sent people to Afghanistan in many capacities. Some of them have gone just for a few months. But—and the embassy has asked us over the past—basically going back around 10 months—when we send people out, send them for a year. So our people go out for a year. When they go out for a year they come back. They come back—they're working on Afghanistan from our office. So the people who then we send out in their stead are being backstopped by folks who really know the place.

And then, after they've been back in our office for a time, we ship them back out to Afghanistan. So the folks we are sending are high value, and they are much desired.

ZAKHEIM:

OK. Mr. Bever, didn't want to let you off the hook entirely at least, Jim. Let me ask you this. You say that people from AID are involved now in the decisions regarding CERP. There's some degree of interface. Is it the other way around too? Does the military sit in on your decisions regarding how you use your AID funds?

BEVER:

Well first, you know, the final call for the CERP is the commander's. It's his authority. It's also his responsibility, and it's his accountability—or hers. And so we consult, but it's not like everyone has a veto power.

ZAKHEIM:

OK.

BEVER:

So in the end it's the commander as it should be.

ZAKHEIM:

And do they consult with you the same way?

(CROSSTALK)

BEVER:

And in the case of AID, the AID officer, or field program officer again if you're talking the PRT, they will usually reach out, because frankly they're all living together. They're all in very

tight quarters. They see each other all the time. And they meet very frequently. Do the military officers know or care about everything we're doing? No. Just like we don't necessarily know or care about everything they may be doing.

But there's a lot of give and take. So we are open to their thoughts and their ideas and frankly part of it's because we need them for the security and part of it's because we want to coordinate on what roads we're going up and down and what roads we're building.

For example, in Marjah right now, one of the key things we'll be doing is completing a major important road up there. So—we consult very closely with the military on that and vice versa.

ZAKHEIM:

The ring road started in roughly 2002 when I was coordinator for Afghanistan. So here we are eight years and, you know, two administrations later really if you count Bush's two administrations, is the ring road finished?

BEVER:

I think there are still some small sections in the northwest north of Farah Province, along, you know, where Turkmenistan area where the silt and the sand is very difficult for road construction.

I think the Asian development bank had agreed to take that area. I don't think they're quite finished. If they are, it's just been very recently. The question to me on—the ring road, which was a huge investment...

ZAKHEIM:

Is that the only part that's unfinished?

BEVER:

As far as I believe, I think that's the only part that's really unfinished. So it was a vision everybody had, the Afghans first and us also. And it's taken quite a few years to do. We did the Kabul-Kandahar and then Kandahar-Herat within three years ahead of time and under cost, but under budget cost. What we didn't expect was it was going to cost so many lives to build that road and we're still suffering loss of lives to build the secondary roads in the country.

The one concern I would just say on the ring road, is [that] the deterioration of security on the ring road over time has been tragic.

ZAKHEIM:

Mr. Chair, my time's up. I'll be back to you.

THIBAUT:

Thank you. Thank you, Commissioner. Commissioner Green, please.

GREEN:

Thank you. All of us up here have different priorities in the contracting arena areas that we think are more important than others. I for one don't know that there's one—any area that the commission is looking at that is more important than coordination.

The opportunities for waste, not to mention fraud and abuse, but waste are just—they're huge. We've got, as we all know, a lot of policies and procedures and in fact statutes in place that tell us, direct us, encourage us to do a better job, but we're not doing a great job. Maybe we're doing a better job than we were five years ago, but we're not doing a good job.

I don't know whether it can be attributed to resources, staff and money, whether it's focus, whether it's roles ambitions, whether it's just plain old leadership or whether it's turf. I don't know why we're not doing better. It's my understanding that both of the departments represented here, and I'm not excluding USAID, but the Department of State and the Department of Defense are not in agreement with the proposal made by the special I.G. for Iraq reconstruction on USOCO. And I'm not supporting or defending that one way or the other.

I also have got to assume that by the delay that I would be very surprised if the Department of State supports the proposal made recently by Secretary Gates through Secretary Clinton. I'm just assuming that that is happening because I think if they were in agreement, they would've been back in a nanosecond saying, I love it.

Let me—let me just say this and then I'd like some responses. We've never had a defense secretary who has been so supportive of development, diplomacy, smart power, if you will. He ain't going to be there forever. We ain't going to be here forever. SIGIR and SIGAR ain't going to be here forever. And hopefully, these two wars at some point will be over.

What is your incentive to do something? We don't agree with any proposals that have been made. Are we going back to the same old stuff again? How do—I'd like to hear from each of you on that. Ambassador Herbst?

HERBST:

Well, we have a great incentive to quote/unquote, "Do something." And our office represents an effort to bring together the interagency completely for managing civilian—excuse me, for complex managing complex operations. To do this properly, we need to have the Civilian Response Corps built up and we then have to use it once we build it up.

We need to make sure we have all aid (inaudible) agencies engaged, and they are, and we need to make sure that the decisions—they're taking on an interagency basis. But again, our office has only been effectively empowered for 18 months and permitted to work as we're starting to work right now, we will be able in a year to field a couple of hundred people the permission and to ensure that it involves the full interagency and we are committed to achieving the objective.

Secretary Clinton believes—in smart power and we represent smart power.

GREEN:

I don't doubt that the department supports, embraces smart power, but I have sat through years there in that department when you fought, when we fought for every nickel and what I'm concerned with is once this—the champions of this, and I mentioned a few of them, go away, the people that are putting the pressure on, if you will, that we go right back to the same old stuff.

HERBST:

If two or three years from now the Civilian Response Corps is as we're—trying to achieve 264 active members and 2,000 standby members and we have used—we have used them in some operations and people have seen the good results, good results which come not just from those numbers which is on the medium side, not the—but also from the coordination. This process will be institutionalized.

GREEN:

OK. Mr. Bever?

BEVER:

Well, you—Commissioner, you've certainly laid out a very important challenge and put it in even starker terms than I had thought about before because we do have the advantage right now of some leadership within this administration and we should take maximum opportunity for that leadership.

What we're involved in right now with Secretary Clinton and our agency is the Quadrennial Development and Diplomacy Review [QDDR]. One of the key committees of that process deals with conflict stabilization kinds of issues and I will take your question back to that committee as well and we are looking at that, but I don't want to telegraph. It's not appropriate yet in this hearing to telegraph what some of the discussions have been there.

I would just say that I agree with the earlier comments that these kinds of issues are going to continue whether in—how long Afghanistan continues. There will be other issues out there—in the world that will demand this kind of a response. AID as an agency, in the end, it's all about our people, our people and our systems, and the courage of those people and how smart those people are.

Our challenge is recruiting the best people, retaining the best people, and building those lessons back into our procedures. In terms of coordination, I would use your characterization that it is better than it used to be. And we also look to the National Security Council for some of that coordination among our agencies from a policy directive and we also coordinate under the special representative for Afghanistan and Pakistan which I think has been a good initiative for bringing agencies of the federal government together around one table that normally we would not have met together on a weekly basis.

Both Ambassador Herbst and I do that every week. So I'll just close at that comment.

GREEN:

Deputy Schear?

SCHEAR:

Sir, you're raising a series of concerns that I think are absolutely legitimate that we have to look very seriously at. I would add at some risk of sounding a little bit too scholarly here, the instrument of contingency operations and our understanding of how to work that in a stabilization and reconstruction, I mean, will be affected—is affected by the environment.

The environmental character of our global security right now very much features persistent irregular conflicts where countering insurgency requires, especially within the Department of Defense, a whole series of practices and training from the whole spectrum of capacity building within our department. [It] focuses in ways we couldn't really have imagined with great prescience a decade ago even though we had Vietnam several decades ago [with] population-centric operations.

And the types of activities and equipment: we need the types of methods we undertake, I think, [to] underscore the need for civil military cooperation at every level. This is not about shooting our way to victory, I believe, as—General McChrystal has stated. This is about persuasion, about bringing various audiences in these complex venues over to legitimate governance which we can support and sustain and eventually hand off to.

So I think for all those reasons, I think there will be a continued legacy and experience.

GREEN:

Thank you.

SCHEAR:

Thank you.

GREEN:

I just, you know—I am not an academic. I'm a very practical person who have lived through the battles at the State Department particularly in funding and emphasis. And what I don't want to see is an opportunity lost because the champions will go away. And I'm not promoting USOCO, I'm not supporting the Gates solution, I'm not promoting an NSC solution. I don't know what the solution is, but you three guys and others are going to have to come up with a better way to do it. Thank you.

THIBAUT:

Thank you, Commissioner Green. My co-chair, Commissioner Shays, please.

SHAYS:

Thank you, Mr. Chairman. This seems more like a scholarly discussion than I would like and it kind of puts us all to sleep. I'm trying to think of some way to wake us all up here. And one of the things that I think of is that the lack of coordination costs billions and billions and billions of dollars. Huge waste which means that we don't optimize our—the dollars that we spend.

It also results in the loss of lives in our military, the loss of lives in our diplomatic corps, the loss of lives in our civilian civil servants, the loss of lives in contractors—U.S. contractors, allies, our NATO friends, the loss of lives of local nationals both as contractors and as civilians on the street and the loss of lives of third country nationals. That's the bottom line.

So it's a huge, huge issue. Would any of you deny that the lack of coordination has resulted in serious costs of money, not that it's your fault, but the lack of coordination and the loss of lives because we haven't optimized our military and we haven't succeeded in rebuilding a nation like we want to? I don't need a long answer.

