



THE Louis Berger Group, INC.

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Introduction

The Louis Berger Group is an international consulting firm that provides engineering, architecture, program and construction management, environmental planning and science, and economic development services. LBG's mission is to improve physical, social, and economic infrastructure around the world and to operate with integrity and responsibility in all that we do. Our work improves the lives of the people it serves, from the reconstruction of transportation networks to economic development and from the protection of natural resources to the generation of power.

Founded in 1953 by Dr. Louis Berger, LBG began as a soils mechanics and foundations engineering firm. LBG has since grown into a global firm of more than 5,000 employees and affiliate employees around the world, currently headquartered in Morristown, NJ. Since the company's first international assignment in 1959 in Burma, LBG has maintained a corporate commitment to reconstruction and stabilization work in fragile states and post-conflict nations.

As part of these efforts, LBG has a longstanding presence and commitment to supporting the U.S. government's efforts in Afghanistan. LBG first began working in Afghanistan in the 1970s, and in December 2001, LBG was the first Western engineering firm to enter Afghanistan after the September 11th attacks. Since 2002, LBG's work on USAID-funded programs throughout Afghanistan has helped rebuild the country's most critical infrastructure, primarily in the transport, energy, irrigation and dams, and public building sectors.

Some of the results the Afghan people can see from LBG's work include:

- Reduction of travel time and transport costs through rehabilitation and reconstruction of more than 2,000 kilometers of roads, connecting provincial capitals with the economic centers of Kabul and Kandahar
- Employment of nearly 40,000 Afghans during the last eight years
- Training for 998 Afghans in roads management
- Reduction of and travel time due to operations and maintenance on more than 3,000 kilometers of roads
- Provision of reliable irrigation and drinking supply to 93,400 acres of land in Faryab Province
- Construction of more than 90 schools and clinics built to Universal Building Code Seismic 4 standards
- Provision of 31 MW of reliable power to Helmand and Kandahar provinces

After the Taliban was removed from power in late 2001, the international community sought to rebuild Afghanistan, a country devastated by three decades of conflict that had destroyed its physical infrastructure. USAID developed two programs for the reconstruction, rehabilitation, and development of key infrastructure in Afghanistan - the Rehabilitation of Economic Facilities

and Services Program (REFS) and the Afghanistan Infrastructure and Rehabilitation Program (AIRP). REFS was competitively awarded to LBG in 2002 and the AIRP contract to a joint venture of The Louis Berger Group, Inc. and Black & Veatch Special Projects Corp. (LBG/B&V) in 2006.

The Rehabilitation of Economic Facilities and Services (REFS) Contract

By repairing infrastructure throughout Afghanistan, the REFS program sought to promote economic recovery and political stability. Specifically, the goals of the program were to rehabilitate critical road corridors and lower transportation costs; improve provision of water and sanitation services; increase access to education, health, and local government facilities; restore electrical transmission and distribution systems; and repair and reconstruct irrigation systems and dams.

Roads. The roads program was the largest component of the REFS contract, involving the reconstruction of primary, secondary, and urban roads. Under REFS, LBG delivered more than 1,500 kilometers of paved roads, including the strategic Ring Road, which connects the major economic centers of Kabul, Kandahar and Herat. LBG completed the Ring Road work in two segments, the 389-km Kabul to Kandahar (K-K) Highway and the 442-km Kandahar to Herat (K-H) Highway.

To reconstruct the highways, LBG had to mobilize heavy equipment, rock-crushing plants, and asphalt-mixing plants. LBG also collaborated with the United Nations to expedite the clearing of mines. LBG completely reconstructed the roadway sub-base on the K-K Highway and paved the entire first lift of asphalt in less than eight months. The K-K Highway was opened to traffic in the fall of 2004 and completed in 2005; the K-H Highway opened in 2006. For the secondary roads program, LBG rehabilitated 724 km on nine roads.

The rehabilitation of Afghanistan's roads supports the U.S. government's efforts to rebuild the economic and social infrastructure of Afghanistan. The journey from Kabul to Kandahar, which once took two days, can now be completed in less than a day. The improved road network has dramatically decreased transit times and increased traffic counts, which has spurred economic development along the road corridors and improved access to education and health care.

Schools and clinics: The construction of schools and clinics under REFS was a major capacity building initiative. LBG used only local construction contractors, field engineers were primarily Afghan, and LBG purchased most supplies from Afghan businesses. The quality of construction met U.S. standards, the design was in accordance with International Building Code specifications, and the structural integrity met seismic hazard design Category 4 criteria. During construction, LBG's internal management and quality assurance processes recognized deficiencies in the roofing of some structures and LBG took corrective action before delivery of those schools or clinics. Thirteen projects, mostly in Uruzgan Province, could not be completed because of the deteriorating security situation. In the end, LBG successfully delivered more than 90 schools and clinics.

