



Role of private security firms will be probed, debated in two-day Wartime Contracting Commission hearing

ARLINGTON, VA, June 15, 2010 – The proper role and oversight of more than 40,000 private security contractors supporting U.S. operations in Southwest Asia will be examined and debated in two days of hearings on June 18 and 21 by the federal Commission on Wartime Contracting in Iraq and Afghanistan.

The Friday, June 18, hearing will feature a six-witness panel with differing views whether some or all security tasks are “inherently governmental functions” that should not be contracted out to private businesses. The panel comprises two think-tank officials, two academics, an industry-association official, and a consultant specializing in government acquisition issues.

The Monday, June 21, hearing will have two panels of witnesses. The first will present government witnesses from the Defense and State Departments and from the U.S. Agency for International Development (USAID) testifying on roles, responsibilities, planning, and program management of private security contractors (PSCs). The second panel will bring four executives of private security firms before the Commission to offer their observations on the government’s program management of their contracts. The pending hand-off of security responsibilities in Iraq from the Department of Defense to the Department of State is expected to figure prominently in the question periods for the session.

Both days’ sessions will begin at 9:30 a.m. in Room 106 of the Dirksen Senate Office Building on Constitution Avenue in Washington, DC.

The federal government relies heavily on PSCs to provide armed security for convoys, diplomatic and other personnel, and military bases and other facilities in Iraq and Afghanistan. Unarmed PSCs also perform functions like command, control, and communications; intelligence analysis; hostage negotiations; and security training. Data collected by Commission staff during the first quarter of 2010 showed the following deployments of **PSC personnel under U.S. government contracts in Iraq**, rounded to the nearest hundred:

| AGENCY | PSCs in IRAQ, 1st Quarter 2010 |
|-------------------------|--|
| Defense | 13,900 (base security, convoy security, etc.) |
| State and USAID | 4,900 (Baghdad embassy, personal protection, other) |
| TOTAL in IRAQ (approx.) | 18,800 (comprising U.S., Iraqi, and third-country personnel) |

(NOTE: The Iraq counts are approximate because numbers are drawn from different data sources compiled at different times during the first quarter. They are changing as the U.S. drawdown in Iraq proceeds. In addition, substantial numbers of PSCs work for subcontractors and commercial companies operating in Iraq. About 23,700 other PSC employees work under U.S. contracts in Afghanistan. As the Commission has noted earlier, there is no central source for real-time, precise counts of contractors in the Southwest Asia theater.)

Commission Co-Chair Michael Thibault said, “The United States has always contracted out security functions during earlier operations such as the Balkans, but never to the extent we are seeing in Iraq and Afghanistan. Planning and overseeing them is a huge challenge, especially with the coming transfer of security responsibilities in Iraq from Defense to State. As the overall responsibility for Iraq security transitions to the State Department, there will be new challenges as State assumes many security responsibilities that have always been the domain of the U.S. Army, for example, removing improvised explosive devices (IEDs). So the need for PSCs in Iraq could actually increase. That could be a big and expensive problem.”

Co-Chair Christopher Shays said the hearing will also look at the challenge of determining what constitutes an “inherently governmental function” that should not be contracted out. “It’s a complex subject that the Office of Management and Budget is working on,” Shays said. “Where armed security contractors are involved, we especially want to hear opinions on whether they are performing functions that only government civilians or military should perform, and whether some security tasks are so closely tied to government responsibilities, so mission-critical, or so risky that they shouldn’t be contracted out at all. At the very least, whenever PSCs are used, we need better coordination and closer oversight. ”

The Commission’s authorizing statute requires that the final report due Congress in 2011 address the matter of determining inherently governmental functions. The two hearings’ themes—“Are Private Security Contractors Performing Inherently Governmental Functions?” and “Roles, Responsibilities, Planning, and Program Management of Private Security Contractors in Iraq”—reflect the fact-gathering work that has been undertaken to carry out the congressional assignment.

Witness Panel for Day One, June 18, 2010:

- Allan Burman, Ph.D., president of the Jefferson Solutions consulting firm, former administrator of the Office of Federal Procurement policy in the government’s Office of Management and Budget;
- Allison Stanger, Ph.D., professor of international politics and economics at Middlebury College, Vermont, and author of “One Nation Under Contract”;
- Stan Soloway, president and CEO of the Professional Services Council trade association, former U.S. Deputy Under Secretary of Defense for acquisition reform;
- Danielle Brian, executive director of the Project on Government Oversight;
- Deborah Avant, Ph.D., professor of political science at the University of California (Irvine), and author of “Private Security: The Market for Force”; and
- John Nagl, Ph.D., president of the Center for a New American Security, co-author of its newly released report, “Contracting in Conflicts: The Path to Reform.”

First Witness Panel for Day Two, June 21, 2010:

- Gary Motsek, Assistant Deputy Under Secretary of Defense (Program Support), Department of Defense;
- Charlene Lamb, Deputy Assistant Director for International Programs, U.S. Department of State;
- David Blackshaw, chief, Overseas Security Division, USAID; and
- Edward Harrington, Deputy Assistant Secretary of the Army (Procurement).

Second Witness Panel for Day Two, June 21, 2010:

- Don Ryder, vice president, Civilian Police Programs (CIVPOL), DynCorp International;
- Kristi Clemens Rogers, president, Aegis Defense Services;
- Ignacio Balderas, director and chief executive officer, Triple Canopy; and
- Jerry Torres, chief executive officer, Torres Advanced Enterprise Solutions.

Congress created the Commission in 2008 (Public Law 110-181) to examine contingency contracting for reconstruction, logistics, and security functions, and to recommend improvements. Co-chairs are Michael Thibault and Christopher Shays; other members are Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. The Commission website is www.wartimecontracting.gov.