PRINCIPAL DEPUTY SECRETARY OF DEFENSE FOR POLICY
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Chairwoman Ayotte, Ranking Member Kaine, and Members of the Subcommittee, thank you for convening this hearing, which gives us a chance to review two important national security challenges that have confronted our government in the last decade: how to use non-military tools in concert with a military campaign, and how to strengthen our financial management and accountability in conflict zones.

My testimony will address several subjects – the history of the Task Force for Business and Stability Operations, including the decision to close it down, OSD Policy's engagements with the Special Inspector General for Afghanistan Reconstruction regarding the work of the Task Force, the specifics of the Compressed Natural Gas Station project, and finally, lessons learned.

I was not serving in the Department of Defense for most of the period of the operation of the Task Force. To prepare for this hearing, I have reviewed many reports, including reports by SIGAR, some of the records of the Task Force, and spoken to many former senior U.S. officials, civilian and military, involved in Afghanistan policy during the operation of the Task Force in Afghanistan, including Generals McChrystal, Petreaus, and Allen, and Ambassadors Eikenberry and Crocker.

These conversations make clear that there was a strong demand signal from the field, strong support in the Pentagon, and strong support in the government of Afghanistan, for the work of the Task Force, the objective of which was to assist the government of Afghanistan to generate economic activity in support of the military campaign plan. Many of the commanding generals in Afghanistan had seen the work of the Task Force in Iraq, and welcomed its contributions in Afghanistan.

The Task Force was, in a sense, expeditionary, operating not under Chief of Mission authority but under authority of the military commander. This unique status gave them a certain freedom to move around the country and engage more directly with Afghans than employees of the U.S. Embassy.

During the course of its operation in Afghanistan, the Task Force obligated close to $800 million and disbursed over $600 million, which was roughly evenly divided between projects and support costs. These support costs are undoubtedly higher in Afghanistan due to the security requirements of operating in a war zone. The Task Force's work in Afghanistan was focused on a few major lines of effort, particularly efforts to assist Afghanistan benefit from its mineral resources and fossil fuels.

Time will tell whether the Task Force succeeded in its objectives. Independent assessments tell us that it had mixed results, with some successes and some failures. We welcome continued oversight of the Task Force to help us understand lessons that can be applied to any future contingency operation.

I. History of the Task Force for Business and Stability Operations

The origins of the Task Force for Business and Stability Operations (TFBSO) are rooted in the chaos of Iraq in 2006, before President Bush ordered the military surge early in 2007.

On June 22, 2006, Deputy Secretary of Defense Gordon England issued a memo entitled "Accelerating Reconstruction and Stability Operations in Iraq." The memo stated that the formation of a government in Iraq had created a "short window to accelerate stabilization and reconstruction operations." Toward that end, Deputy Secretary England appointed Paul Brinkley, then Deputy Under Secretary of Defense for Business Transformation, to head a Task Force to Support Improved DoD Contracting and Stability Operations in Iraq. As the name implied, it was charged with adapting and unifying military contracting in Iraq such that the Task Force could become an engine for stability through economic development and job creation. The mandate of the Task Force was also to look forward to examine possible changes to acquisition law and practice to address future contingency operations, as well as to accelerate the definition of contingency operations doctrine in the business mission area. In short, the Task Force was born from the concept that economic development and job creation were necessary conditions for building a stable and secure Iraq.

On March 11, 2009, Secretary Gates issued a memo indicating that he had asked Mr. Brinkley to continue the Task Force's economic revitalization efforts in Iraq for "an appropriate transitional period into the new Presidential Administration" and shifted the chain of command to have Mr. Brinkley report directly to him.

A year later, on March 25, 2010, Secretary Gates issued a new memorandum, directing that Mr. Brinkley extend the efforts of the Task Force to support Operation ENDURING FREEDOM, and directing that it focus on "development of economic opportunities including private investment, industrial development, banking and financial system development, agricultural diversification and revitalization, and energy development."