I'll start with you, Ambassador. We'll go right down the line.

HERBST:

Certainly coordination has been problematic in the past. It's been getting better and it can improve still more.

SHAYS:

That's not the question I asked. I asked has the lack of coordination resulted in wasteful money and the loss of lives?

HERBST:

I think it's safe to say the thing...

SHAYS:

It's not a hard question, Ambassador.

HERBST:

Coordination could be better and the absence of effective coordination has lead to losses.

SHAYS:

Loss of lives and the waste of money?

HERBST:

I think it's—you could say...

SHAYS:

Ambassador, the fact that you have a difficult time saying it is more concern than anything. It's a no-brainer to me.

HERBST:

There's no question...

SHAYS:

Let me—let me—let me interrupt you a second. This is a hearing to which we want to know is this something that really registers with you. And if you can't tell me it doesn't cost the loss of lives and the loss of money, I gave you the easy question.

HERBST:

There's...

SHAYS:

The hard questions are to follow.

HERBST:

... there's no question that there'd be losses in money. Have there been losses in lives? Perhaps so. I'm not...

SHAYS:

Perhaps? So—so it's just a money issue? It's not an issue of using—our forces more successfully? Don't you think that if we are able to help the Iraqis—the Iraqis and the Afghans that—this would help bring peace sooner, therefore, not cost lives? That's kind of like basic, it seems to me.

HERBST:

Better coordination will lead to better results, including victory faster, yes.

SHAYS:

And therefore, not the waste of money and the loss of lives, correct?

HERBST:

Presumably.

SHAYS:

Presumably? Is that the way you want the record to say? You can't say yes?

HERBST:

Again...

SHAYS: It's not a hard question.

Mr. Bever?

BEVER:

I'd say there's a lot of room for improvement. And—but people work hard at it. But, yes, better coordination would mean more cost-effective delivery of assistance. There are constraints, both in terms of what our military can provide for our security where we have to get our development done. I think things are moving in the right direction.

As far as the loss of lives, I have to be careful here because of potential legal issues that may be out there. But there's—not any of us that have served in this part of the world that [don't] regret the loss of lives under our chains of command and that we will take with us to our graves. So we always wrack our...

SHAYS:

Mr. Bever, I was in Congress. We didn't appropriate the money that we needed for coordination. So I don't put you out there as somehow you have cost the loss of lives or that you have wasted money. I put us all in this together. And it seems to me you deal with reality, and from reality you make good decisions.

And it—strikes me again, like the ambassador, that it's hard for you to say what is reality. I'm giving you a chance, Doctor.

SCHEAR:

Sir, I am quite sure that looking back over the past eight years, yes, there has been waste associated with lack of coordination and very likely the loss of life, although I cannot verify your assertion with any concrete examples. I would, however, add this point. We have to think about the quality of coordination that you're underlining here. In many cases, it's a lack of coordination between those who have good situational awareness, who understand the human terrain of where we are operating in a wartime setting and those who are responsible for actually designing and executing projects.

That—and I underscore a recent article by Major General Flynn [Major General Michael T. Flynn, Deputy Chief of Staff for Intelligence in Afghanistan] on the issue of intelligence on this. I think that level of coordination is key.

Finally, I would have to say in a wartime setting there is the cost of local loss of life. I don't know how many girls' schools in southeastern Afghanistan have been hit or how many students have been hurt or killed. But that's also a factor I would add in. Thank you, sir.

SHAYS:

No. If I was answering the question, I would have just said yes. And the fact that you all had such a struggle in saying the obvious—I almost didn't ask the question because it's so obvious. Otherwise, why are we here? If it's not costing money and if it's not costing lives, then you guys are wasting your time trying to have better coordination.

So it was a no-brainer. And if I was a professor, it wouldn't be a good grade. And speaking of professors, there's a story of some Harvard students who thought they would be smart and go up to Maine to study for the weekend for a final exam. And they had—for whatever reason, they didn't study. And they weren't prepared to take the exam. So they decided to miss it and come back and tell the professor that they had a flat tire and so that's why they were late.

He said, no problem, no problem. And he said, I'll give you the exam. He put them in three separate—four separate rooms. There were four of them. And he asked them one question. And the question was, “Which tire?”

I would be tempted to ask each of you to tell me how you coordinate with each other and not have you be in the same room just to see and satisfy myself whether the answer would be the same.

I can't do that, so we'll start with you, Ambassador. How do you coordinate with Mr. Bever and Schear? How do you coordinate with USAID and DOD?

HERBST:

With—DOD and AID, I have members on my staff. One of my deputies is from USAID to ensure close coordination. I've got several members from—DOD who have been detailed to my staff.

In the reconstruction and stabilization IPC [Integration Planning Cell], which I chair, these two agencies sit. Jim Schear is my principle interlocutor at OSD to talk about developing capacity. And Jim and I have worked together on a variety of things, as he's already mentioned.

But our integration—excuse me, our coordination with the interagency—is comprehensive. It's in my office. And it's in every work product that we produce. When we deploy people to

those countries which—Dr. Zakheim spoke about, that involves the process where the interagency agrees.

SHAYS:

So let me say. You have 86 people. How many are in Iraq and how many in Afghanistan?

HERBST:

We have no one in Iraq right now. We've got, I believe, it's actually 20 in Afghanistan today. But I can confirm that for you when I get back to the office.

SHAYS:

So nobody in—Iraq to coordinate?

HERBST:

Correct.

SHAYS:

OK.

HERBST:

I've already explained why.

SHAYS:

Mr. Bever?

BEVER:

Representatives from Ambassador Herbst's group meet with us every week where we have our own interagency meeting at USAID headquarters. It includes representatives from the Department of Defense, Treasury, Health and Human Services and others, Agriculture included.

We also meet regularly, weekly along with other assistant secretary-level and undersecretary-level officers at the State Department for what's called the SURA (ph) meeting. We meet at our deputy assistant secretary levels and at the deputies' committees. That's all here in Washington in the field as well, obviously at the regional commands and in Kabul.

In the case of our colleagues from the Pentagon, that's an almost daily, hourly coordination effort with—especially with the Pakistan/Afghanistan coordination unit that's been set up at the Pentagon. We also have military representation at AID in our office of military affairs. They work on my task force. And we meet regularly. That's here in Washington. And in the field, that's, as I said, an ongoing exercise. We have liaison officers at the lieutenant colonel and colonel level in our—in our resident mission in Kabul sitting inside our offices both with us and with our agriculture colleagues, who are also in our office.

SHAYS:

Mr. Schear?

SCHEAR:

Yes, Mr. Chairman. As Ambassador Herbst said, I do sit on the interagency policy committee for reconstruction and stabilization. That gives us, my office and his, a good opportunity to interact very intensively on a wide range of issues. I would also add that there's—an NSC role in interagency coordination. Particularly relevant to that is the point made by several of you about Secretary Gates' proposal on shared responsibility, pooled resources. There is a larger interagency review on security sector assistance, which at an appropriate point will turn its attention to the secretary's proposal. So it's an ongoing process. I place a high premium on active NSC involvement and interagency coordination in this area.

SHAYS:

Would—Mr. Bever and Mr. Schear, would you each give me the names of three people that work in Ambassador Herbst's office that you work with?

Mr. Bever?

BEVER:

Rob Jenkins is one of them at—my level that I work with.

SHAYS:

Right.

BEVER:

He's usually the deputy or acting deputy to Ambassador Herbst.

SHAYS:

Anybody else?

BEVER:

That's the one I deal with, sir.

SHAYS:

Do you deal with anybody else?

BEVER:

There are staff level people who come to our weekly meeting, but I don't recall them.

SHAYS:

OK.

Mr. Schear?

SCHEAR:

Mr. McNamara, who's the chief of plans and Mr. Jenkins, who I believe has actually just rotated out, John, but to be replaced shortly. Thank you.

SHAYS:

I just conclude because I hope we have three rounds, not two. My view of smart power isn't soft power. My view of smart power is it's the use of hard and soft power.

And it strikes me that one of the challenges in this (inaudible) of why we did not set you up soon enough is we were not willing to deal with reality. And that was that we're into nation building. And if you're into nation building or state building, whatever you want to call it, it means that we've got to put more resources into USAID and into state to do that job.

And the failure to do that has resulted in our being six years behind. It means our troops will be in Iraq and Afghanistan, particularly Afghanistan, longer than they need to be, which means their lives are in danger longer. It means all the contractors who are there—their lives are in danger—danger longer. And so,—I would like us to talk—my next round will be about the whole concept of nation building or state building.

Thank you, gentlemen.

THIBAUT:

Thank you, Commissioner.

We'll start a second round now. And we'll start with myself.

—I want to go back to—I'll have my second area of—of discussion. But I'd—like to calibrate also off of the initial remarks about the importance of very senior level executive secretary-to-secretary discussions. And I'm smiling because it's already now called the Gates proposal. And Secretary Gates in his presentation—and I want to read this because it's real important.

I would propose to you he doesn't care ultimately what's accomplished, as long as an improvement is accomplished because in his presentation or his statement he said—and I'm—I'm pulling sentences out. Unlike the existing structure and processes left over from the Cold War—and he certainly has a history to be able to make that statement—which often—he's talking about the current processes which often conspire to hinder true whole of government approaches. He's talking about a whole of government.

