

IMPACT OF THE EXPANDING ROLE OF CONTRACTORS: VITAL IN WAR

BY

LIEUTENANT COLONEL THEODORE M. LENNON
United States Army

DISTRIBUTION STATEMENT A:

Approved for Public Release.
Distribution is Unlimited.

USAWC CLASS OF 2011

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.



U.S. Army War College, Carlisle Barracks, PA 17013-5050

The U.S. Army War College is accredited by the Commission on Higher Education of the Middle State Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.					
1. REPORT DATE (DD-MM-YYYY) 24-03-2011		2. REPORT TYPE Strategy Research Project		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Impact of the Expanding Role of Contractors: Vital in War				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Lieutenant Colonel Theodore M. Lennon				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Colonel Ronda G. Urey Department of Military Strategy, Planning, & Operations				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) U.S. Army War College 122 Forbes Avenue Carlisle, PA 17013				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT Distribution A: Unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT It is undeniable that there is an alarming increase in the dependency of contractors and the impact of their expanding role within the Department of Defense. The Department of Defense, and specifically the US Army, currently relies on contractors for a greater range of services than ever before. Confronted with conflicts in multiple areas of operations (Operation Enduring Freedom, Operation Iraqi Freedom, Bosnia, Kosovo) over prolonged periods of time, shortages of qualified military personnel, a depressed economy, and a need to trim defense spending, the increase and impact of contractors continue to emerge. Needless to say, contractors are a combat multiplier and their current role is an indispensable component of Department of Defense. This paper will briefly review the background of contractors in Department of Defense, current operations, some of the challenges faced and recommendations as what direction should be taken in respect to the impact of the expanding role of contractors. Lastly, the paper concludes with an assessment of the current and projected future impact of contractors.					
15. SUBJECT TERMS DoD Contractors, Logistics Support					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT UNLIMITED	18. NUMBER OF PAGES 30	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFIED	b. ABSTRACT UNCLASSIFIED	c. THIS PAGE UNCLASSIFIED			19b. TELEPHONE NUMBER (include area code)

USAWC STRATEGY RESEARCH PROJECT

IMPACT OF THE EXPANDING ROLE OF CONTRACTORS: VITAL IN WAR

by

Lieutenant Colonel Theodore M. Lennon
United States Army

Colonel Ronda G. Urey
Project Adviser

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

ABSTRACT

AUTHOR: Lieutenant Colonel Theodore M. Lennon
TITLE: Impact of the Expanding Role of Contractors: Vital in War
FORMAT: Strategy Research Project
DATE: 24 March 2011 WORD COUNT: 5,226 PAGES: 30
KEY TERMS: DoD Contractors, Logistics Support
CLASSIFICATION: Unclassified

It is undeniable that there is an alarming increase in the dependency of contractors and the impact of their expanding role within the Department of Defense. The Department of Defense, and specifically the US Army, currently relies on contractors for a greater range of services than ever before. Confronted with conflicts in multiple areas of operations (Operation Enduring Freedom, Operation Iraqi Freedom, Bosnia, Kosovo) over prolonged periods of time, shortages of qualified military personnel, a depressed economy, and a need to trim defense spending, the increase and impact of contractors continue to emerge. Needless to say, contractors are a combat multiplier and their current role is an indispensable component of Department of Defense. This paper will briefly review the background of contractors in Department of Defense, current operations, some of the challenges faced and recommendations as what direction should be taken in respect to the impact of the expanding role of contractors. Lastly, the paper concludes with an assessment of the current and projected future impact of contractors.

IMPACT OF THE EXPANDING ROLE OF CONTRACTORS: VITAL IN WAR

The idea of the Department of Defense (DoD) using contractors to execute tasks normally performed by Soldiers is not a new phenomenon. It has been employed for centuries and is a proven asset. The United States Military used contractors dating back to George Washington and the Revolutionary War in which the Continental Army relied on contractors to provide such goods and services as transportation and engineering services, clothing, and weapons.¹ This option continued and excelled over time; there is an undeniable trend toward the increased use of their employment within the Department of Defense in peacekeeping, stability and support and combat operations. Depicted in Figure 1 is the historical perspective of contractor utilization.²

