RECORD VERSION

STATEMENT BY

MS. TINA BALLARD
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT)

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 108TH CONGRESS

ON CONTRACTING AND THE REBUILDING OF IRAQ

JUNE 9, 2004

NOT FOR PUBLICATION
UNTIL RELEASED
BY THE COMMITTEE
ON GOVERNMENT REFORM

STATEMENT BY
MS. TINA BALLARD
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT)

ON CONTRACTING AND THE REBUILDING OF IRAQ

INTRODUCTION

Mr. Chairman and distinguished members of the Committee, thank you for this opportunity to report to you again on the United States Army's role in Contracting and the Rebuilding of Iraq. It is my privilege to represent the Army leadership and the military and civilian members of the Army's contracting workforce who are at the forefront in the rebuilding of Iraq. We are very proud of these dedicated men and women.

THE ARMY AS EXECUTIVE AGENT

On May 21, 2003, the Deputy Secretary of Defense designated the Secretary of the Army as the Executive Agent for the Office of Reconstruction and Humanitarian Assistance, later to become the Coalition Provisional Authority (CPA) in Iraq. On January 14, 2004, the Deputy Secretary of Defense further assigned responsibility for Acquisition and Program Management Support for CPA to the Secretary of the Army.

The Army, as Executive Agent, continues to provide contracting and program management support both in Iraq and in the United States. We are continuing to procure all non-construction items and services to meet the humanitarian needs of the Iraqi people as well as the economic reconstruction and repair of Iraq's infrastructure.

PROGRAM MANGEMENT OFFICE

Led by David Nash, the Program Management Office (PMO) for rebuilding Iraq is located in Baghdad with a support office located in the Pentagon. As the requirement focal point for all Iraqi reconstruction contracting, the PMO is responsible for oversight and implementation of the $18.4 billion appropriated by the U.S. Congress to support the reconstruction of Iraq's infrastructure. The construction sectors are oil, electricity, public works and water, security and justice, transportation and communications, and buildings, education and health.

Overall, $12.6 billion will be spent towards actual construction over the next few years, and $5.8 billion will be spent on providing equipment, supplies and material to help support the construction. Computers are needed to monitor and control electrical transmission and water systems; vehicles are needed to transport materials or to support system maintenance; uniforms and equipment are needed to support the police and civil defense corps; and facilities are needed to educate Iraqi children.

Of the $18.4 billion appropriated in the fiscal year 2004 Supplemental, $11 billion was apportioned to various agencies. Of this amount, agencies have obligated $3.7 billion through June 2, 2004.

PERSONNEL

Our contracting personnel have been on the ground in Iraq since June 2003. We now have a total of 65 individuals there. They are multi-Service and civilian: four Army; five Navy; one Marine; 14 Air Force; and 41 civilians. They are courageous, dedicated volunteers who are doing a phenomenal job under very tough, dangerous conditions.

PROPER PROCEDURES

Currently, the General Accounting Office (GAO), the Army Audit Agency, the Defense Contracting Audit Agency, the U.S. Department of Defense Inspector General, and the CPA Inspector General, in response to a request from

Congress, are reviewing Iraq essential services contracts to confirm that the Army has been following proper procedures. We continue to work closely with them to ensure that they have all the information necessary to complete their work.

CONCLUSION

I continue to have a deep appreciation for the courage, competence, dedication, and efforts of our contracting personnel. The work has been – and continues to be – performed in accordance with proper procedures, by military and civilian volunteers who are concerned and committed to accomplishing their work under the toughest, most dangerous conditions.

We are proud of our role in helping to create and rebuild a stable and successful Iraq. Our work continues to help the citizens of Iraq rebuild, operate, maintain and sustain their own infrastructure. This, in turn, will help our Armed Forces return home sooner.