And then he says regardless of what approach we take to reform and modernize America's partner capacity apparatus, whether it's something like the proposal I just mentioned or some other. So—I think he was trying to say it's time. And—and I think it's clear. And so, I don't think it was one unique proposal. And I—put that out there.

I have a comment on the QDDR. I—think it's a—very good process. We're spending billions of dollars a month in Iraq and Afghanistan. Whether it's QDR or QDDR, I've been involved in them. They recommend very powerful, very important study groups and things like that.

And it stretches it out. Well, there's an immediate need. So—I think that's an opportunity lost. Someone mentioned it before.

And then the thing I'd like to talk about is—several of you have referenced we're moving in the right direction. I think there's a lot of progress being made, but I don't think we're moving—I don't think you can make the statement, "we're moving in the right direction," and have it withstand close scrutiny.

And—I'd like to talk about one partnership that's ongoing that is not a partnership at all. And—that is there is a significant Afghan National Army and Afghan National Police action in process involving coordination, both organizations. This commission sat—and there's a transition going on from State Department in many of the aspects to the Department of Defense. And this commission sat in a briefing by the program executive who had been handed the contract that he was going to use. And I—was the one—it could have been anyone—that asked him the question. So—and he made this great presentation, straight shooter, really knew the procurement business. We're talking about wartime contracting. And I asked him—so what have you done with State Department. And the answer was nothing. And I said, why not. Isn't the incumbent State Department? And the answer was I was told not to.

And I know everyone now is going, whoa, because there is—a bid process. It'll take the courts—it'll take. But they were going to have everybody out of there the first of January, have a program accomplished. And now we're into the end of July with the incumbent. And I would propose to you that lack of initial coordination caused that.

And then, sir, Doctor, I'll talk about intra-agency, which is part of what leads into interagency. I, again, asked the question. Three hundred million dollars on one of the contracts was for life support. Now, what does life support rhyme with? And—and I don't mean to be doing a tutorial, but I'll do it. It rhymes with LOGCAP, the, you know, housing, feeding of—in the case of ANA/NP [Afghan National Army/National Police], dozens and dozens of locations.

Well, the United—and a decision was made to use a contract where the bidders would be Lockheed, Raytheon, Northrop, a small organization called Erik [Prince] and Xe/Blackwater. So we—know who Xe is. And that—little part of that particular program was initially going in at only \$300 million, soon to grow because you don't know the expansion and the cost.

THIBAULT:

And the United States Army had gone through—an exhaustive three-year process to identify as part of its LOGCAP program three exceptional contractors. Those contractors are—by “exceptionally qualified,” that [they] have done a good job. Forget about cost issues and what not. There had been some. Forget about ethics issues. There had been some. But the customers that they had dealt with said they really knew life support. And those weren't any of the five. They were Fluor, KBR and DynCorp.

It's disconnected. What's going to happen? Well, those other companies, you have to ask the question. They're great program integrators, the first three I mentioned—Lockheed, Raytheon and Northrop. They have proven track record. What's their history in feeding and housing and, you know, putting up electronics and putting in little roads and bases and berms and security and training the people to do that and hire them? Zero.

Now, Blackwater has a little history on the Afghan border police, if you know it. Now,—it doesn't seem—and that's an immediate case, and—and that's not the only case. So my point is, and—I'm going to ask the two of you—give you a free ride there, Mr. Bever—are we really moving in the right direction in the sense of leaving the impression that things are really kind of assembling and I'm building up a head of steam, or do we have real critical problems that could cost us dozens and hundreds of millions of dollars because of a lack of effective coordination?

Dr. Schear?

SCHEAR:

Mr. Chairman, you're absolutely right to put your finger on intra-agency coordination within the DOD community. As you know, there are many stakeholders, the military departments, the Office of the Secretary of Defense, the combatant commands. So I am not conversant on the particular details that you're citing with respect to LOGCAP. I understand its importance broadly.

Yes, I mean, we're only as good as our next screw-up, sir.

THIBAULT:

You know,—I might say on the LOGCAP, I talked to the LOGCAP people, and their answer to me was, "Well, you know, LOGCAP can't do this." And my response was, "I don't care if LOGCAP can do it. You got great contractors that—by great I mean well-qualified contractors—

who can do this work. Why wouldn't they want to bid on life support in the same area where they have people in camps that they're supporting?" And the answer—is, like, "Well, that's someone else's problem, but please..."

SCHEAR:

No, I think you've—you made the point very well, and what I think it suggests—and there is an appreciation at our department's leadership level on the need for bringing all the stakeholders together.

THIBAULT:

Well, thank—thank you.

Ambassador Herbst?

HERBST:

Coordination has improved, but it's far from perfect. The specific problem—you've mentioned I'm not in a position to respond, because I just did not build responsibility for it. But we know that there are ongoing problems.

THIBAULT:

Right. It's your INL[State's Bureau of International Narcotics and Law Enforcement Affairs] organization that is making that transition that rated that incumbent. I could care less whether the incumbent gets work or not, but rated that incumbent as doing a great job, but that incumbent's not even part of the future because of the interesting—we don't have time for it—contracting processes that are being debated presently.

So I've usurped a little bit of time. I'm switching the order little bit, if I might, just to sort of give balance here.

Mr. Henke, I'm going to ask you, Commissioner Henke, to go next.

And, Commissioner Tiefer, you're after that.

HENKE:

Ambassador Herbst, in your 2009 recap publication that you provided to us today, you make the case that—your letter is titled "Five Years of Progress"—you make the case that you were established in 2004, but then your statement is this, and I think it's very insightful.

"Like most good ideas at birth, S/CRS was full of visions for the future, but low on resources to accomplish them." And then you say later, "In 2009 the office began to hit its stride, and the 2009 State Department budget finally provided S/CRS with the regular stream of funding for its operations." Further, you go on to say, "Despite these limitations, S/CRS has always managed to deploy of whatever assets were available."

My question, sir, is on resources. Isn't it true that you have all the resources you need in fiscal year '10 to do everything you need to do?

HERBST:

The resources we have gotten in the FY '10 budget is \$150 million.

HENKE:

Right.

HERBST:

It's actually \$120 million to S/CRS...

HENKE:

In State, and 30 in AID.

HERBST:

... and 30 from USAID...

HENKE:

Yes.

HERBST:

... but all designed for the civilian stabilization initiative to build the Civilian Response Corps and support S/CRS core staff...

HENKE:

Right.

HERBST:

... operations. That is sufficient for us to do what's in front of us.

HENKE:

Right. So—the point I want to draw, though, is you were funded. You told the Congress last year that you would reach your end state of—for active response corps is 250 people.

HERBST:

It was 250, but we've used some money that came to my office as opposed to the Civilian Response Corps. And we decided to add another 14 positions, so we're talking now about 264...

HENKE:

Right.

HERBST:

... active component members.

HENKE:

264 active component members...

HERBST:

Correct.

HENKE:

... fully funded by your office, right?

HERBST:

Sir, that's from our money and USAID's money, because they are paying for their...

HENKE:

Right.

HERBST:

... component members.

HENKE:

So you—and you have plenty of money in fiscal '10 to do that, correct?

HERBST:

To do that, correct.

HENKE:

So when you defended your budget to Congress last year, did you tell them that you'd be at 250 plus or minus by the end of calendar year 2009? That's one of the—what's one of the congressional reports indicate.

HERBST:

We—we told them we'd be close to that number, yes, and we...

HENKE:

And your actual number is 86, 92?

HERBST:

Eighty-six, correct.

HENKE:

OK. So there's plenty of resources, right, so that—that you have plenty of money, resources.

HERBST:

We have—the money to do what we've been asked to do. That's correct. We're not asking for additional money.

HENKE:

OK. And in—just so people understand the track record, in 2009 you had \$45 million appropriated. In 2010 at the end of the day you had \$150 million appropriated—120 plus 30 in AIG, correct?

HERBST:

Yes.

HENKE:

So your resources between '09 and '10 basically tripled. Is that correct?

HERBST:

Let me give you the funding streams.

HENKE:

Right.

HERBST:

You're—you're missing...

HENKE:

Just—just...

HERBST:

You're missing one stream. You're missing one stream.

HENKE:

The predecessor to 2009.

HERBST:

We got—, let's see, \$55 million from the FY '08 supplemental.

HENKE:

Right.

HERBST:

That was 30 for S/CRS...

HENKE:

Right.

HERBST:

... and 25 for USAID. Then in the FY '09 budget, we received \$75 million, \$45 million...

HENKE:

Right.

HERBST:

... for S/CRS and 30 for USAID.

HENKE:

Right.

HERBST:

And now in the FY '10 budget, we've received \$150 million.

HENKE:

Right.

HERBST:

So those are the three streams.

HENKE:

And your end state for the standby response corps, not the Civilian Response Corps, which is the third level of detail, but for the standby response corps, is 2,000 people?

HERBST:

Correct.

HENKE:

And your funded at that in fiscal year '10, correct?

HERBST:

Correct, but...

HENKE:

No, I just want to—you're—funded to provide 2,000...

HERBST:

Standby members, correct.

HENKE:

... standby members. And your number on board now is 558...

HERBST:

Correct.

HENKE:

... 600. So in all cases you're about 25, 30, 35 percent...

HERBST:

Correct.

HENKE:

... of your authorized number and your funded number.