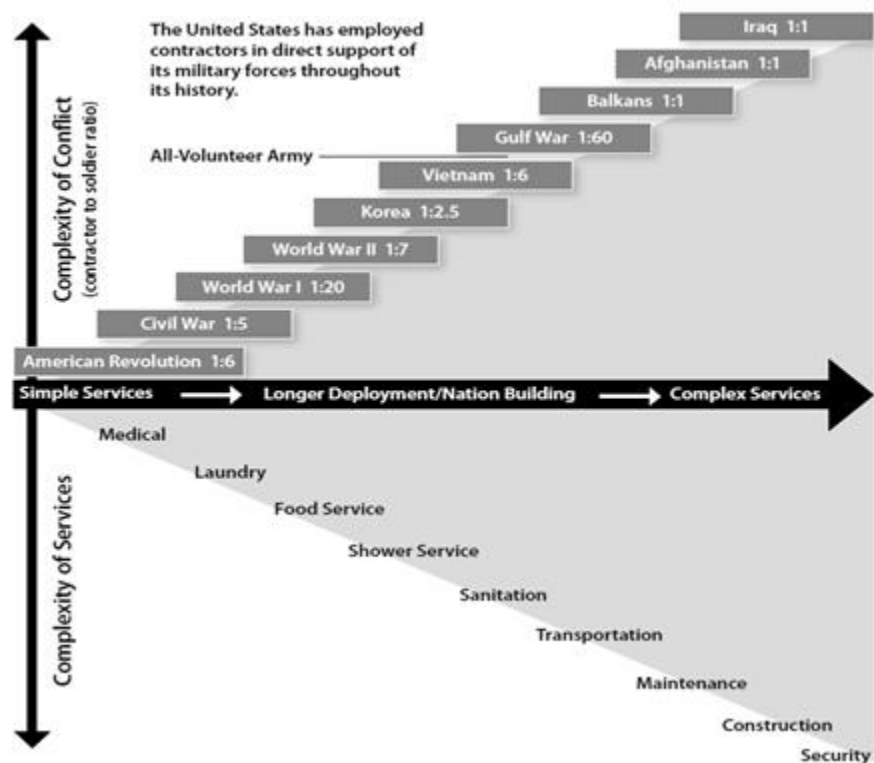


Figure 1: A Historical Perspective

As the number of contractors increase, they have become more organized and certainly incorporated more so within DoD. Currently in Operations Enduring and Iraqi Freedom, more than 50 percent of DoD's forces consist of contractors.³ These operations existed for the past several years and contractors were involved from the beginning; however, the support and will of the American public since 9/11 continues to decline. The current administration conveyed decisions to start withdrawing forces. As DoD supports the strategic goals and objectives of President Obama and his administration, the roles of contractors will likely expand; however, the ability to manage them could degrade even more. As DoD reduces the U.S. military force structure in both OIF (Operation New Dawn) and OEF, the question to ask is "who will replace the capability/capacity left void by the forces departure?" Theoretically, the people of those particular countries will transition into the roles vacated by the U.S. forces and its allies and begin to govern, police and secure themselves. However, statistics and events show that these countries are incapable of assuming such roles at the present time or for the predicted future departure timetable. Contractors are intensely involved in performing tasks normally executed by Soldiers since the start of these operations. As the redeployments continue, contractors will fill many of the voids left by the departure of military forces. DoD must immediately reassess and validate the strategy of incorporating the use of Contractors and rewrite its own doctrine.

Background

The United States Government is one of many entities that employ private contractors to conduct a variety of functions and/or missions. The Department of Defense has often relied upon contractors to support military operations. Their use

throughout DoD has progressively increased over the past decades.⁴ This increased reliance on contractors gave rise to the growth of private industry worldwide.

DoD hires contractors to provide a wide range of services that include basic functions (custodial and landscaping); administrative services (travel and management support); and complex professional and management services (i.e., advisory and assistance) that closely support inherently governmental functions, decisions, and spending, (acquisition support, budget preparation, developing or interpreting regulations, engineering and technical services, and policy development).⁵ In many cases, contractors are used because the government lacks the personnel to do the job. This increase is not surprising and the use of contractors to support the military is no longer an option, but a necessity as well as a combat multiplier. Therefore, contractor support is an essential, vital part of our force projection capability and ever so escalating in its importance. Several factors have driven this expanded role for contractors: downsizing of the military following the Gulf War, growing reliance on contractors to support the latest weapons and provide lifetime support for the systems, DoD-sponsored initiative to outsource or privatize functions to improve efficiency and free up funds for sustainment and modernization programs, and increased operating tempos.⁶

The expanding roles and utilization of contractors have a potential future impact on the culture of the US Army. Thus, requires all leaders not only to understand the role of contractors, but to assist in the discipline of ethics, accountability and management as well.

Evolution

The Department of Defense (DoD) often relied upon contractors to support military operations. In ancient and medieval history up until at least the 1600s, it was

not unusual to depend on armies comprised primarily of mercenaries and civilian support.⁷ Frenchman Marquis de Lafayette was one of the first military contractors in the United States. In 1777 he purchased a ship, and with a crew of adventurers, set sail for America to fight in the American Revolution against British colonial rule.⁸ During the Revolutionary War, George Washington's Continental Army depended on civilians for a variety of support roles: transportation, carpentry, engineering services, food and medicine.⁹ Additionally, the Continental Army relied on contractors to provide clothing, weapons and other goods.¹⁰ These were logistical functions, considered either tedious or too specialized to expect Soldiers to do them. In World War II, civilian workers provided support services in all theaters of war. In the Korean War, contractors provided services ranging from stevedoring, road and rail maintenance to transportation.¹¹ Contractors, without question, have been a vital part of the success of military operations for centuries.

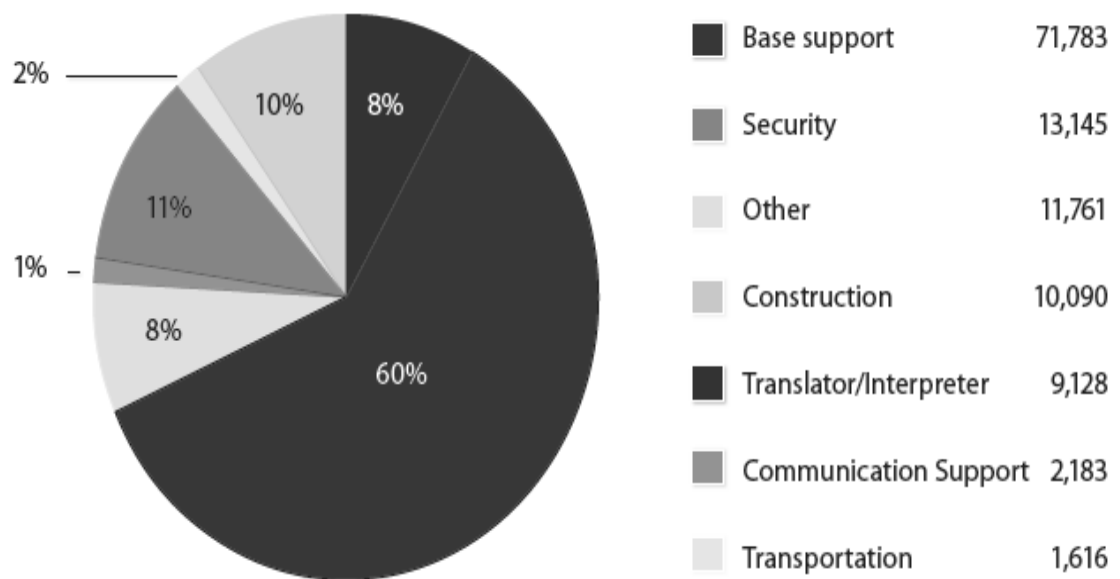
In Vietnam, there was a significant change in the way the military treated civilian contractors. *Business Week*, in March 1965, called it a "war by contract." As the Vietnam conflict unfolded, the role of the contractor began to change. The increasing technical complexity of military equipment and hardware drove the Services to rely on contractors as technical specialists. This was largely because standard military equipment was suddenly technologically advanced, while the average Soldier had little technical training besides basic combat skills. Immediately a critical need arose for civilian contractors with specialized skills to work side by side with the troops. Field maintenance crews with companies such as General Electric or Johnson, Drake, and Piper dodged bullets at DaNang and Pleiku to maintain and repair field equipment and