Dams and Irrigation: LBG successfully implemented five regional infrastructure projects: Sar-e-haus Dam in Faryab Province, the Zana Khan Dam and Sardeh Irrigation System in Ghazni Province, the Mohammed Afgha and Mogul Khil Irrigation rehabilitation in Logar Province, and the Shah Rawan Intake in Kunduz Province. These five projects cost \$5.4 million and benefited approximately 61,000 farm families.

Power and Energy: Under the REFS contract, LBG successfully rehabilitated Unit 1, the first of two existing turbines, at the Kajakai Dam hydropower plant. Work was completed in September 2005. LBG then began rehabilitating the plant's second turbine (known as Unit 3); however, that work was suspended in June 2006 when LBG came under direct fire and insurgents surrounded the dam. LBG completed rehabilitation of Unit 3 under the AIRP contract. Prior to the rehabilitation of the turbines, LBG provided emergency diesel power generation and operations and maintenance (O&M) for Kandahar, Lashkar Gah and Qalat.

The Afghanistan Infrastructure and Rehabilitation Program (AIRP) Contract

Today, LBG, in a joint venture with Black & Veatch Special Projects Corp., is implementing the Afghanistan Infrastructure and Rehabilitation Program. For the joint venture, LBG has principal administrative responsibilities and is responsible for the transport sector program. LBG was also responsible for completing work at the Kajakai Dam hydropower plant that began under the REFS contract. Black & Veatch is responsible for the energy and natural resources sector program. The AIRP contract started in August, 2006 and is expected to end in August, 2011. It is a task-order based contract, whereby USAID issues a request for a task order proposal, and the JV or one of the firms then submits a technical and cost proposal in response. Upon award, task orders are implemented and aligned under the respective program sector.

Kajakai Dam Hydropower Plant: Under the AIRP contract, in 2009, LBG completed the rehabilitation of the second turbine, known as Unit 3, at the Kajakai Dam hydropower plant. Today, the plant supplies 31 MW of power to Helmand and Kandahar provinces, two of southern Afghanistan's most populated areas. To LBG's knowledge, the dam has always been operated and maintained by an all-Afghan staff, and this practice continues today.

Roads: AIRP has continued the effort to rebuild, operate and maintain Afghanistan's transport network that began under the REFS contract. Under AIRP, the focus has been placed on rehabilitating roads that connect various provincial capitals to the Ring Road to further promote economic development along the transport corridors. In June, 2009, LBG completed the construction of the last 32 kilometers on a 79-km road between Kandahar and the district center of Arghestan and in December, 2010, LBG completed the 103-KM Keshim-Faizabad Road. We have also completed sections 1 and 3 of the 101-km Gardez-Khost Road in northeast Afghanistan and are reconstructing the remaining section of the road, which will provide a critical link for eastern Afghanistan, from Khost near the Pakistan border to the Ring Road.

Road reconstruction has tangible, positive impacts for Afghans who are now able to get their food to market quicker and safer, and who are able to send their children to school or give birth in a clean health clinic. For example, the recently completed road from Keshim to Faizabad is a vital link in the transportation network connecting Badakhshan to the rest of Afghanistan. A bus

trip between Kabul and Faizabad used to take at least two days, but, today, the travel time has been drastically reduced. Now, with the reconstruction of the road, a bus that departs Kabul in the morning can deliver its passengers in less than 12 hours. Since rehabilitation on the road began, a school for girls in Faizabad has had a significant increase in student enrollment.

The long-term success and sustainability of the roads program relies on regular operations, maintenance and repair of the roads. In November of 2007, USAID awarded LBG a task order to manage O&M activities for the 1,500 kilometers of roads built under the REFS contract and to develop a sustainable road management entity for Afghanistan. Today, that program has been expanded to provide O&M services to more than 3,000 kilometers of Afghanistan's roads. LBG works with the Afghan government and the Afghan private sector to provide extensive training and hands-on experience. The project employs approximately 4,500 Afghans at any given time, and LBG has trained nearly 1,000 Afghans in roads management. We are working with the Afghan government to establish a Road Authority, which will be the government entity to manage O&M programs in the future with the goal of preserving the investments of the U.S. and other international donors and ensuring continued economic development. On January 25, 2011, LBG will be recognized with an International Road Federation Global Road Achievement Award in the "Maintenance Management" category for its work the O&M task order.