Later that same year, some uncertainty about the status of the Task Force arose when the Office of General Counsel cast doubt on the legal authority of the Department of Defense to conduct economic development activities in a foreign country, as they appeared to be inconsistent with the Department's authorities. Many activities of the Task Force were suspended.

Congress clarified the situation in the FY 2011 National Defense Authorization Act, providing statutory authority for activities of the Task Force in Afghanistan. The NDAA provided, however, that this authority would expire on September 30, 2011, and directed a plan to transition the activities of the Task Force to the Department of State and the Agency for International Development.

The sunset provision caused an impression within the Department that the Task Force would continue only through Fiscal 2011, and contributed to a decision by Mr. Brinkley and other senior staff at the Task Force to depart in the summer of 2011. Consequently, Senators Levin and McCain, then the Chairman and Ranking Member of this Committee, wrote to Secretary Gates on April 19, 2011, stating that the NDAA provision should not be read as requiring the shutdown of the Task Force. Citing congressional testimony in support for the Task Force by then-Chairman of the Joint Chiefs Michael Mullen and by General David Petraeus, the two senators urged the Department to keep the Task Force in operation so that it could "continue to serve as an important strategic tool for General Petraeus' counterinsurgency campaign in Afghanistan."

On August 10, 2011, Secretary Panetta issued a new memo, underscoring that the activities of the Task Force remained "critical to the current mission in Afghanistan." The memo altered the reporting chain, and required the Director of TFBSO to report directly to the Under Secretary of Defense for Policy. The Task Force was further directed to emphasize areas of indigenous industries, mineral development, and energy development.

Consistent with the transition recommendation provided to Congress on May 1, 2012, indicating the agreement of the State Department, USAID, and DoD that Task Force operations should continue through 2014, Secretary Panetta issued a memorandum on October 18, 2012, reiterating TFBSO's mission and the expectation that it would continue through 2014, stating that, "TFBSO will focus on developing economic opportunities, including mining sector development, private sector investment, and industrial development."

In the FY 2014 NDAA, Congress made a parallel amendment to law, authorizing the Task Force through calendar 2014. The Senate report on the legislation said that the TFBSO "has contributed to the stability of Afghanistan's economy, particularly the development of its mining sector."

Consistent with this statutory provision, policy guidance, and plans to drawdown U.S. force levels in Afghanistan, the Task Force ceased operations in Afghanistan in December 2014. The Task Force requested authority for an additional three-month administrative sunset period, during which a small number of Task Force employees engaged in close-out activities, as well as responded to information requests by SIGAR.

II. Shutting down the Task Force – records management, audits, and lessons learned

You asked me to address DoD's oversight of TFBSO activities. Let me start by making two broad points before I detail specific oversight that occurred.

First, I wish to emphasize that TFBSO did not have independent contracting authority. All Task Force contracting and disbursement of funds and other support functions were handled by U.S. Army Central (ARCENT), by a DoD headquarters element, or by other U.S. government contracting offices.

Second, I can only speak to the period of oversight by the Office of the Under Secretary for Policy, which commenced in August 2011. I have spoken to all of my predecessors, all of whom reported that they had regular meetings with Task Force leadership and that the Deputy Assistant Secretary of Defense for Afghanistan and Pakistan also engaged closely on all activities. This level of oversight and engagement is similar to that is provided by OSD Policy to the two defense agencies and one field activity that report to the Under Secretary. I have no insight into the oversight during the period that the Task Force reported directly to the Secretary or Deputy Secretary.

In 2014, the Task Force focused its efforts on bringing projects to completion or getting them to a point where the Afghan government or another U.S. entity might be able to continue the Task Force's work. From the Office of the Under Secretary of Defense for Policy's perspective, the emphasis during that period was on ensuring an orderly and responsible shutdown, including an effort to gather lessons learned.