infrastructure for troops, who desperately needed them.¹² Instead of remaining safe behind military lines, civilian contractors were in the same danger as the Soldiers they were supporting. This was not the only reason that civilian contractors were active in the Vietnam Theater. Before the war even started, Air America was field-lifting supplies behind enemy lines to covert U.S. Special Forces operatives who were training the CIA formed South Vietnamese Civilian Irregular Defense Group (CIDG).¹³ Food, supplies, weapons, intelligence and transportation would have been impossible to access without Air America pilots and the civilian contractor ground crews maintaining Air America's airplanes and helicopters. The U.S. was still not yet officially involved in the Vietnam conflict, and to commit American military planes and Soldiers would have caused the international incident that the U.S. was trying to avoid at the time.¹⁴ Today, contractor logistics support is routinely imbedded in most major systems' maintenance and support plans. It is imperative that military planners integrate contracting into the overall plans to include movements, security, lodging and other essential functions especially based on the fact that some specialized contractors actually need to be on location before Soldiers and units arrive. Unfortunately, the increasing reliance on contractors hampered our ability to effectively and efficiently plan and execute these functions in recent operations. An example of such an event was the surge in Afghanistan in late 2009. The requirement of mass movements of troops and equipment not only strained the transportation and logistics systems but also forced the combatant commander to prioritize the incoming forces, to include contractors.

Roles/Functions

Statistics confirm almost 50 percent of all contractors serving in the current conflicts are in support of some sort of reconstruction.¹⁵ They assist in the rebuilding of

infrastructure ranging from agriculture to road networks to standing buildings. Another large percentage executes logistics support in the form of transportation, handling of supplies, water production, fuel operations, dining facilities and other functions of support activities. There is also a percentage that provides armed/unarmed security functions in support of personnel, convoys or fixed facilities inside major bases. Depicted below, according to a CENTCOM Contractor Census Report dated June, 2009, are the percentages of contractors performing specific functions.



Source: DOD; US CENTCOM 3rd Quarter Contractor Census Report, June, 2009.

Figure 2: Percentage of Contractors Performing Specific Functions.¹⁶

Increased Reliance

Several reasons are behind DoD's increased reliance on contractors for services. In addition to the belief that it is more cost-effective to hire contractor employees instead of government employees, reasons include the need for skills and expertise not currently found in DoD; the flexibility and the relative ease in obtaining necessary

support from contractor employees instead of hiring additional government employees; and established ceilings on the authorized number of government employees.¹⁷ A key assumption of many of the federal management reforms of the 1990s was that the cost-efficiency of government operations would be improved. In addition to a desire for cost savings, the need to meet mission requirements while contending with limitations on government full-time equivalent positions and a desire to use contractors' capabilities and skills in particular situations were factors in increasing the use of contractors.¹⁸

Continuity is a major advantage and asset of contractors. While the U.S. military has a policy that ensures the vast majority of personnel rotate every six to 12 months, contractors are often willing to stay for longer periods which can be attributed to increased stability within a unit/organization. The most highly prized attribute of private contractors is that they reduce troop requirements by replacing military personnel. This reduces the military and political resources that potentially must deploy to the conflict. Without the presence of contractors, the United States military would have required twice as many troops. The U.S. Armed Forces struggled to maintain 160,000 troops in Iraq; it is doubtful that DoD could have supported the 320,000 needed if contractors were not employed.¹⁹ At the height of the surge in April 2008 as shown in Figure 3, DoD had 163,900 contractors supporting 160,000 troops in Iraq.²⁰ Lessons learned