HERBST:

Correct.

HENKE:

So resources are not an issue.

HERBST:

That's—that's correct.

HENKE:

OK. Thank you.

HERBST:

But could I make one point on—on the staffing, because I think it's important?

One, to build the standby to 2,000, we're going to need flexible hiring authorities. We need flexible authorities. Right now, remember it to be a member of the Civilian Response Corps by legislation, you have to be an American active duty in the federal government.

We have divided the Civilian Response Corps between eight agencies, and USAID is supposed to have the largest percentage—37 percent—because their skills are most appropriate for this of all the agencies. That means they need to provide 740 stand-by members. As you know...

HENKE:

And those are additive hires, correct, sir?

HERBST:

No. Standby is not additive hires.

HENKE:

They're not, right.

HERBST:

The active members are additive hires.

HENKE:

Right.

HERBST:

So the active members we're going to build to 64 based upon the money we have, and we're—we're building fast now.

On the standby you go to people who are currently members of your agency.

HENKE:

Right.

HERBST:

USAID, as everyone knows, has had serious drop in total staff over the last 35 years.

There are how many Foreign Service officers in USAID now? About 1,400?

You're not going to get 747 standby members from an officer corps of only 1,400. We have asked—and we're hoping to get legislation this year—to get authorities to hire also Foreign Service nationals [FSNs] and retirees.

As Jim mentioned in this testimony earlier, FSNs have done excellent service in Iraq and Afghanistan. If we get those authorities, will be able to build a Civilian Response Corps standby component to 2,000. Without, will be far short. We need that. It's not just a question of money. It's a question of authorities.

Now, as to building the Afghan...

HENKE:

I'm—under—I'm confused as to why we're learning that five years into it, that we need authority now to do something that we've provided the money for.

HERBST:

Do not—we got this from the very beginning. We just didn't get it. We—wanted this all along.

HENKE:

And you've been denied?

HERBST:

And we got the authorizing legislation...

HENKE:

You've been denied how many times?

HERBST:

We were denied authorizing legislation three times. We finally got it in late 2008, and with that we didn't get everything we wished for.

HENKE:

Right.

HERBST:

So we've been asking for it, but we did not get that then.

TIEFER:

Could the gentleman yield for just a second?

HENKE:

Sure. Yes, sir.

TIEFER:

I—have trouble sometimes when I hear "we have asked for it." How long is "we"? Who is "we"?

HERBST:

Well, I'd say in this case for sure the State Department, but I'd also say the administration, both the previous administration and now this one.

TIEFER:

Right. OK. So we're talking about your predecessors or you?

HERBST:

Both my predecessor the first two years in this office and then me since then.

TIEFER:

And you've been in the office, again, how long?

HERBST:

Three-and-a-half years.

TIEFER:

OK. Thank you.

Thank you.

HERBST:

Last point on the active component. We are 86 right now. It took us several months to get—really get rolling. We had to, in effect, streamline some hiring procedures, some OPM [Office of Personnel Management] hiring procedures. We also had the problem of security clearance for people we're bringing from outside.

But now we're adding active response corps members at the rate of a couple a week, sometimes faster than that, or actually often faster than that.

HENKE:

I'm out of time. Thank you.

THIBAULT:

Thank you, Commissioner Henke.

Commissioner Tiefer, please?

TIEFER:

Thank you, Chairman Thibault.

Dr. Schear, we're both in a way academics, or at least we—were, you at the National Defense University and me at the University of Baltimore Law School. And one of the hazards of that is your old writings are still there waiting for you.

I want to ask you about coordination in the field, and I'm going to come to a very concrete question another general fluffy question about coordination, but whether you're willing to work for one particular measure. But let me get there.

The Afghan study group, which you were a distinguished member of, drew a distinction between the relatively peaceful north and west of Afghanistan and the conflict in south and east. And last week Mark Schneider of the International Crisis Group did the same distinction and agreed with me that we should be using our tools like this—and what I'm acting about is CERP money—differently in the north and west, and in the south and east.

In another study where you were a core contributor, done by the Center for Strategic and International Studies, you were a core contributor, and I might note that Dr. Zakheim was a distinguished member, so when he asks questions, he knows whereof he speaks.

In—in that study there's "Challenges identified included inadequate input from civilian agencies. CERP projects have rarely been designed with input from U.S. diplomats and development professionals."

I would translate that as AID. This is a question on your behalf, Mr. Bever, whether you want me to do it or not.

"Rarely—rarely been designed with input from U.S. diplomats and development professionals who might place those efforts in a broader political strategy and institution building requirements."

Now, I know you can talk about the coordination on CERP and the embedding and having individual professionals from State or AID, but I want to ask concretely, since elsewhere you say, "The program's reliance"—this is CERP—"on input from governance and development professionals from State, USAID and other U.S. agencies has been uneven," would you be willing to say not merely input, but that on CERP projects above a threshold—give me a number, 500,000, a million [dollars]—CERP thresholds above a threshold are now development and the lead agency, if their supplying personnel should be USAID?

Are used for the Defense Department willing to do that, or does the Defense Department—excuse me for putting it this way—hog CERP and not be willing to put AID in the lead?

SCHEAR:

Sir, I guess I'm a hostage to some of my previous writings, but I'd be happy to provide you some unvarnished views on that. I honestly believe that our service personnel downrange at the end of the day are pretty agnostic about how this gets done. They want it to be done in this smart, effective way as quickly and coherently as possible.

I don't think that means that they would necessarily want to hog everything or to offload everything. They would look pragmatically at the—at each funding source and channel and each set of programmatic requirements and come to a judgment.

Speed does not always, of course, yield the best answers. Some things do need careful study. And I also would acknowledge that our military commanders at various unit levels bring to bear a somewhat different set...

TIEFER:

You won't say it's different when you're talking about more expensive projects that AID should have a specific larger role when we're talking big projects?

SCHEAR:

I'm—not sure I can—your—the inference in your question is right. CERP was never meant to be a very high-cost item. It was always initial impact. Quick impact equates, as it were, [to a] philosophy very much small-scale, whether it was micro grants or...

TIEFER:

But your own studies say it's sometimes used at high money levels. You won't just say yes, at high money levels AID should have a larger role.

SCHEAR:

I would agree with that, but I would also...

TIEFER:

OK. Let me ask a question. Let me—you'll have time at the end to add. I appreciate your agreeing. That's a rare thing in this hearing.

Mr. Bever, I'm not going to—I am not blaming Afghan corruption on you. But some—I'm not. Far from it. A million miles from it.

But in a study of Afghan electrical systems done by SIGAR, this study came out, and it had some of the frankest writing about corruption I have seen in anybody's writing, official writings, in Afghanistan. And so, I want to ask you to be blunt in a numerical way about the impact of Afghan corruption on our, the U.S. taxpayer's expenditures.

I'll read a couple of sentences or two about it to capture the flavor.

“Corruption in the energy”—this is SIGAR—“corruption in the energy sector affects Afghanistan's ability to collect revenue.” According to USAID, a major point of corruption in Afghanistan is the electrical distribution system's processes. According to the Asian Development Bank, numerous weaknesses in Afghanistan's management of the energy sector leave it susceptible to corruption. The bank cited examples of patronage for ministry jobs, consumer expectations of bribes to pay for utility services and investor expectations of demands and bribes. It's built in.

Would you agree?

We have numbers for what security costs in Iraq. We used to say 15 to 20 percent of a development project went for security. Would you be willing to say that—and you can pick a number far below or far above, but if you like.

Would you agree that 10 to 20 percent of our development money goes where AID says it goes, SIGAR says it goes, into Afghan corruption?

BEVER:

I'm not going to give you a percentage. I'm going to leave that to the I.G., to SIGAR and to the General Accounting Office to give us a percentage.

We try our best to minimize corruption problems. And I don't recall the exact context of that particular line. There are problems in the collection of tariffs in Kabul and in Kandahar and Herat, and in Mazar-e-Sharif and others. It's not a problem, by the way, unique in Afghanistan. You see the same difficulties in neighboring countries in that region, because of weak institutions and the inability to actually enforce tariff collections.

TIEFER:

OK. You don't want to give a percentage. Would you say it's a lot or a little, the corruption level?

BEVER:

On AID programs, I'm going to say it's minimal.

TIEFER:

My time's up.

THIBAULT:

Thank you, commissioner.

Commissioner Zakheim, please?

ZAKHEIM:

A quick question to you, Mr. Bever. Who do you report to?

BEVER:

I report to the new administrator of AID, Dr. Rajiv Shah. And before that, I reported to the administrator.

ZAKHEIM:

That's fine.

Dr. Schear, Ambassador Herbst reports to the Secretary of State. Mr. Bever reports to the equivalent of a deputy secretary. Who do you report to?

SCHEAR:

Sir, I report to the Under of Defense for policy, Michelle Flournoy, through Assistant Secretary of Defense Michael Vickers.

ZAKHEIM:

So basically, you're reporting to Mike Vickers.

Do you think that is sufficient for the department that's often described as the 800-pound gorilla, that spends big bucks even on CERP, which, when I was there, was a \$40,000, \$50,000 deal, but now gets chopped at the—correct me if I'm wrong, Commissioner Tiefer—it's over \$1 million at a chop, as well?

TIEFER:

I think so.

ZAKHEIM:

Do you think that is a sufficient level of coordination, that—how often do you speak to Ambassador Herbst directly?

