



## **Wartime Contracting Commission warns of huge risk from unsustainable projects**

ARLINGTON, VA, June 3, 2011 – U.S.-funded projects that the Iraqi and Afghan governments can't operate or pay for on their own threaten to create billions of dollars of new waste of American taxpayers' money, according to a special report released today by the federal Commission on Wartime Contracting in Iraq and Afghanistan.

The report notes that "Potential waste from unsustainable projects exceeds \$11 billion for just one program in Afghanistan, facilities construction for the national security forces." The report points to other examples like a large power plant the Afghan government can't afford to operate and an Iraqi water-treatment plant that is shut down much of the time and produces murky water when it does run.

Sustainability is a serious concern, the report says, because the U.S. military will be out of Iraq by the end of 2011, and the drawdown of U.S. troops from Afghanistan begins in July. Yet many of the programs and projects carried out under federal contracts in the countries lack plans for staffing, technical support, and funding for the long term.

"No matter how well a project or program has been set up and executed," said Commission Co-Chair Michael Thibault, "it can turn into waste if we hand it over to a host government that can't supply trained people to run it, pay for supplies, or perform essential maintenance."

The report says the widespread sustainability problem has several causes, including "overly ambitious proposals, incomplete analysis, poor planning, weak coordination, and inadequate follow-through by federal officials—in short, from failure to apply effective acquisition discipline in the stress of a contingency setting."

Co-Chair Christopher Shays said, "We're seeing sustainment problems ranging from health clinics in Iraq to road building in Afghanistan. Unless government officials identify and address sustainment requirements and change or kill doomed programs, an enormous amount of taxpayers' money will turn out to have been wasted. We're raising a storm warning for Congress, the Executive departments, and the public."

The Commission report calls on officials at the Departments of Defense and State, and at the U.S. Agency for International Development, to: (1) examine completed and current projects for risk of sustainment failure and pursue strategies to mitigate risks; (2) ensure that new requirements and acquisition strategies for projects to be handed over to a host nation include a detailed assessment of host-nations ability and will to pay out-year costs; (3) cancel or redesign projects or programs that have little or no realistic prospect for achieving sustainability; and (4) report to Congress by December 31, 2011, and annually thereafter, their analysis of current and proposed projects and their planned actions for mitigating sustainability risks.

The report, "Sustainability: Hidden costs risk new waste," is the fifth special report to

Congress from the independent Commission. The report is online at the Commission's website, [www.wartimecontracting.gov](http://www.wartimecontracting.gov).

Since its creation in 2008, the independent, bipartisan Commission has conducted 24 formal hearings, participated in more than 1,000 meetings, and made repeated fact-finding trips to theater. The Commission has published two interim reports and four special reports to Congress. The [www.wartimecontracting.gov](http://www.wartimecontracting.gov) website has electronic copies of the February 2011 second interim report, "At What Risk?," and all other Commission reports. A final report to Congress will be issued at the end of July 2011.

The Commission has eight members: Michael Thibault and Christopher Shays, co-chairs; and Clark Kent Ervin, Grant Green, Robert Henke, Katherine Schinasi, Charles Tiefer, and Dov Zakheim. They are supported by 40 professional and administrative staff managed by Executive Director Robert Dickson.

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