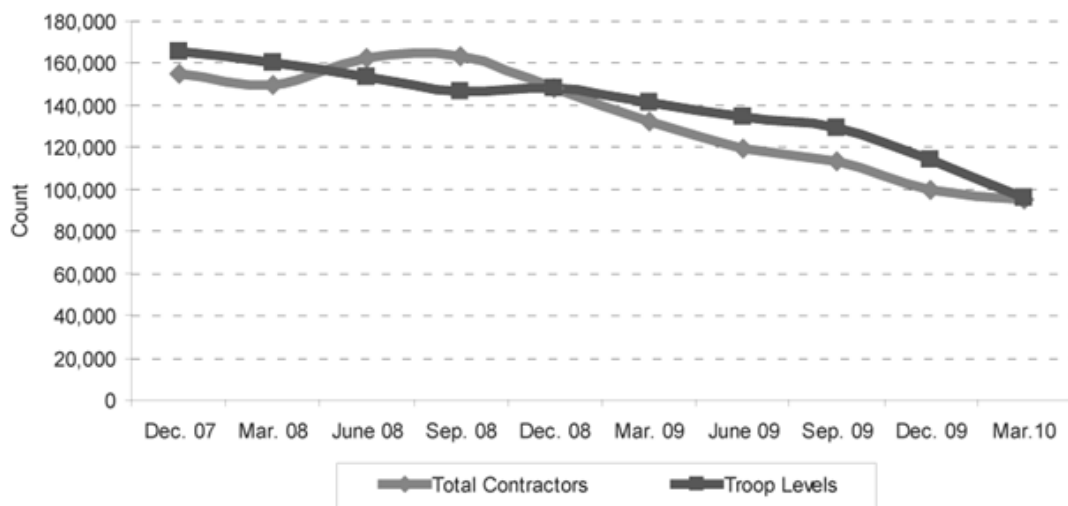


Figure 3: DoD Contractors in Iraq vs. Troop Levels.²¹

throughout our country's history, including those from our most recent military operations, demonstrate that contracting can be an effective force multiplier.

Contracted capabilities can increase available support resources quickly in response to changing requirements. They can extend existing military capabilities, present alternative sources of supplies and services, and provide capabilities where none exist in the military. Contractors provide a number of advantages over military personnel or civil servants for example speed of deployment, continuity, reduction of troop requirements, reduction of military casualties, economic inputs to local economies, and, in some cases, executing tasks the military and civilian workforce simply cannot. The Army in particular, can obtain substantial advantages and economies through contracted support. Recent reductions in military structure, coupled with high mission requirements and the unlikely prospect of full mobilization, mean that specific units will often have to be significantly augmented with contractor support. As these trends continue, the future battlefield will require ever increasing numbers of critically important

contractor employees. Army policy (AR 715-9) states civilian contractors may be employed anywhere in the area of operation (AO) to support operations and weapon systems.²² Accordingly, commanders, staffs, and Soldiers must be familiar with how to plan for and use contractor-employee accountability procedures.²³

DoD Policy

Although contractors have been relevant in DoD operations for decades, policies and doctrine governing them are inadequate. This causes contention among the Services, supported commanders and government officials. As the numbers and functions of contractors continue to increase with ongoing operations, the need for solid policy becomes more critical to mission success. The Army attempted to institutionalize contracting as a routine function of military operations. In mid-1998, the Army Training and Doctrine Command (TRADOC) and the Army Combined Arms Support Command (CASCOM) formed an Integrated Concept Team (ICT) to develop a capstone field manual for Contractors on the Battlefield. Coincidentally, the Office of the Assistant Secretary of the Army (ASA) for Acquisition, Logistics, and Technology (ALT) began to develop a capstone field manual for acquiring contracted support. Additionally, the Office of the Deputy Chief of Staff for Logistics (ODCSLOG) began to develop Army-level policy for using contractors to support Army operations. The results of the ICT were: (1) Publication of Army Regulation (AR) 715-9, Contractors Accompanying the Force, 29 October 1999. This regulation established Army policy for using contractors to support battlefield operations. It is the first Army-wide policy governing contractor operations on the battlefield; (2) Publication of Field Manual (FM) 100-10-2, Contracting Support on the Battlefield, 4 August 1999. This is the Army's first capstone doctrinal manual for acquiring contractor support. It focuses on acquisition of contract support,

more so than on contractor operational support; (3) Publication of FM 100-21, Contractors on the Battlefield, 26 March 2000. This is the Army's first capstone doctrinal manual for the operational aspects of using contractors to support Army operations. This field manual was revised and renumbered as FM 3-100.21, Contractors on the Battlefield, 3 January 2003.²⁴ Although contractors perform duties in various capacities, contractor personnel should not:

- Be placed in a position where they are under supervision, direction, or evaluation of a government employee
- Be placed in a position of command, supervision, administration, or control over government personnel, or over personnel of other contractors; or become part of the government organization
- Be used in administration or supervision of government procurement activities
- Be used as replacement for government employees without following specific commercialization procedures²⁵

Overseas military contractors employed by the U.S. government must follow federal law even when their work is performed in a foreign country. Even though a military contractor may not be subject to the same scrutiny for acts of violence committed outside of the U.S. and its territories, the federal government can, and will, prosecute war crimes. Under the Military Extraterritorial Jurisdiction Act (18 USC 212, sec 3261-7), anyone "employed or accompanying the Armed Forces outside the U.S." who commits an offense punishable by more than one year of imprisonment may be prosecuted in federal court just as if the act had taken place on American soil. In this regard, employees of Blackwater (which subsequently changed its name to XE

services), one of the largest private contractor organizations providing services to the military, have been indicted on multiple occasions for murder, including a new round of various federal charges being issued as recently as August 10, 2010.²⁶

Current Operations

Since the release of the Gansler Report in November, 2007, DoD took a number of initiatives to develop doctrine and policies for using contractors during contingency operations. In October 2008, the Chairman of the Joint Chiefs of Staff (CJCS) published Joint Publication 4-10 *Operational Contract Support*, which contains doctrine for contract support and contract management during joint contingency operations. This publication applies to commanders of combatant commands, joint task forces, the military services, and defense agencies in support of joint operations.²⁷ Additionally, officials within DoD continue to focus their attention on the importance of contractors as it relates to operational success. Other steps implemented to improve management and oversight of contractors in Iraq and Afghanistan include tracking contracting data, implementing contracting training for uniformed personnel, increasing the size of the acquisition workforce in both locations, and updating DoD doctrine to incorporate the role of contractors into contingency/combat operations.²⁸ In March, 2009, Deputy Secretary of Defense William J. Lynn issued a directive detailing who within DoD is responsible for the various aspects of contract management and oversight, including responsibility for managing contracts, developing policy, issuing guidance, and integrating contractors into contingency operations.²⁹ In July, 2009, DoD issued instructions establishing policy and procedures for managing private security contractors during contingency operations and at the direction of the Under Secretary Ashton Carter, a wartime contracting task force was established to evaluate the

Commission on Wartime Contracting interim report.³⁰ However, these efforts are still in progress and could take several years to effectively implement.