SCHEAR:

I don't know. Once a week ...

ZAKHEIM:

Once a week? Once every day?

SCHEAR:

On a weekly basis. We were in Europe together a few days ago. We work together...

ZAKHEIM:

Well, obviously, if you travel together. Do you speak to him every day?

SCHEAR:

Not every day, no.

ZAKHEIM:

Do you speak to him once a week?

SCHEAR:

Probably, yes.

ZAKHEIM:

OK. Do you think that's sufficient? When I was undersecretary, I spoke to my counterparts every day on these sorts of issues. Do you think that's sufficient?

SCHEAR:

I think it is driven by the needs of the moment. I'd be happy to talk to him every half hour, if there was a requirement...

ZAKHEIM:

So, there isn't an urgent requirement here. I thought this hearing made it pretty clear that things are pretty urgent around there.

SCHEAR:

(inaudible) areas...

ZAKHEIM:

(inaudible) enough?

(CROSSTALK)

SCHEAR:

Our staffs are locked and loaded, and a lot of...

ZAKHEIM:

No, no, no. Staffs locked and loaded is nothing. You heard that from Commissioner Schinasi. That doesn't work.

So, you think that it is sufficient just to speak to Ambassador Herbst once a week?

And Mr. Bever, you speak to him once a week, too, I take it?

How often do you speak to him?

SCHEAR:

I speak to many people...

ZAKHEIM:

No, no, no, no.

SCHEAR:

... in USAID on a...

ZAKHEIM:

How often do you speak to...

SCHEAR:

... daily basis.

ZAKHEIM:

How often do you speak to Jim Bever?

SCHEAR:

Very rarely, because I am not doing contingency oversight, sir. I'm doing capabilities advocacy. That's a different slice.

ZAKHEIM:

OK, fine.

How often do you guys talk about corruption amongst each other, to pick up again on Commissioner's Tiefer's point? Let's just go across.

Ambassador Herbst, how often do you discuss corruption with your counterparts?

HERBST:

Where we are engaged, corruption's an issue.

ZAKHEIM:

How often do you discuss it? Does it come up—is it on the agenda at every meeting? Once a month? Once every six months? How often?

HERBST:

Corruption as a distinct issue is not something we discuss. Corruption in specific operations is something we discuss.

ZAKHEIM:

Regularly?

HERBST:

For example, we had a—yes, regularly.

ZAKHEIM:

OK.

BEVER:

Would you like to hear from me?

ZAKHEIM:

Absolutely.

BEVER:

I would just say—and I commend the commission for raising the corruption issues. We do try to deal with this within the context of what we do at USAID, our coordination through the Special Representative Office at the State Department and out at the embassy, as well as with our I.G. and GAO and SIGAR.

We're trying to work very hard with the various institutions of the Afghan government. And I can assure—and it comes up almost weekly with us at my level, and daily with my own staff and those at the State Department that we coordinate with.

And I'll just close by saying, at the London conference just a few weeks ago, this was a key feature of discussion among all of us, of all the donors that contribute to the Afghan Reconstruction Trust Fund. We can talk more if you'd like.

ZAKHEIM:

Yes, I heard something, and I'm not sure that I've got it right, so, Mr. Bever, you can correct me.

I understand that there are folks in the Civilian Response Corps who have warrants essentially as contracting experts, and AID does not use them. Is that wrong?

BEVER:

We have reached out to both the Defense Department and the State Department to see what assets they had available that we could look at for various skills. In the case of the Defense Department, I think we looked at—among the lists that they gave us there was a handful of people with contracting capability that met our needs, and we've pursued them. This is in the case of Afghanistan, I believe.

In the case of S/CRS, there may have been one or two that we looked at that had that kind of background, and I think we were looking at them. I don't have the specific names. I'll have to get back to you on that.

But procurement officers are a very high value commodity, and grants officers, as well.

ZAKHEIM:

That's why I'm asking, because I heard something quite different.

And finally, Ambassador Herbst, how has Ambassador Holbrooke used the Civilian Response Corps?

HERBST:

We have provided names of the Civilian Response Corps to his office, which is responsible for staffing our people—our people meaning the USG people in Afghanistan.

ZAKHEIM:

You have provided him names. How many has he used?

HERBST:

I'd have to come back to you. But he has asked us to do specific things, and we have provided people. I mentioned the election team. I have mentioned the strategic communications team. And the election team I believe was eight people, the strategic communications team was six people.

ZAKHEIM:

So, out of 86 folks, the person who's in charge of our most critical operations in the most critical part of the world is used 10 percent.

HERBST:

Well, 14...

ZAKHEIM:

And how often for?

HERBST:

Fourteen out of 86. It's be more like...

ZAKHEIM:

Oh, it's eight plus six. OK.

And this is year-round or just short term?

HERBST:

The election team was there for about six or seven months. They're gone, obviously. The strategic communications team has been on the ground since, I don't know, October or November.

ZAKHEIM:

So, that's another six months.

HERBST:

And the embassy has now asked us to put together another election team for the upcoming provincial elections.

ZAKHEIM:

OK. So, it's basically eight man-years. So I was right, 10 percent.

Thank you.

THIBAULT:

Thank you, commissioner.

Commissioner Schinasi, please?

SCHINASI:

Thank you.

Ambassador Herbst, are you going to have any intelligence analysts in your Civilian Response Corps?

HERBST: Yes. They are part of the team.

SCHINASI:

The team, OK.

And Dr. Schear, let me ask you. One of the things that we know has happened with this expansion of the military's mission into many new—I guess they're not new anymore—but into many of the reconstruction and stabilization efforts, is that the department has turned a lot to contractors to perform functions to free up its military for its more traditional roles.

Would something like the Civilian Response Corps, would that be an alternative, in your mind, to hiring contractors to do some of those functions—and I ask that question generally—and also with respect to specific functions, particularly those of intelligence analysis?

SCHEAR:

Actually, commissioner, that's a very interesting question, because we have seen a growing need for civilians within DOD field components.

And while I can't speak to the particular requirement for intelligence analysis and whether that might be civilian or military, I can tell you that we do have an ongoing initiative that is beginning to take flight. It's called the Civilian Expeditionary Workforce, the CEW. And it is

within the Department of Defense, intended as an instrument for resourcing civilian jobs now, and at whatever unit level we can within the field.

Jobs which a generation ago would have been handled by officers are now handled by civilians. And the CEW is our effort to appropriately resource DOD operations. I'm not talking about the larger civilian component. But it's very much a work in progress. And we will be happy to look at areas where we might complement the CRC.

Thank you.

SCHINASI:

And Ambassador Herbst, are you aware of that effort? And are you looking to see whether or not part of what you can do with the civilian corps fits in with what DOD is trying to do to decrease its reliance on contractors?

HERBST:

The CEW is, I believe, two years old. And we have been kept apprised of it from its inception. And our understanding is it was meant principally, as Jim just said, to provide civilians for strictly DOD-related activities.

Where the CRC, the Civilian Response Corps, that we are building is meant to be involved in stability operations, to be working with the society in which we are deploying—where we are deploying people.

SCHINASI:

Well, I guess that raises an interesting point, your description of strictly this agency's operations, or strictly that agency's operations. Aren't we talking about here the fact that those lines have blurred, and the way that we work, you know, in those spaces and gaps a little better? Isn't that what...

HERBST:

The notion of coordination across agencies is a function which has been handed to S/CRS in the Civilian Response Corps. And that's to make sure that what each agency does is linked one with the other to produce an overall operation which makes sense and which will be effective.

But it's also true that each agency may have specific tasks which it needs to do. In the case of DOD, they have their—obviously, it's a military organization, but they need civilians to do certain specific things.

SCHINASI:

Well, let me ask you—turn back to Iraq for a minute and your comment that you haven't been there, because you haven't been asked in.

It seems to me, Iraq is in transition as much as Afghanistan is in transition. It's just a different way. So, we are seeing the same kind of overlap or gap or seams that are going to develop in Iraq. You know, we're going to take out—plan to take out 10,000 troops a month until the end of August. We're seeing functions transfer like the police training, in this case, going from the Department of Defense to the Department of State.

Again, we have—I guess Mr. Bever is the one who used the term—a continuum. You know, do we—are we placing strict lines on that continuum, that you throw something over the transom? Or are we trying to work for integration as we move to different points along the continuum?

And in that sense, I'm not sure I understand why you don't go in somewhere unless you're asked. Who has to ask you? And it seems a very stilted, sort of formal process still, that we would like to see some more fluidity and flexibility with that.

HERBST:

The answer is very simple. Your question assumes that we are a full, up-and-running organization when we're not. We're an organization which has just been funded for 18 months and is only gradually developing capacity.

If we had 1,000 people, if we had all 264 active members plus 700 or 800 stand-by members, then we'd be able to make an impact in a place like Afghanistan or perhaps Iraq.

But we had 15 people we could deploy two years ago, and we've got 86 today. The numbers are growing by the week, but they're not significant in an operation where you're talking about 1,000 civilians.

SCHINASI:

No, I appreciate that that's where you are, and that you have been constrained in part by...

HERBST:

But now that we're building numbers, as I say, I've been approached by one of our senior folks at our embassy in Baghdad. And we have discussed it. We laid out for him what we could do, and we may well be playing a role there. It's not going to be hundreds of people. We don't have hundreds of people. But it could be 15 or 20, and they could be doing the specific niche type of functions that we are able to do at the present time.