Rebuilding Afghanistan's Technical Capacity

A construction contractor is traditionally evaluated on its ability to meet standards of quality, cost and schedule. While those are primary objectives of LBG's work in Afghanistan, there is an important fourth factor by which LBG also measures success— capacity building. Capacity building of the Afghan government and private sector is critical to ensuring the long-term sustainability of the infrastructure works and to protecting the major investment made by the American taxpayers. LBG is dedicated to maximizing the involvement of Afghans in our infrastructure programs as direct hires and subcontractors.

LBG partners with Afghan design and construction firms to train them on international standards, including international seismic protection and the international building code, as required by most bilateral donors. LBG has established relationships with several Afghan ministries, including the Ministry of Public Works, the Ministry of Energy and Water, and the Ministry of Agriculture, Irrigation and Livestock to build their capacities to successfully implement programs that will contribute to the rehabilitation of Afghanistan's physical and economic infrastructure. LBG has also employed Afghan deputy resident engineers and Kabul University students, offering a formal training certification program.

The use of Afghan staff and subcontractors is not without challenges. When LBG first re-entered Afghanistan in 2001, most skilled Afghans had fled the country during the decades of violence, resulting in a severe lack of capable engineering and construction firms and personnel to implement complex infrastructure projects. There was little equipment available in the country; most was left behind from the Soviet occupation. Additionally, many Afghan firms have difficulty obtaining the financing, bonding and insurance necessary to work on U.S. government projects.

Yet, despite these challenges, LBG has worked collaboratively with Afghan and U.S. government personnel to develop innovative solutions to maximize the use of Afghans while delivering the highest quality of work (built to international standards). LBG has been both innovative and flexible in addressing the inherent learning curve of our Afghan counterparts as we provide on-the-job and classroom training. To control schedule and cost, LBG uses fixed-fee or fixed-unit rate subcontracts with our Afghan subcontractors. On O&M contracts, we use performance-based contracting that pays subcontractors' fees dependent on meeting pre-determined requirements for quality, cost and schedule.

Since 2002, some of LBG's contributions to capacity building have included:

- More than 20,000 Afghans employed by the REFS contract
- More than 16,250 Afghans employed by the AIRP contract
- Nearly 1,000 Afghans trained in transport operations, maintenance and management
- 90 Afghan university students have participated in and completed AIRP's four- to six-month internship program
- Two Afghan interns who worked at the AIRP-operated Kabul Central Materials Laboratory are now Fulbright Scholars enrolled in the University of Missouri's transportation engineering master's program.

Identifying Challenges and Developing Solutions

Security: In 2001, LBG entered Afghanistan with a focus on rehabilitating and reconstructing the infrastructure of a post-conflict nation. As Afghanistan has shifted back to a conflict state in many areas of the country, LBG remains dedicated to the completion of our projects, including those in the most dangerous regions of the country where our staff is working behind enemy lines and our projects are under siege. In total, during the performance of USAID-funded programs, more than 210 program personnel have been killed and more than 300 wounded. On the Gardez-Khost road alone, where we are operating in deteriorating security conditions, we have suffered 18 staff killed, 51 wounded and four missing during the two years LBG has been working on the project.

LBG and USAID are working together in the field and in Washington, DC, to address security-related concerns. We have developed regular communication channels and meet routinely to identify any changes in the security requirements and determine necessary actions. We are committed to working collaboratively with USAID to manage our projects, security, and other challenges given the unpredictable circumstances in Afghanistan.

Afghan Government Requirements: As the Afghan Government works to establish and implement new laws, LBG, in support of USAID, must be flexible and able to rapidly adjust our business practices to meet new requirements. For example, when the Afghan government stopped all imports of certain explosive materials needed for road construction, LBG

coordinated with USAID and ISAF to use military-grade dynamite to accomplish the required construction operations.

Conclusion

The Louis Berger Group is honored to support the U.S. Agency for International Development in its critical efforts to improve Afghanistan's physical, social and economic infrastructure. Afghanistan is a challenging environment in which to operate, but through collaboration and innovation LBG has successfully reconstructed much of the country's road network, increased availability of reliable power in the south, built clinics for increased access to healthcare, schools to educate children and rehabilitated dams so farmers can grow their crops and feed their families. LBG has hired and trained thousands of Afghans to promote the longevity and sustainability of the significant investment made by the American taxpayers long after our work is complete. The Louis Berger Group looks forward to continuing to work as a valued partner with USAID and other government agencies as we all work to improve people's lives in Afghanistan and elsewhere around the world