Challenges

During a testimony to Congress on the challenges facing DoD, Secretary of Defense Robert Gates made the following statement:

Without any supervision or without any coherent strategy on how we were going to do it and without conscious decisions about what we will allow contractors to do and what we won't allow contractors to do...We have not thought holistically or coherently about our use of contractors, particularly when it comes to combat environments or combat training.³¹

The government is relying on contractors to perform many tasks that closely support inherently governmental functions, such as contracting support, intelligence analysis, security services, program management, and engineering and technical support for program offices. Long-standing problems with the lack of oversight and management of contractors are compounded by the growing reliance on them to perform functions previously carried out by government personnel.³² DoD has not allocated the organizational resources to review and oversee issues regarding contractor support to deployed forces. A number of issues continue to pose difficulties for military personnel in deployed locations, to include:

- Providing an adequate number of personnel to conduct oversight and management of contractors
- Training personnel, including non-acquisition personnel such as unit commanders, on how to work effectively with contractors in operations
- Ensuring that local and third-country nationals have been properly screened, given the lack of standardized documents, the lack of national police agencies in many countries, and poor record keeping in many countries

- Compiling reliable data on the number of contractor personnel supporting U.S. forces in contingencies
- Identifying requirements for contractor support in ongoing operations ³³

Cultural Change

As more and more contractors are employed to perform the tasks of Soldiers, one of the most profound challenges is ensuring organizations understand the vital roles contractors execute and the capability they add in accomplishing the mission. In many cases contractors were formerly uniformed service men and women who performed some of the same tasks they are performing as contractors. Most of the Services do not completely recognize and acknowledge the impact of contractors in military operations and on mission success. There are some leaders who would argue that if there were enough Soldiers to perform the tasks/mission, they would prefer military personnel over contractors. The civil-military relationship in some cases is strained when contractors do not deliverer to military organizations for various reasons the end product contracted for or agreed upon.

Cost

In October 2005, the Congressional Budget Office (CBO) issued a study comparing the cost of using military personnel, federal civilians, or contractors to provide logistics support for overseas operations. The study concluded that over a 20-year period, using Army military units would cost roughly 90 percent more than using the contractor. ³⁴ In an August 2008 report on contractor support in Iraq, the CBO conducted a comparison of one contractor's costs to provide private security services in Iraq versus estimated military costs. The report concluded that for the 1-year period beginning June 2004, the costs of the private contractor did not differ greatly from the

costs of having a comparable military unit performing similar functions.³⁵ In an additional study by the GAO also completed in August 2008, in a review of five cases involving contractor cost yielded that using contractors in Iraq was less costly than the estimated cost of using State Department Employees for four of the five cases.³⁶ Based on the above statistics the cost of contractors and comparable units performing the same functions are not vastly different. However, the use of contractors allows the commander the flexibility to array his forces at other critical points necessary for success. Given the fact that proposed budget cuts will impact the size and readiness of future military forces, transitioning to the use of contractors becomes ever more important and apparent. Lastly, the military may be required to deploy to other locations to defend our national security interests, while leaving current contractors in place to continue on with support required for mission accomplishment.

Accountability

Reliance on contractors to perform functions that members of the federal workforce performed carries risk, especially without adequate oversight by, and training of, federal employees overseeing contracting activities.³⁷ Oversight of contractor employees ultimately rests with the Contracting Officer, but frequently, contracting officers are not based where the services are being delivered. Consequently, contracting officers appoint contract monitors, who are responsible for monitoring contractor performance. Contracting Officers' Representatives (CORs) are normally designated from the unit. For some contracts of special interest, contracting officers can delegate oversight to CORs usually from the Defense Contract Management Agency (DCMA) to monitor contractor performance.³⁸ The majority of the workload requires contracting officials to devote the majority of their effort to awarding contracts,

and as a result, little time remains to provide oversight. Local national contractors frequently require more oversight than U.S. firms as they lack experience, have limited capacity, are frequently less capable than their U.S. counterparts, are unfamiliar with U.S. quality standards and expectations, and lack the quality control processes that U.S. maintain.

As of March 2010, over 70% of the contractor workforce operating in the Iraq and Afghanistan theaters are not U.S. citizens.³⁹ In Iraq, approximately 72,000 contractors are third country or Iraqi nationals, and in Afghanistan approximately 81,000 contractors, or 75 percent, are Afghan nationals.⁴⁰ The lack of documentation for many of these individuals, coupled with the lack of an effective national police force in these countries, make screening these personnel a difficult and frightening task, especially since DoD currently lacks a department-wide policy for screening foreign nationals employed by contractors. Nonetheless, contracting local nationals is an important element in counterinsurgency. Employing local nationals injects money into the local economy, provides training and can give the U.S. a more sophisticated understanding of the local landscape.

Depicted in Figure 4, as of Mar 2010, contractors make up 54% of DoD's workforce in Iraq and Afghanistan.⁴¹ The critical role contractors play in supporting such military operations and the billions of dollars spent by DoD on these services require operational forces to effectively manage contractors during contingency operations. Lack of sufficient contract management can delay or even prevent troops from receiving needed support and possibly result in wasteful spending. Some analysts believe that poor contract management played a role in abuses and crimes committed by certain

contractors against local nationals, which may have undermined U.S. counterinsurgency efforts in Iraq and Afghanistan. Recent studies focused DoD's attention on the importance of contractors to operational success. DoD took steps to improve how it manages and oversees contractors in Iraq and Afghanistan.