In February 2014, with the departure of the Task Force Director, the Deputy Director was appointed Acting Director. He commissioned two studies: the RAND Corporation was hired to conduct a study of lessons learned, while Vestige Consulting, LLC was hired to conduct an Economic Impact Assessment of Task Force work. This latter project was completed December 29, 2014. The RAND study was completed last fall and published last week, January 12, 2016. We have provided both of these studies to the Committee.

On April 7, 2014, Assistant Secretary of Defense (Special Operations & Low Intensity Conflict) Michael Lumpkin, then Performing the Duties of the Under Secretary of Defense for Policy, asked the DoD Inspector General (IG) to perform an overarching audit of the Task Force's operations, financial actions, and contracts to "help to ensure DoD captures lessons learned and closes the TFBSO books efficiently." On August 26, 2014, the DoD IG replied that it could not undertake the requested audit based on limited resources and the need to focus its efforts "on projects with the greatest potential return on investment."

Under Secretary Wormuth and I assumed our current positions in OSD Policy in the summer of 2014. Ms. Wormuth began her service as Under Secretary in late June, and I assumed the role of her Principal Deputy in mid-August. I oversaw the closure of the Task Force.

After my arrival in August, until the final administrative closeout in March 2015, I met every few weeks with the Acting Director of the Task Force. My primary focus in these meetings was on ensuring the orderly shutdown of the Task Force and the responsible preservation of the records. In the fall of 2014, I requested that the Washington Headquarters Services (WHS), which provided administrative and financial support services for the Task Force, undertake a financial audit of the Task Force. WHS engaged the firm of Williams Adley for this purpose. It began work in early January 2015, and provided a final report on April 30, 2015.

III. OSD Policy Engagement with SIGAR in 2014 and 2015 regarding TFBSO

In 2014, the Task Force provided SIGAR with several tranches of documents and content, in response to specific queries, on the Task Force's extractives industry programs.

In late November 2014, a media account in a defense trade publication reported that Mr. Sopko intended to conduct an in-depth review of the TFBSO, which he asserted had been an "abysmal failure" and that, as far as he could determine, had "accomplished nothing." On December 9, 2014, I phoned Mr. Sopko, and explained that following the administrative sunset period, the Department would not be in a position to retain TFBSO personnel for the purpose of responding to SIGAR requests.

The SIGAR sent a letter to me the following day, requesting the preservation of Task Force records to enable ongoing SIGAR work. As noted, records preservation was already a focus of shutdown efforts.

On January 15, 2015, the TFBSO staff provided information requested by SIGAR the previous December regarding travel and spending by Task Force employees and contractors, information on the program working with indigenous jewelry makers, the Economic Impact Assessment contract and draft deliverable, and copies of other consulting contracts. On January 29, 2015, SIGAR requested significant additional information on all Task Force work, including a list of all Task Force employees and their titles from 2010 to the present. All of the requested information was provided on March 3, 2015. During this period, SIGAR staff continued to interview a number of TFBSO staff, including the Acting Director.

On March 30, 2015, I sent a letter to SIGAR with information regarding TFBSO records preservation, the location of the records, and points of contact following the March 31, 2015, closedown. On March 31, 2015, the sunset period was concluded and all records had been provided to WHS Executive Archives. At that point, the Task Force ceased to exist.

SIGAR's release of CERP data

On May 18, 2015, we discovered that a media organization had published nearly 18,000 records on projects DoD implemented in Afghanistan under the Commander's Emergency Response Program (CERP) on its website. The data, which the media organization received pursuant to a Freedom of Information Request (FOIA) submitted to SIGAR, included names and, in some cases, contact information for U.S. military personnel and civilians and Afghan civilians who received CERP funding.