But we are soon reaching a stage—by "soon" I mean within a year—we'll be able to do something medium scale to large scale.

SCHINASI:

OK. So, I guess your response to Commissioner Henke about you are fully resourced, but your response to me is you're not resourced...

HERBST:

No, what I'm saying is...

SCHINASI:

... and not just using...

HERBST:

... we have the money. But since we only had the money for a short period of time, we have to develop the civilians, we have to build a civilian corps. And that's what we're doing.

SCHINASI:

And let me just turn back to you then, Dr. Schear. Is it something—is this an issue of people? Is it an issue of money, functions? The difference when you make a decision as to where to go to get support for a mission that you need?

SCHEAR:

It's a combination, Ma'am, of all of them. I—the human resources element is a lead time item as Ambassador Herbst just rightly stated. Getting the right mix of—of people with the right skills is something that does not materialize right—right after the money.

So in terms of the ask as it were, the requirement—the DOD is very I would say leans on—on the side of hearing from the field commanders to get their sense of what the requirement is. That doesn't mean we just politely accept it. We ask hard questions. But we would want to hear from the field to see—what the requirement is in terms of this human resource capital. And then push very hard to make sure we can get it downrange within a reasonable time frame.

SCHINASI:

Thank you. My time is up.

THIBAULT:

Thank you, Commissioner.

Commissioner Green, please?

GREEN:

Thank you. I think there is pretty universal belief, at least certainly historically, that the only organization with the capability to really rebuild infrastructure, and stabilize a situation is DOD. That being said, and recognizing, Ambassador Herbst, that you are trying to—as best you can certainly within the resources you have to legitimize the role of S/CRS in that area as the organization that manages and coordinates those kinds of efforts.

With—that in mind, and this follows somewhat to Commissioner Schinasi's question, looking at the draw down in Iraq, and the significant—the reduction that we're going to see in U.S. military and DOD capabilities there, how is State and USAID planning to fill that void? Particularly since you have no one in Iraq? Who's doing it?

Either one of you?

BEVER (?):

Yes.—I'll start if you like. And then—or Ambassador Herbst, you want to?

(CROSSTALK)

BEVER (?):

Go ahead.

HERBST:

One. I'm not responsible for our Iraqi policy at the present time. There is an office that is responsible, and they are taking the lead. What I—as I've already said twice...

(CROSSTALK)

ZAKHEIM:

Can I interject? What office is that?

HERBST:

It's the Iraq—the office that deals with Iraq in NEA [Bureau of Near Eastern Affairs]. In the Near East Asia Bureau.

ZAKHEIM:

So they are the ones that decide on the people?

HERBST:

They are involved with the staffing for Iraq. Yes. They've been doing...

(CROSSTALK)

ZAKHEIM:

Who makes the decision? That's all I'm asking. Do you mind if I ask that?

HERBST:

The—decision—well they make recommendations. And maybe it's made by their assistant secretary. Or we used to have it—a special envoy for Iraq was Dave Satterfield, Jim Jeffery. They were involved in those decisions.

ZAKHEIM:

But who decides? I mean, there are numbers. There are people. Who decides? There must be somebody...

(CROSSTALK)

HERBST:

I mean, if you're talking...

(CROSSTALK)

ZAKHEIM:

... ultimately...

HERBST:

... who's—who's responsible overall for the—for the staffing numbers for civilians?

ZAKHEIM:

Yes. Who makes the decision for Iraq?

HERBST:

I'll—have to give you that answer, because I'm not personally involved.

GREEN:

But you—your office is at least nominally responsible for the coordination of the activities that we've been talking about today. Is that not true?

HERBST:

We are responsible for doing this going forward—for doing this going forward.

GREEN:

OK. But going forward we're going to draw down there. That's forward.

HERBST:

Excuse me. Going forward in future operations. Not current operations. Mechanisms were established to deal with Iraq starting before 2003. And our office was created in 2004, because it was recognized by late 2003...

(CROSSTALK)

GREEN:

Yes. I—I understand all that.

HERBST:

OK.

GREEN:

Who—who in the State USAID lash up is doing the coordination to take over the roles that DOD is currently doing in Iraq?

HERBST:

I can get an answer for you. I don't have that answer right now. Maybe Jim?

GREEN):

Ambassador Herbst, you mentioned in your testimony that the pace of hiring is slow. Why is that? What's the long pole in the tent? Are you competing with the political cone mafia, the econ cone mafia, the management mafia? [“Cone” is a State Department term for a major functional area.] Who is deciding—it goes back to Mr. Zakheim's question. Who is making those decisions whether the hundred people recruited by the State Department, how they're being distributed across the bureaus?

HERBST:

You're talking about the CRC members? When you say the hundred people who were recruited, are you talking about...

GREEN:

CRC members.

HERBST:

OK. First on the hiring pace—it was slow at the start, because we simply followed the OPM rules, which led to inappropriate candidates coming forward. We realized that. We then streamlined the process. So we—we lost two or three months because of that. But if you look at our hiring over the past six months, you'll see clear and steady improvement.

Regarding who makes decisions as to where we use the CRC,—we've been in discussions with the office of Ambassador Holbrooke—the folks responsible for hiring. And we have provided the CRC members who we have brought on board so they can be considered for jobs in Afghanistan. They make the decisions.

GREEN:

OK. But who—who decides of the pool of people...

HERBST:

Who...

(CROSSTALK)

GREEN:

... coming in to the department how they're being distributed? And are you getting your fair share?

HERBST:

Oh, OK. We—yes have been getting our fair share of resources over the past 18 months. It took us—before that, no. Since then, yes.

GREEN:

Mr. Bever, on—related to Iraq.

BEVER:

If I—just comment on that—your question. Obviously we are—we at AID at least are normalizing our mission—the size of our mission to one that one would normally see in this kind of—of development situation. It's about \$250 million a year in the fiscal year 10 request, and about 130 employees between our Americans, and our FSNs.

What—is going on in the mission—in the U.S. mission—the embassy is an inter agency coordination effort right now to figure out between military, state, and AID which of the various assets, and responsibilities will be picked up by whom. And that's going on right now under General Mathews, and Ambassador Munter. So that—that's an inter agency process to pick up including certain elements of logistic contracts, operation, and maintenance activities.

I would just point the commission to one key question, which is something we've always stood for going back a number of years in Iraq. We had an asset-transfer coordination group within the embassy. One of the things we were always the most concerned about was it's one thing to sign a document, and transfer it over to the finance ministry. It's a whole other thing to get their agreement that they would build into their recurring cost budget elements required for operation and maintenance of the assets that are being transferred.

We always insisted that they had to agree that they would leave room in their budget for operation and maintenance. So as the commission looks at these questions, I would just suggest you penetratingly look at that kind of an issue.

GREEN:

Ambassador, one—last question. Go back to one of my earlier ones, and that is you feel you're getting your fair share. What's the long pole in the tent to getting more people?

HERBST:

You mean beyond the numbers we've already described? I think that we will need to get congressional approval, and funding for more people. I think you may know that the original concept for the Civilian Response Corps called for 4,250 people.

GREEN:

Right.

HERBST:

Two hundred fifty active—2,000 standby...

GREEN:

Right.

HERBST:

... and 2,000 reserve. Congress has said to us, "Build the active, and the standby. Show us that you're using it, and then we'll build the reserve." I think that that concept is still one that we are wedded to. We want to have the 4,250 or 4,264, because we added 14 to the active members. If we build a corps of that size we'd be able to deploy at any one time, and maintain in the field as many as 1,200 people.

That would cover completely our needs in a place like Afghanistan right now.

GREEN:

OK.

HERBST:

So I would call that our medium-term objective. Longer term there may be greater needs. But let's build this, and—see we what we can do with it.

GREEN:

OK. Yes?

BEVER (?):

Let me just add to that. I think one of the challenges for our government is how to do what Ambassador Herbst just mentioned year-in, year-out with the structure of the way that our officers serve, which are 12-month assignments.

If you look at Afghanistan right now, we're approaching 1,000 U.S. government officers.

(CROSSTALK)

BEVER (?):

That will even tax the dynamics, and the resources of all of our agencies.

(CROSSTALK)

BEVER (?):

So—and that's just for Afghanistan. And if something else comes up along the way, and I can think of one, then, you know, I—I think we are still struggling to figure out how to recruit, motivate, incentivize, and retain these officers who, just like our soldiers also leave their families behind, and serve in very dangerous places.

SHAYS:

Would the gentleman yield for one quick question?—when you say 1,000 officers, is that—that's USAID employees?

BEVER (?):

No. In the case of Afghanistan, that's State Department and AID, and a few other federal agencies.

ZAKHEIM: OK.

(OFF MIKE)

THIBAUT:

Thank you. Thank you, Commissioner—my co-Chair?

SHAYS:

Thank you. The—reason I asked about the cost of lack of coordination in terms of dollars and lives, I had two reasons. One—I wanted to see how seriously you treat this issue in terms of a lack of coordination. And secondly, if in my mind you can't answer succinctly the most obvious question, and the easiest answer, it makes me—it's difficult for me to appreciate your responses to the questions [where] I really don't know the answer.

It's kind of like the proverbial hammer that cost \$400, and the toilet seat that cost \$4,000 about 20 years ago, and they did an investigation. Everybody harped on that. But what that was an indication of is that the wings on the plane really must have cost a lot. But nobody knows how to evaluate the wings.