DOD CONTRACTOR PERSONNEL				
	TOTAL CONTRACTORS	U.S. CITIZENS	THIRD COUNTRY NATIONALS	LOCAL/HOST COUNTRY NATIONALS
Iraq only	100,035	27,843	51,990	20,202
Afghanistan only	107,292	10,016	16,551	80,725
Other USCENTCOM locations	32,124	6,681	19,690	5,753
USCENTCOM Area of Responsibility	239,451	44,540	88,231	106,680

Source: DOD; USCENTCOM 1st Quarter Contractor Census Report, FY 2010

Figure 4: DoD Contractors in USCENTCOM AOR.⁴²

These steps include tracking contracting data, implementing contracting training for uniformed personnel, increasing the size of the acquisition workforce in Iraq and Afghanistan, and updating DoD doctrine to incorporate the role of contractors.⁴³

Unfortunately, these efforts are still in progress and could take three years or more to effectively implement. It will in fact impact the present culture of the military services as well as impact future operations.

Management

Current and future operations will continue to expand the roles of contractors. We must prepare all leaders for the changing culture as they determine: what role

contractors should play in contingency operations, whether DoD is gathering and analyzing the right data on the use of contractors, what steps are being taken to improve contract management and oversight, and the extent to which contractors are being effectively included into military doctrine and strategy. Additionally, DoD must conduct the proper training and ensure that all leaders understand the command and control relationship between the military leaders, the contractors and the CORs. Military staffs should establish contingency contracting planning cells to determine what is and should be contracted, and establish the proper command authority before contracts are written, well before contractors arriving in the field.

Ethics

As the Army continues increasing its reliance on contractors, a few of the reoccurring issues have become trends: ethics, accountability, and management of contractors involved in theater operations.⁴⁴ The ethics of some contractors in past events have come into question, for example Blackwater security personnel actions and DynCorp.⁴⁵ Blackwater employs armed personnel to protect private property, assets and individuals. In Fallujah, Iraq, in 2007 Blackwater contract workers accused of opening fire without provocation and using excessive force as they allegedly shot Iraqi civilians in Baghdad while escorting a convoy. DynCorp was accused of ignoring signs of drug abuse among employees in Afghanistan, and billing the United States for millions of dollars of work that was not authorized and began other projects without approvals. In these instances, the events that transpired resulted in a less than positive image on military leaders that were either responsible for or had knowledge of, the wrong doings. Sadly, these were not the only events involving contractor inappropriate

behavior and/or actions. Although committed by private contractors, the military is still ultimately responsible and must adjust its culture to adapt to future unethical actions.

Ethics involves concepts of fair and unfair, right and wrong, moral and immoral. Most people consider lying, cheating, stealing, and harming others to be unethical. Honesty, integrity, keeping one's word, respecting rights of others are generally considered ethical – they are traits that a rational person is supposed to believe in and display. The common approach to instituting ethics taken by both corporations and United States Government organizations is to introduce a standard code of ethics in order to prevent or control ethical lapses by employees. The United States Government has standards of ethical conduct in the Federal Acquisition Regulation (FAR), which prescribes the ethical expectations for government procurement officials. Until recently, the FAR has not addressed the contractors' responsibilities with regard to a code of ethics, proper business conduct and the avoidance of improper business practices.⁴⁶

In comparison, the ethics rules found in both the Federal Government's and Contractors' standards were similar in addressing the basic "do's and don'ts." The written form of the ethics rules is not the problem. The problem lies in the ethics compliance training programs, or lack thereof. Employees are choosing to conduct unethical behavior, regardless of what is in writing. In order to achieve the highest degree of integrity and honesty within Government-Contractor relationships, a standard ethics training program to bridge the gap between the Federal Government and Government Contractor is required.

Accountability and Management

One of the visible problems is the command and control versus management. The commander has no "command and control" authority over contractor personnel.

While the contract can require contractor personnel to abide by all guidance and obey all instructions and general orders applicable to US Armed Forces and DoD Civilians, contractors cannot be commanded. Their relationship with the government is governed by the terms and conditions of their contract. Only the contracting officer has the authority to direct the contractor. The commander must manage contractor personnel through the contracting process, and has no authority to command or discipline them unless it is during a Congressionally declaration of war.

Recommendations

Throughout history, military forces have depended on civilian contractors of one sort or another to provide more flexibility for the use of available military assets and resources. The main finding from this research is that DoD needs to provide adequate guidance, policy, doctrine and resources to maintain contractors as a combat multiplier. Additionally, planners at all levels need to incorporate contingency contracting into future operations as well as capitalize on the skills, knowledge and abilities that contractors can bring to the operation.

Maintain Status Quo and Strategic Implication

DoD needs to maintain the status quo in respect to the use of contractors. Currently, the use of contractors has increased mission success, allowed for more flexibility in respect to rotational forces (especially support forces), and decreased the fatality rates among military forces. Combatant commanders and Services must ensure that their subordinate organizations properly plan for, train and utilize contractors in current and future contingency operations. The focus on updating and maintaining doctrine must continue to receive critical attention as it is essential to the success of future operations.

Contractors have an important role to play in the discharge of the government's responsibilities, and in some cases the use of contractors can result in improved economy, efficiency, and effectiveness. One of the strategic impacts is that the use of contractors has allowed the combatant commander to array his forces due to the support and/or functions of the contractors. Additionally, as studies and research continues, the overall cost will level out and effectiveness will continue to improve.