OSD expressed concern to SIGAR about the release of this information, and the security implications for our personnel and our Afghan partners. SIGAR's Chief of Staff conceded by email that the release was a breach of policy saying, "The SIGAR FOIA clerk who handled this request did not follow SIGAR's procedures for processing FOIA requests. She is no longer with the agency. I am consulting with SIGAR's Office of General Counsel about this issue, but any future FOIA requests for data will be held until we can resolve how to handle the data." SIGAR requested DoD assistance to review the data, as SIGAR contended that it was too big a project for them to handle in way that fully addressed DoD concerns. The Department also asked the media organization to remove the data from its website.

Engagement regarding the compressed natural gas station

Also on May 18, 2015, DoD received a letter from SIGAR requesting additional information on the compressed natural gas (CNG) station project that is the subject of this hearing. The Task Force had already provided extensive information about the CNG station in response to a SIGAR audit that commenced in the summer of 2014 that examined all U. S. Government efforts, including the Task Force's, in the extractives sector. That audit report, released in April 2015, explains the purpose of the CNG station, and notes that $5.1 million was expended on the construction and tender of the station, conversion of four existing Ministry of Interior diesel generators, and provision of and training for the installation and maintenance of CNG engine conversion kits.

On June 17, 2015, DoD's reply indicated that with the closure of TFBSO, OSD no longer possessed the personnel expertise to address the questions about the gas project or to assess properly the information in the Executive Archive. DoD also indicated it was fully prepared to arrange for access to TFBSO information, and suggested that our staffs meet to work out the modalities of SIGAR's access to the information requested.

On June 30, 2015, our staffs met. DoD made clear that SIGAR would have unrestricted access to the TFBSO records in a reading room managed by WHS. If SIGAR wanted to obtain copies of any documents, the documents would first need to be reviewed by DoD attorneys to protect information that may be withheld from release under FOIA. DoD believed this step was necessary following the unwarranted release of the CERP data, which I outlined above. No limitation was placed SIGAR's access to unredacted documents. SIGAR never responded to this offer.

On September 24, 2015, SIGAR sent us the draft version of its report on the CNG filling station. DoD was troubled by SIGAR's apparent decision not to undertake due diligence in reviewing the records, so our October 9, 2015, reply indicated both our continued willingness to provide access to the documents and to any DoD personnel that SIGAR wished to interview.

On October 22, 2015, SIGAR's report on the CNG station was published.

Access to TFBSO records

I wish to underscore that at no time has SIGAR been denied access to any available records of TFBSO.

The Department believes that providing SIGAR unfettered access to review unredacted TFBSO archived materials via a reading room, as outlined previously, satisfies the objective of providing access while mitigating the risk of inappropriate release of FOIA-exempt information. Such an arrangement is fully consistent with the statutory requirement for Inspector General "access" under the Inspector General Act (5 USC App. § 6). Further, this approach has been used with other SIGAR staff as part of a separate SIGAR Afghan war lessons learned project, without any objections from SIGAR.

On December 15, 2015, pursuant to my suggestion, Mr. Sopko and I met in his offices in Crystal City to discuss SIGAR's access to TFBSO records. Following an exchange of letters, and receipt of certain assurances from SIGAR, DoD agreed to provide a copy of the hard drive of TFBSO's unclassified records. That hard drive and a list of TFBSO personnel that we have determined still work within DoD was delivered to SIGAR last week.

IV. The Compressed Natural Gas (CNG) Filling Station

SIGAR's report on the Compressed Natural Gas filling station asserts that the project cost the United States Government $43 million, and was ill-conceived.

A report to Congress on FY2011 Task Force activities (transmitted on December 16, 2011) explained the purpose of the project: "As a pilot project, the TFBSO funded the construction of a CNG complex in Sheberghan City, including the compression station, pipeline extension from the current gas grid, desulphurization and dehydration systems, engine conversion kits, and installation and maintenance training for station operators. The TFBSO is also coordinating with the taxi association in Sheberghan for the first opportunity to convert their fleet of cars to dual-use (CNG/gasoline) engines." That report indicated that construction of the station and its associated refining and conversion facilities cost $2.9 million.