I'm having a hard time in this hearing having some take away. So I'm going to first read a quote. And this is Secretary Gates last Wednesday. And Dr. Schear, I'd like you to listen to it.

"But for all the improvements of recent years, America's inter agency tool kit is a hodge podge of jerry-rigged arrangements constrained by dated and complex patchwork of authorities, persistent shortfalls in resources," Mr. Herbst, "and unwieldy processes." So that's what he says. So this is my take aways, and I want you to react to them.

My take away is the S/CRS is providing very few people in Iraq—basically contractors—that's absurd—and Afghanistan, come under the Civilian Response Corps. That's one of my take aways. Mr. Schear's office is buried too far in the bureaucracy. That's one of my take aways. Military is doing the work, because USAID, and Department of State funding and staff don't have the resources, but the military does.

Another take away is, practically speaking, there isn't much coordination. And state opposes both proposals in the sense that they are silent to the proposal made by the inspector general in Iraq—USOCO. And silent to date on the joint stabilization funds proposed by DOD. It strikes me curious in one sense, cause DOD has more funds and they're willing to put it in the same pool. It makes me wonder if State feels they lose control.

Another take away is no one has taken the ball and run with it in terms of coordinating reconstruction, and stabilization.

Mr. Herbst—notwithstanding I don't see and feel the energy that I would feel if you thought there was the loss of lives, which you don't seem to think. It is clear major reforms are needed. At least it's clear to me. That's one of my takeaways. So now I want you to respond to the following. These are options.

One is a joint stabilization fund by Mr. Gates. You don't have to tell me whether you like it or dislike it. Tell me the pluses and minuses. USOCO—an office of contingency operations by the inspector general. Another one is multinational pooled funds through World Bank, or a region of development banks, and that's Zoellick's proposal. Another is the multi-nationally pooled funds through NATO. Another is National Security Council level office—we—had—some support in the previous hearing particularly from Seth Jones who talked about, "That may be a way to move."

And—and finally, making current structural work better through additional resources. And that would be through you, Mr. Herbst.

I'll start with you, Dr. Schear. Tell me—respond to some of these proposals. Tell us what the strengths, and weaknesses of them are? So let's talk about the joint stabilization funds. What's—the strength? What's the weakness? I'm not asking you whether your department supports it or doesn't support it.

SCHEAR:

Its basic strength, sir, is that it incentivizes interagency coordination and collaboration. That is the basic incentive and that reflects the fact that both departments have very significant equities in the stabilization area. Its principal downside or the principal challenge is congressional oversight quite frankly. If you have eight committees with jurisdiction here, that does create a major challenge for us. That's how I would weight the (inaudible).

SHAYS: Yes, that's very helpful and thank you for that. USOCO, strengths and weaknesses?

SCHEAR:

Its strength is systematic focus. Its weakness is that it would be the red-haired step child and it would create antibodies within the interagency community, create a challenge for coordination, and it would not replace [anything]. It would merely add on to existing command relationships, both on the defense and on the foreign policy side. So it would complexify rather than simplify.

(SHAYS):

And what's the positive part?

SCHEAR:

The positive part is that it could be a steward, if you will, for contingency contracting and all the critical elements that go into that, the human resources, the IT piece, the contract management piece, but that's—I...

SHAYS:

OK. Multinational of pooled funds through the world bank?

SCHEAR:

I probably don't have an expert enough view to give you a good sense of the pluses and minuses, sir.

SHAYS:

All right. Multinational pooled funds through NATO?

SCHEAR:

The same.

SHAYS:

OK. National Security Council-level office?

SCHEAR:

The plus there is responsiveness to the president, to the—National Security advisor and their principals. The paramount and chronic question for the NSC is its ability to focus especially on operational level issues which ought to be outside its domain.

SHAYS:

And making the current structure work better through additional resources?

SCHEAR:

I never deny the need for additional resources. We have a list of things that we need to look at very hard within our own agency ways to improve.

SHAYS:

Well, the—but do you think that Ambassador Herbst needs a lot more resources in order to enable him to help the coordination effort?

SCHEAR:

I think he has put his finger on what I see is the principle need which is human capital and that's the—has been the long pole in the tent, but I think State Department impact in a positive sense is not simply an issue of sizing. It's an issue of where the function is located in the level of bureaucracy, something that Dr. Zakheim has raised fairly within the DOD contact.

(SHAYS):

Mr. Bever, would you run through? Do you want me to—let me bring them in the order that I did. The CRS, (inaudible).

BEVER:

I can (inaudible). Yes. The joint...

(SHAYS):

Is your mike on? Yes? OK. Yes.

BEVER:

Yes, the Joint Stabilization, USOCO, I think...

(SHAYS):

No, take the CRS providing—I'm sorry. I apologize. Right. The Joint Stabilization.

BEVER:

I think each of these has potentially some merits that bear more careful attention. My own view, and this is my view in the intergovernmental of processes, is that each of our agencies—our government works best when each of our agencies works to its own comparative advantage.

(SHAYS):

OK. Thank you.

BEVER:

And when—and when our authorities are not usurped in such a way that where the authority rests is different from where the accountability responsibility is.

(SHAYS):

Let me—let me say it in my terms to see if you agree. If everybody's in charge, nobody's in charge. In other words, you feel you would have more accountability. I'm hearing you say you would have more accountability if you were in charge of the funds you're in charge in rather than grouping them in other funds.

BEVER:

Yes, but what—this is why I like the notion of a continuing and an involvement by the National Security Council. The NSC is one entity that is able in my experience to pull all the actors of our government together, but I do agree with Dr. Schear...

(SHAYS):

USOCO?

BEVER:

...that operationally it's—that's not really its forte. Sticking with the overall policy is. On USOCO, similar to somewhat on the Joint Stabilization, I'm going to defer because I do not want to...

(SHAYS):

Yes, but is there a strength and a weakness that you can just point out, not that you're going to—tell us the strength, tell us the weakness. It's helping us.

BEVER: I think—it's an interesting idea, but I think for—to operationalize it would take an enormous amount of effort by all of our agencies that will divert and distract us from getting our job done.

(SHAYS):

The pooling of world bank funds?

BEVER:

Yes, multi-national trust funds can work very well if they're well managed. And again, I would point to the Afghan Reconstruction Trust Fund. It's one example where the donors do work together. They have responsible lead from the finance ministry. They have reasonably good accountability on the inside and I think it's a model that can be built upon.

(SHAYS):

NATO?

BEVER:

And whether—frankly, whether it's under World Bank, implementation monitoring or whether it's a NATO mechanism, I'm kind of intrigued with the NATO mechanism.

(SHAYS):

OK. How about NSC?

BEVER:

Well, I just mentioned on NSC I—my own experiences with the NSC or in other administrations, the Office of the Vice President were able to pull together fractious elements of our government towards a national priority in ways that nobody else could. As far as making all our current structures better, I think we could do a lot more in that area.

(SHAYS):

OK.

BEVER:

And I'm—frankly, I'm—in our case, I'm looking for ways, and I think Dr. Schear mentioned it, it ultimately gets down to our human capital.

(SHAYS):

OK.

BEVER:

And what do we do to recruit our people to retain them, to promote them, to keep them in theatre? We spend so much effort getting our people out to Afghanistan, for example.

(SHAYS):

Right.

BEVER: What do we do next year?

(SHAYS):

You know...

BEVER:

This is in Iraq as well.

(SHAYS):

We're looking at that issue obviously through the issue of contracting, but we want to know what's inherently governmental. We want to know do we have an overreliance on contractors. So it gets us into the very issue you're mentioning. And I'll end with you, Ambassador Herbst.

So the Joint Stabilization Funds, the strength and weaknesses of it?

HERBST:

Well, Jim pointed out that it does ensure coordination. The other hand though if you're concerned about the militarization of foreign assistance, you have to wonder.

(SHAYS):

OK.

HERBST:

To—on USOCO, all—it's a point I already made. You have a mechanism which can work. It's finally getting momentum. If you were to try and create a new mechanism, that's going to take you a couple of years. It'll set back the effort to build a civilian response capacity.

Regarding multinational pool funds, [World Bank president] Bob Zoellick is a very able guy who's spending a lot of attention that's failed in failing states. The good thing about this is it can leverage capital from around the world. The problem, of course, as you put into the fund, you lose control.

(SHAYS):

OK.

HERBST:

On NATO pool funds, there too, if you're putting funds in, you leverage it. That's a good thing. It's also true we have more influence probably in NATO than we do in the World Bank and we have fair amounts in the World Bank. So you reduce the liability there, the downside.

Our NSC level office, you certainly need to have an NSC engage in this process to ensure its interagency coordination and the other place where in theory this is—can be done best, but it has to—it really depends upon the administration.

(SHAYS):

And finally, you can end. You get to be the closer in terms of my questions. Making the construction work better?

HERBST:

I think that when you're in a fight and you need a capacity, you go with the capacity you have. You make—you make it better. You empower it. Again, we have the Civilian Response Corps. It's small, but it's growing at a steady rate. Give us—first, let us build it. Secondly, empower us to use it and you'll see what we can do.

(SHAYS):

Thank you, gentlemen.