Improve on Weaknesses/Challenges

As DoD directs positive attention and efforts towards strengthening the weak/vulnerable points addressing the challenges head on, it makes for a productive environment and positive scenario for the Services. Personal Security Details (PSDs) attracted the most media attention and controversy in respect to contractors' performance and ethics. The role of interpreters, which is a highly skilled requirement, allows military forces at all levels to communicate with the local populace. The military expanded its number of linguists; however, large scale operations such as Operations Enduring and Iraqi Freedom required more than what was in the military inventory and therefore contractors filled shortfalls. DoD must develop and strengthen policies, as well as control, oversee and regulate the use of contractors in support of future operations. DoD should allocate critical resources towards efforts excellerating the assessment and creation of strategy and doctrine for current and future operations as well. Based on findings in the 2007 Gansler Report, DoD should add information pertaining to contracting/contractors to the curriculums of Senior Service Colleges and mid-career Military Education to facilitate educating and training military leaders in advance.

Make Adjustments to Force Modification

Contractors play an integral role in DoD activities at all levels. They have proven to be an irreplaceable asset serving in critical roles supporting and serving the military and federal employees. DoD continues to face long-standing problems that hinder its management and oversight of contractors at deployed locations. The successful integration of contractors within the DoD is incumbent upon military leaders, and in particular commanders, at every level to understand and execute the proper use and management of contractors. As long as the US military occupies bases overseas, participates in peacekeeping operations, with the UN, and other intergovernmental agencies, or engages in various conflicts in support of the U.S.'s national goals and interests, contracting companies will continue to search for qualified personnel, and the employees will be inevitably eager for the high paying jobs and adventure that can only be found working as a civilian contractor in a theater of conflict.⁴⁷

Conclusion

When our nation goes to war, contractors go with it. Contractors have become an enduring feature of modern American conflicts and a proven combat multiplier. DoD has taken positive steps in recognizing its reliance on contractors to support operations both now and in the future, and has emphasized the need for increased contingency contracting oversight and management. It is unthinkable that the United States would ever engage in hostilities or in reconstruction and stabilization operations without them. However, additional effort and resources are required to continue focus on issues and challenges associated with including contractors as a vital part of the total force. DoD must continue to evaluate the role contractors play in contingency operations to determine the appropriate balance of contractors and military forces and institutionalize

operational contract support at all levels of professional military education as well as in pre-deployment training and exercises. The benefits greatly outweigh the risks and costs associated with contractors serving as combat multipliers within DoD. The fact that contractors deploy into combat zones and execute some of the the same critical tasks as Soldiers validates their existence and the expanding impact they have on future operations. Because of the changes in business practices, the provision of government services' and the characterization of modern warfare, contractors in American conflicts are here to stay.⁴⁸

Endnotes

¹ Gordon L. Campbell, "Contractors on the Battlefield: The Ethics of Paying Civilians to Enter Harm's Way and Requiring Soldiers to Depend Upon Them," January 28, 2000, <http://isme.tamu.edu/JSCOPE00/Campbell00.html> (accessed 27 September 2010).

² Center for Military History (CMH), "The Commission on Wartime Contracting in Iraq and Afghanistan," Interim Report, June 2009, http://www.wartimecontracting.gov/_docs/CWC_Interim_Report_At_What_Cost_06-10-09.pdf (accessed 20 October 2010).

³ Amy Belasco, "Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues," Joint Chiefs of Staff, CRS Report R40682, July 2, 2009, www.fas.org/sgp/crs/natsec/R40682.pdf (accessed 29 October 2010).

⁴ Moshe Schwartz, "The Department of Defense's Use of Private Security Contractors in Iraq and Afghanistan: Background, Analysis, and Options for Congress," Congressional Research Service, R40835, June 22, 2010, <http://www.scribd.com/doc/34336431/CRS-Report-on-PSCs-in-Iraq-and-Afghanistan-06222010> (accessed 3 November 2010).

⁵ U.S. Government Accountability Office, *Defense Contracting: Report to Congressional Committees* (Washington, DC: U.S. Government Accountability Office, March 2008 (accessed 8 November 2010)).

⁶ Michael McPeak, Commander, USN, and Sandra N. Ellis, "Managing Contractors in Joint Operations: Filling the Gaps in Doctrine," www.almc.army.mil/alog/issues/MarApr04/Managing_Contractors.htm (accessed 7 December 2010).

⁷ James Grey, "Private Military Contractors – A Short History By James Grey," Jul 7th, 2006, <http://polosbastards.com/pb/private-military-contractors-pmcs-a-short-history/> (accessed 10 December 2010).

⁸ Ibid.

⁹ Ibid.

¹⁰ Eric A. Orsini and Lieutenant Colonel Gary T. Bublitz, "Contractors on the Battlefield: Risks on the Road Ahead?," <http://www.almc.army.mil/ALOG/issues/JanFeb99/MS376.htm> (accessed 27 September 2010).

¹¹ Gordon L. Campbell, "Contractors on the Battlefield: The Ethics of Paying Civilians to Enter Harm's Way and Requiring Soldiers to Depend Upon Them," January 28, 2000, <http://isme.tamu.edu/JSCOPE00/Campbell00.html> (accessed 30 November 2010).

¹² James Grey, "Private Military Contractors – A Short History By James Grey," Jul 7th, 2006, <http://polosbastards.com/pb/private-military-contractors-pmcs-a-short-history/> (accessed 10 December 2010).

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Mark Cancian, "Contractors: The New element of Military Force Structure," 2008, <http://www.carlisle.army.mil/usawc/parameters/Articles/08autumn/cancian.pdf> (accessed 15 December 2010).