A SIGAR report on extractive industries in Afghanistan, issued in April 2015, described the project in a similar fashion:

> Because Afghanistan's electric power plants and transport fleet rely on expensive diesel imports, TFBSO leadership decided that taking steps to develop a domestic fuel market would be critical to Afghanistan's economy and energy security. As a proof of concept to demonstrate that Afghanistan's automotive fleet could transition from a reliance on foreign diesel and instead use cheaper, locally-produced natural gas, TFBSO funded the construction of a compressed natural gas complex in Sheberghan City, including a compression station, pipeline extension from the current natural gas grid,

> desulphurization and dehydration systems, engine conversion kits, and installation and maintenance training for station operators. Additionally, TFBSO coordinated with the taxi association in Sheberghan to convert its fleet of approximately 150 cars to dual-use-compressed natural gas/petroleum-engines. TFBSO also converted two diesel generators operated by the Afghan Ministries of Interior and Defense to run on compressed natural gas.[1]

The CNG station was part of a larger effort to create a viable energy market within Afghanistan. The SIGAR Extractives report notes that TFBSO was working with the Afghan authorities to refurbish an existing pipeline running between natural gas fields in Sheberghan and a power plant near Mazar-e-Sharif. TFBSO also planned to build an entirely new pipeline alongside this older pipeline. In parallel, USAID was investing funds to rehabilitate and develop natural gas wells in Sheberghan, and construction of a nearby natural gas processing plant. The Task Force's focus on the natural gas sector was consistent with guidance from the Secretary of Defense, and with the overall effort to assist in the development of Afghanistan's natural resources.

The CNG project was detailed in the annual TFBSO activities reports to Congress and referenced in several quarterly SIGAR reports. In its July 30, 2012, quarterly report to Congress, SIGAR noted as follows:

> This quarter, the compressed natural gas station (CNG) in Sheberghan was handed over to the Ministry of Mines. It began commercial operation in May. Construction of the station had been funded by [TFBSO]. Because CNG is 50% cheaper than gasoline, as well as cleaner, the TFBSO said the CNG station should reduce fuel imports and provide greater security.[2]

In preparing its report on the CNG station project issued last October, SIGAR relied on information provided by the Economic Impact Assessment (EIA) prepared by a consulting firm engaged by TFBSO. That EIA report stated that the Task Force spent $43 million to fund the CNG station, of which there were $12.3 million in direct costs and $30 million in overhead costs.

We believe the methodology used by EIA, and relied on by SIGAR, is flawed, and that the costs of the station are far lower. I believe the consulting firm has also reviewed its work and engaged the Committee staff, and we have received a copy of their memo to one of your staff that indicates that the total costs of the station are likely "well under $10 million."

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[1] SIGAR Audit Report 15-55, "Afghanistan's Mineral, Oil, and Gas Industries: Unless U.S. Agencies Act Soon to Sustain Investments Made, $488 Million in Funding is at Risk," April 2015, page 27.

[2] SIGAR quarterly report to Congress, July 30, 2012, page 123.

CNG Station Cost Breakdown

In preparation for this hearing, DoD has examined records to ascertain the costs of the CNG station.

Let me breakdown the costs of the CNG station as we understand them today.

First, the costs for the entire station project were $5.1 million. As noted previously, the costs for the station portion of the project were $2.9 million. The $5.1 million covered the costs of the fueling station, two dispensers, one CNG trailer filling point, a car conversion center, an administrative office building, gas compression and processing equipment, and the conversion of two generators to power Ministry of Interior bases. This is consistent with the amount reported by SIGAR in its April 2015 audit report.

