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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

March 23, 2012

The Honorable Leon Panetta
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Dear Mr. Secretary:

We are writing to request that you or your designee(s) testify before the Subcommittee on Contracting Oversight at a hearing entitled, "The Comprehensive Contingency Contracting Reform Act of 2012." The hearing will be held on Tuesday, April 17, 2012 at 10:30 A.M. in Room SD-342 of the Dirksen Senate Office Building.

In its final report to Congress, the Commission on Wartime Contracting in Iraq and Afghanistan (the Commission) found that "[a]t least \$31 billion, and possibly as much as \$60 billion, has been lost to contract waste and fraud in America's contingency operations in Iraq and Afghanistan." This assessment did not include the costs of projects that cannot be sustained, which will increase the estimate by billions. In addition to the financial costs, the Commission found that "poor planning, management, and oversight of contracts ... damaged [U.S. defense, diplomatic, and development] objectives." The Commission concluded that "[t]he nation's security demands nothing less than sweeping reform."¹

On February 29, 2012, Senator Claire McCaskill and Senator Jim Webb introduced S. 2139, "The Comprehensive Contingency Contracting Reform Act of 2012." The legislation builds upon the Commission's recommendations in its final report to Congress. The purpose of this hearing is to review S. 2139. The hearing will examine the need for the legislation and assess the steps taken by departments and agencies to date to implement the Commission's recommendations. The hearing will also provide an opportunity to discuss what additional measures, if any, would be required to fully address the Commission's findings.

Your testimony should address the impact this legislation would have on the Department of Defense. You should also be prepared to discuss how this legislation would affect the Department's planning, training, and execution of contract support for overseas contingency operations. Specifically, you should be prepared to address the legislation's requirements for the management of service contracts, strengthened suspension and debarment provisions, lines of authority for contingency contracting support, inclusion of contract support in planning documents and professional training, use of risk analyses for

¹ Commission on Wartime Contracting in Iraq and Afghanistan, Final Report to Congress, *Transforming Wartime Contracting: Controlling Costs, Reducing Risks* (Aug. 31, 2011).

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private security contracting functions, uniform contract writing systems, contractor performance evaluations, strengthened provisions to combat trafficking in persons, and sustainability analyses.

The Subcommittee requests that you summarize your testimony in 5 minutes, although a longer written statement may be submitted for the official record. This will allow adequate time for you to engage in questions and answers with members of the Subcommittee. **Subcommittee rules require that your testimony be submitted by no later than 10:30 A.M. on Friday, April 13, 2012.** Please send an electronic copy of your written statement and a brief one page biography to Subcommittee Clerk, Kelsey Stroud, at Kelsey_Stroud@hsgac.senate.gov.

The Subcommittee also requests that you provide a briefing for Subcommittee staff on these issues and any proposed technical changes to the legislation on or before **Monday, April 9, 2012**. The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress).

We look forward to your participation. Please contact Alan Kahn with Senator McCaskill's Subcommittee staff at (202) 224-3230 or Senator Portman's Subcommittee staff at (202) 224-3353 with any questions.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Contracting Oversight



Rob Portman
Ranking Member
Subcommittee on Contracting Oversight