¹⁶ DoD, USCENTCOM 3rd Quarter Contractor Census Report, June, 2009 www.cnas.org/files/documents/publications/ContractorConflicts_FontaineNagl_Dec2009 (accessed 29 October 2010).

¹⁷ U.S. Government Accountability Office, *Defense Contracting: Report to Congressional Committees* (Washington, DC: U.S. Government Accountability Office, March 2008 (accessed 8 November 2010).

¹⁸ U.S. Government Accountability Office, *DOD Budget: Trends in Operation and Maintenance Costs and Support Services Contracting* (Washington, DC: U.S. Government Accountability Office, May 18, 2007 (accessed 8 November 2010).

¹⁹ Ibid.

²⁰ Moshe Schwartz, "Department of Defense Contractors in Iraq and Afghanistan: Background and Analysis," August 13, 2009, <http://fpc.state.gov/documents/organization/128824.pdf> (accessed 25 September 2010).

²¹ DoD, USCENTCOM 3rd Quarter Contractor Census Report, June, 2009 www.cnas.org/files/documents/publications/ContractorConflicts_FontaineNagl_Dec2009 (accessed 29 October 2010).

²² U.S. Department of the Army, *Contractors Accompanying the Force*, Army Regulation 715-9 (Washington, DC: U.S. Department of the Army, 29 October 1999) (accessed 17 December 2010).

²³ Ibid.

²⁴ U.S. Department of the Army, *Contractors on the Battlefield*, Field Manual 3-100.21, 3 (Washington, DC: U.S. Department of the Army, January 2003), <http://atiam.train.army.mil/portal/artial/adisc/view/public/297009-1/fm/3-100.21> (accessed 17 December 2010).

²⁵ Ibid.

²⁶ Noel Lawrence, "Federal Employment Laws That Cover Overseas Military Contractors," By eHow Contributor updated: September 3, 2010 (accessed 30 November 2010).

²⁷ Chairman of the Joint Chiefs of Staff, *Operational Contract Support*, Joint Publication 4-10, October 17, 2008 (accessed 25 September 2010).

²⁸ Moshe Schwartz, "The Department of Defense Contractors in Iraq and Afghanistan: Background and Analysis," Congressional Research Service, R40764, July 2, 2010, <http://www.fas.org/sgp/crs/natsec/R40764.pdf> (accessed 14 March 2011).

²⁹ Ibid.

³⁰ Ibid.

³¹ U.S. Congress, Senate Committee on Armed Services, *To Receive Testimony on the Challenges Facing the Department of Defense*, 110th Cong., 2nd sess., January 27, 2009 (accessed 22 November 2010).

³² U.S. Government Accountability Office, *DOD Budget: Defense Acquisitions DoD's Increased Reliance on Service Contractors Exacerbates Long-standing Challenges* (Washington, DC: U.S. Government Accountability Office, January 23) (accessed 8 November 2010).

³³ U.S. Government Accountability Office, *Continued Actions Needed by DoD to Improve and Institutionalize Contractor Support in Contingency Operations* (Washington, DC: U.S. Government Accountability Office, March 17, 2010) (accessed 10 March 2011).

³⁴ U.S. Congressional Budget Office, *Logistics Support for Deployed Military forces*, (Washington, DC: U.S. Congressional Budget Office, October 2005) (accessed 29 September 2010).

³⁵ U.S. Congressional Budget Office, *Contractors' Support of U.S. Operations in Iraq* (Washington, DC: U.S. Congressional Budget Office, August 2008) (accessed 29 September 2010).

³⁶ U.S. Government Accountability Office, *DOD Budget: Warfighter Support: A Cost Comparison of Using State Department Employees versus Contractors for Security Services in Iraq* (Washington, DC: U.S. Government Accountability Office, March, 2010) (accessed 8 29 October 2010).

³⁷ U.S. Government Accountability Office, *DOD Budget: Defense Acquisitions DoD's Increased Reliance on Service Contractors Exacerbates Long-standing Challenges* (Washington, DC: U.S. Government Accountability Office, January 23) (accessed 8 November 2010).

³⁸ Ibid.

³⁹ Moshe Schwartz, "The Department of Defense Contractors in Iraq and Afghanistan: Background and Analysis," Congressional Research Service, R40764, July 2, 2010, <http://www.fas.org/sgp/crs/natsec/R40764.pdf> (accessed 14 March 2011).

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² DoD, USCENTCOM 1st Quarter Contractor Census Report, FY 2010 <http://blog.dangerzonejobs.com/overseas-contracting-outlook/where-does-overseas-contracting-stand-today-part-1-contractor-numbers/> (accessed 3 December 2010).

⁴³ Dr. Jacques Gansler, "Contractors," <http://www.defenseindustrydaily.com/gansler-report-problems-with-us-armys-expeditionary-contracting-04188/> (accessed 10 December 2010).

⁴⁴ Ibid.

⁴⁵ David Isenberg, "Private Contractors Still lack Adequate Oversight," June, 2009, www.cato.org/pub_display.php?pub_id=10319 (accessed 30 September 2010).

⁴⁶ "Federal Regulations Now Require All Government Contractors To Have A Comprehensive Compliance Program," Mondaq Business Briefing, May 22, 2008, www.highbeam.com/doc/1G1-179287704.html (accessed 30 November 2010).

⁴⁷ James Grey, "Private Military Contractors – A Short History By James Grey", Jul 7th, 2006, <http://polosbastards.com/pb/private-military-contractors-pmcs-a-short-history/> (accessed 10 December 2010).

⁴⁸ Richard Fontaine and John Nagl, "Contracting in Conflicts: The Path to Reform," June 2010, <http://handle.dtic.mil/100.2/ADA529727> (accessed 30 September 2010).