Second, the data provided to the EIA team suggests that approximately $7.3 million was spent on subject matter experts (SMEs) working to support the technical, legal, financial, policy and governance requirements for a natural gas consuming industry. The SME work supported the gas station project as well as a broader effort to help the Afghan government develop a natural gas industry. The SMEs supported the Afghan government as they went through the process of setting a price for natural gas, creating a framework for licensing a station, creating safety standards, and creating a legal framework for distributing natural gas to individual consumers for the first time. The figure of $7.3 million is based on an average of all labor costs by the SMEs across the entire energy sector, divided by the number of projects. The assumption that the labor costs were equal across all projects is likely flawed. The consulting firm estimates that the more accurate allocation of the SME costs to the CNG station project is two to four percent of the total labor costs of $36.4 million.

DoD cannot validate the figure of $30 million in overhead costs set forth in the SIGAR report as directly attributable to the CNG station project. This appears to represent an effort to capture the amount shared across all natural gas or energy projects. This is a flawed method to determine overhead costs for a given project. The preferred method is to use actual cost data attributed to the specific project, because each project has unique support requirements. The support costs data available to us do not provide the necessary fidelity to determine overhead costs in support of the CNG project.

The SIGAR report also compares the cost of this station to a comparable station in neighboring Pakistan. We believe that there are several reasons this station was more expensive than a station in Pakistan.

First, this station was the prototype for all of Afghanistan. In 2012, Pakistan had one of the most established and largest CNG distribution networks, with 2.9 million CNG vehicles and 3,330 refueling stations.[3] With a large and established market, along with the ability to source locally or import construction materials by sea and rail, building new CNG stations is substantially less expensive in Pakistan.

[3] Data from the International Association for Natural Gas Vehicles.

Second, this station had several additional components not included in a basic filling station. It had the ability to fill trailers for use by future stations, to convert cars, and to refine the sour gas coming into the station.[4] The ability to fill trailers was critical to the business model being established as it eliminated the need for direct pipeline access. DoD understands that the Afghan government continues to plan for a future station in Mazar-e-Sharif, and that these trailers will assist in that effort.

Third, the costs of construction in Afghanistan are much higher than in neighboring countries due to the lack of existing production and manufacturing capacity related to construction in general and for extractive industries specifically, the land-locked nature of the country, and the costs of security in a war zone.

SIGAR noted that that the cost of converting cars would be prohibitive to the average Afghan. To be sure, the average Afghan does not own a vehicle. As the Fiscal Year 2011 report to Congress highlighted, a primary focus of this project was those who *do* own vehicles, primarily taxi drivers. In addition, it was expected that the government would seek to convert its vehicle fleets. For taxi drivers, conversion would reduce monthly fuel consumption costs by 50 percent. DoD understands that, in many neighboring nations, conversion costs are paid upfront by station owners, who then charge vehicle owners more for gas until the conversion cost is paid for, generally within a year, due to the price differential. In this case, the Task Force committed to paying for conversion of 120 vehicles to ensure the targeted community of vehicle owners would be able to demonstrate the value of conversion.

Last, SIGAR's report questioned whether the station is still operating. My staff contacted the operator of the CNG station by email on November 15, 2015. The operator indicated that the station was working normally, that 230 cars had been converted, and that every day approximately 160 cars obtain fuel from the station.

V. Lessons Learned

You asked me to address the lessons learned and how these lessons will inform DoD activities going forward.

At the Task Force's request, Vestige Consulting, LLC provided an Economic Impact Assessment (EIA) for TFBSO work done in Afghanistan. DoD also commissioned reports by CSIS in 2010 and RAND in 2015. In addition, GAO, the Special Inspector General for Iraq Reconstruction (SIGIR), and SIGAR have all conducted reviews of TFBSO activity. The two reports from SIGIR (2008 and 2009) highlighted the difficult environment in which the Task Force was operating, suggested some process

[4] As SIGAR notes in the April 2015 extractive industries audit, "Sour gas is natural gas that contains measurable amounts of hydrogen sulfide. It is colorless, flammable, poisonous to humans and animals, and, unlike sweet natural gas, it is extremely corrosive and requires refining before use", page 27.

improvements, and clarified the resources and activities of Task Force work in Iraq. I commend all of these reports to the Committee.