THIBAUT:

OK. What we're going to do is a brief wrap-up. We're going to give you the allotment of time that we said. We're going to go around one time for any final comments. And then if anyone has a burning question, they can deal with it. I really don't. I have an observation which is we've referenced because this was just an excellent presentation by the secretary and I think it could've been by either secretary except that the initiation came from Defense.

And I'm taking away, first of all, a lot of—thank you, gentlemen—a significant need for evaluation, but not the need to, you know—you made comments about there's certainly a lot that we can do immediately. Well, that's what's not in my view being done. And I think it comes down to a couple of points which is the statement that we need to incentivize collaboration versus the existing structure and processes left over from the Cold War. That's very powerful.

Now, a person could argue well, we've done a few things that aren't the Cold War and that was just for a rough course, but it's hiding out. And I think my second point is as I listen to it, and not you, gentlemen, you seem to be very collegial, but all the examples of the lack of coordination that were presented here today, you know, felt like organizational ego. Or said another way, different organizations with responsibility, we're kind of protecting their territory with sort of the concept of they never met a good idea that wasn't their own.

So if you've got it, it's not a—you know, hey, it won't work for these eight reasons. If I've got it, I've already presented it and it's a good idea. So that comes down to when in doubt, default to the status quo which is—gets us back to the Cold War systems.

So for me, it was a great hearing because there's a lot of work to do, but this commission and—has had—this is the ninth hearing. We've been briefed pushing 400 meetings and briefings by organizations in the field that we've documented and made available very substantial data analysis. We have three hearings coming down in a very short term and we're going to continue to press on.

And thank you, gentlemen. Bob, any...

HENKE:

Nothing further. I thank the witnesses for attending today.

THIBAULT:

All right. Dov?

ZAKHEIM:

Just to reiterate what you just heard, I think you all trying mightily, especially Ambassador Herbst. I think your organizations are simply not cooperating. I think it's become clear in this hearing. I think there's, I sensed, a degree of frustration that you folks were trying very hard to hide. Thank you.

THIBAULT:

Commissioner Green?

GREEN:

Mr. Bever, not to get an answer, but an area that you're going to have to deal with or somebody over there is going to have to deal with is SPOT [Synchronized Pre-Deployment and Operational Tracker database]. You're going to have to figure out a way that is acceptable to USAID to integrate yourself either into that system or some other system.

The last point is just to reiterate what I said before. I think we've got a lot of momentum now on this activity and if you guys don't figure out a way to take advantage of that, I can guarantee you what'll happen. It will atrophy and die.

THIBAULT:

Commissioner Schinasi?

SCHINASI:

I'm just going to go back to resources for a minute. Mr. Bever, in your statement, you know, you said that your peak AID spending was \$4.8 billion, 2003 to 2005. That's less than a week

spending by the Department of Defense. So, I mean, that just gives you an idea of the magnitude of resources.

And if you look at the FY-2011 Executive Budget Summary for State and AID, you see that the foreign military assistance, just to pick one, just about the biggest, maybe the fourth largest expenditures in here and that compares to \$2.5 billion for contributions to Peacekeeping and Peacekeeping operations. So if we're going to talk about, you know, militarizing farm aid and our farm policy, I think we already see through the numbers where we are now. Thank you.

THIBAULT:

Commissioner Tiefer?

TIEFER:

Thank you, Mr. Chairman. Mr. Bever, I think I said some things earlier which were subject to misunderstanding leading to what was to me the surprising response that corruption—the word, "minimal" and the word, "corruption" could be put in the same sentence, but I think I now understand what I said that was unclear.

And I'm going to do some preliminary, but then I'm going to ask you whether there's a substantial level of corruption in the Afghan political economy which might affect the United States. The place that I was drawing on, I did not mean to surprise you in some way. I don't have another copy in front of me.

SIGAR's report, January 15, 2010, on the Afghan energy supply. It's not on the Kabul plant, it's the energy supply. The heading, which is, I think, where—what would've been helpful to you is simply "Afghan government lacks the capability to collect revenues to fund fuel costs and operations and maintenance expenses."

So this is a section on that the Afghan government can't get the money from the energy system and it includes what they had to do instead like coming to us and saying, Will you fund out all operational and maintenance. Will you fund out our fuel costs? That's not to say that the U.S. government's projects themselves are suffering from corruption. And if I gave that impression that that's what I was asking, and I think I did, then I withdraw my question.

But with that being the mechanism, they then do describe corruption in the energy sector affects Afghanistan's ability to collect revenue and they give the example that it takes as many as 25 signatures to get an electricity connection in Kabul, though you don't need any signatures if you get it through bribes.

“And as a result”—this is a quote from SIGAR—“the cost to obtain permission to build a connection could well exceed the actual cost to connect to the distribution system.” It's the bribes cost more—than the cost to connect.

So with that being my background, is there substantial corruption in the Afghan economy which may indirectly affect U.S. efforts?

BEVER:

Commissioner, yes. I can yes. There is, and it's been growing. And you can track it pretty closely with the corruption that came with the drug business, but if you'd like a question for the record, we can fill you in on more.

TIEFER:

I would like it.

BEVER:

It's a very serious issue, and it discounts the effectiveness of our aid dollars. No question about that.

TIEFER:

All right. I—I would like nothing better. I have some other questions for the record, and I will stop now.

Thank you.

THIBAULT:

All right. Commissioner Shays, please, Chairman, Mr. Chairman?

SHAYS:

No question. Just as I'm sorting this out, I'm thinking it was mentioned—the Cold War. The Cold War has ended, and it seems to me like the world is a more dangerous place, particularly for the everyday civilian.

And I'm struck with the fact that we have smart power. In the beginning it's totally hard. We go in and we use our hard power. And that—that challenge that we are trying to all address is—the—combination of hard and soft power. But then eventually there is a handoff. DOD is out. And then it's all State.

And I am struck by the fact as well that you make, Mr. Bever, that everyone is exhausted. And we got to deal with that in a very honest way. So obviously, coordination is hugely important for, obviously, dealing with the waste, fraud and abuse and the waste of money and also to—ensure that we don't lose people because we haven't coordinated well.

So we're going to—obviously, we—are looking at all of these issues. We haven't taken a position on how we coordinate. I—think you all make arguments for—well for the different options that are out there, and probably it's the combination of—a few of them. But we'll look forward to working with you to get the right answers.

Thank you.

THIBAULT:

Thank you, Mr. Chairman.

Now, consistent with our prior understanding, you all—all three of you can put anything that you—need to clarify the record on the record.

But now, Ambassador Herbst, any—final comments you'd like to share?

HERBST:

Well, I have to leave for press conference in a minute, so I have your apologies for that—permission for that.

I would just like to reiterate one point. We've got something that's going. It's relatively new. It's not been tested, but it's growing quickly. We're starting to use it. Give it a chance.

THIBAULT:

OK.

Mr. Bever?

BEVER:

We've welcomed being here today. Thank you very much for inviting AID.

I would just say on the corruption issues, I would welcome the opportunity for us to continue to engage with your permission on those important topics, as well as the reforms in Kabul even in the energy sector, which we've been working on. I think we have to wait for little bit more political evolution related to various appointments of the government, and—I'd rather not get into that here in this setting at this point.

On SPOT, Commissioner Green, we had a meeting with the Department of State and the Congress—congressional staff on Friday. I think we've found a way forward there. We—are seized with that challenge, and we—look forward to some more discussions on that.

And finally, Commissioner Shays, I just want to say I'm sorry I may have misunderstood your original assertion about lost lives and lost money. I'm a firm believer that it's in the United States' interest to do whatever we can to mitigate conflicts ahead of time. And that's why AID created a small office of conflict mitigation and management a number of years ago, partly out of the—it's been out of the early Afghan issues.

But I think those kinds of efforts need more and more and more attention. And I can see the country and the region further southwest, these countries where—there's problems coming. And it's extremely important to save lives—soldiers' lives and—civilians' lives to—to get—to—to apply lessons from your commission now for that future possible area—of conflict.

And finally, I would just say on QDDR I would urge the commission to engage with our agency and with the State Department—I know my colleague had to leave—because the issues you're raising are ones we're grappling with internally and between us on how to actually structure this—these kinds of issues for the future between us.

Thank you.

THIBAULT:

Thank you. That makes sense.

Dr. Schear?

SCHEAR:

Mr. Chairman and members of the commission, I have found this engagement very enlightening. I'm taking a lot of homework back to my department. I'll keep my leadership closely informed on this, and I do appreciate the opportunity.

I'd just underline two things, which I think Chairman Shays and others have actually mentioned, and that is this issue of sustaining the time, attention and energy in a contingency over a persistent, long period is really a challenge.

As General McChrystal has said, unfortunately, after the Taliban our rotation policy may actually be one of the biggest threats we face. We have been trying to fight one eight-year war, and it looks more like eight one-year wars.

And in order to give the time and attention and energy that's required, especially in the contracting world where results have to be sustainable, where there's local ownership, and we want to leave things behind that the local communities can embrace, that they aren't seen as a monument to foreign intervention but something that is used, we have to figure out a better way to work in these persistent environments. We don't have the answers yet. We're working on them, and I'll do my best to engage colleagues on this and in a continuing dialogue with you. Thank you so much.

THIBAUT:

Thank you, Doctor.

And the last item we—always thank staff, which is the real reason why we're here in terms of our ability to deliver and prepare—our sessions. This is the part that I always like to—we're done.