The CSIS lessons learned report endorsed the value of the Task Force and its approach in Iraq, stating that, "The Task Force needs to retain its essential attributes of entrepreneurial leadership, a broad mandate that enables flexibility in approach and operations, and responsiveness to military commanders in theater….The Task Force has demonstrated value to DoD field commanders and to Iraqis. It serves a useful and key role as part of economic operations in conflict zones, and it helps fill the gap between initial stabilization and longer-term economic development."[5]

One important point made by CSIS was that it was difficult to measure the real value and merit of specific Task Force projects, saying, "CSIS concludes that many of the activities the Task Force pursued were worthwhile, with the caveat that for a specific activity, it is difficult to ascertain whether the value the Task Force generated or received – economic or otherwise – exceeded the money spent. Some results achieved by the Task Force can be reasonably quantified, though calculation of a return on investment or similar metric is often not possible and perhaps not meaningful."[6]

The report also recommends developing a more sustainable approach to economic operations in combat zones, "There is a substantial gap in U.S. government capability with regard to economic operations. That gap in capability is caused in part by resource shortfalls but also by significant and unresolved policy differences…Further action to address these challenges is needed…"[7] The report then provides more detailed findings, including recommending "an effort to analyze and develop longer-term options for organization both for DoD civilian support for expeditionary operations and for DoD economic operations in conflict environments."[8]

The RAND lessons learned report's review of TFBSO project implementation concludes "TFBSO's record is very mixed overall. Stakeholders who discussed these projects and other sources pointed to numerous instances of both success and failure. Respondents who discussed the business accelerator, the carpet program, Ariana Airlines, and, to some extent, the Amu Darya tender often commented that the programs were helpful. In several of these cases, project successes grew out of early failures, but it was possible to see learning and improvement. Respondents saw other projects, such as the Sheberghan Gas Pipeline and the Khas Kunar chromite crusher, as more problematic. In general, TFBSO had problems implementing large, complicated infrastructure investments. In the cases in which TFBSO interventions were more in the vein of advising, matchmaking,

[5] CSIS, "Final Report on Lessons Learned: Department of Defense Task Force for Business and Stability Operations," June 2010, page 5.
[6] Ibid, page 29.
[7] Ibid, page 5.
[8] Ibid, page 51.

and closing small gaps in value chains, the implementation seems to have been smoother."[9]

RAND offered the overarching recommendation that, "Economic development is likely to remain a key component of U.S. contingency operations. And regardless of today's perceived effectiveness of the Task Force in Afghanistan, or Iraq, it is likely that these future economic development efforts will contain private sector-focused elements akin to those employed by TFBSO. The U.S. policy community should plan for future organizational solutions to these same challenges."[10]

The just released second SIGAR Audit on extractives also highlighted TFBSO's mixed record, saying, "TFBSO's 11 projects achieved mixed results, with 3 of those projects showing little to no achievement of their project objectives, 5 partially met project objectives, and the final 3 generally met project objectives."[11]

In closing, the overarching question of how we promote economic development during a contingency operation remains a challenge for all of us in the U.S. government, both in the legislative and executive branches. I am skeptical that the Department of Defense is the natural home for that mission. We have struggled with this challenge over the last decade or more, and as a government we need to develop a functioning mechanism so that we are prepared for future contingencies. I commend the Committee for engaging in this discussion.

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[9] RAND, "Task Force for Business and Stability Operations: Lessons from Afghanistan," January 12, 2016, page 82.

[10] Ibid, pages xviii-xix.

[11] SIGAR 16-11 Audit Report, "Afghanistan's Oil, Gas, and Minerals Industries: $488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth," January 2016, page i.