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**Presenter: Director, Iraq Project And Contracting Office Charles Hess;
Director, Iraq Reconstruction Management Office Ambassador Bill
Taylor; Commander, Gulf Region Division, U.S. Army Corps Of
Engineers Brigadier General Thomas Bostick**

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Combined Press Information Center Briefing via Satellite from Baghdad, Iraq

MR. WHITMAN: Well, good morning, and thank you for joining us.

As many of you know, the mission of the Project and Contracting Office, PCO as we refer to it, is to contract for and deliver services, supplies and the infrastructure identified within the Iraqi Relief and Reconstruction Fund, a total of \$18.4 billion in resources that the U.S. government has made available for rebuilding of Iraq.

And today we have joining us a number of people in our fourth press conference, to give you an update of where we are on that. We would like to welcome back Charlie Hess, who I can see -- we have him there in Baghdad -- who is the director of the Iraqi Project and Contracting Office; and Ambassador Bill Taylor, who is the director of the State Department's Iraq Reconstruction Management Office -- and he has been closely involved of course as part of the team there. And we also have joining them today Brigadier General Thomas Bostick, who many of you have talked to before, who is the commander of the Gulf Region Division of the U.S. Army Corps of Engineers. And he also serves as the military deputy to the PCO.

And joining us for the first time today, it's our privilege to have Claude Bolton who is the assistant secretary of the Army for acquisition, logistics and technology. He has oversight responsibilities with respect to the Project and Contracting Office. He will get us started today. He'll have a few comments for us, and then he's going to throw it over to Mr. Hess and Mr. Taylor and General Bostick, who will have a few things for you.

And then we will open it up for questions. Once we do, because we have a number of people here, you might want to identify who you'd like to answer your questions. And because those folks in Baghdad can't see you, if you could identify yourself by name, that would be helpful to them too.

So with that, Secretary Bolton, why don't we get started.

MR. BOLTON: Well, good morning to all of you ladies and gentlemen who are here in the Pentagon in Washington, D.C., and to Charlie and Bill and General Bostick. I know you can't see us, but let me tell you, you look good. (Laughter.)

And again, Bryan, thanks. I just want to have a couple comments here and then give it to Charlie and the experts over there in Baghdad.

Some of you probably know that on the 7th of January this year, our new secretary of the Army, the Honorable Francis J. Harvey, delegated to me the authority and responsibility to direct and oversee the operations of the Project and Contracting Office, or the PCO, in Baghdad. And I'm delighted to be here with you today -- as Bryan said, the fourth in a series of press conferences -- to talk briefly about our objectives and the steady progress that we're making in Iraq.

Working with the new Iraqi government and local workers, the U.S. armed forces, our coalition partners, the Army Corps of Engineers, the PCO and other federal agencies have come to realize a common goal, and that goal is to rebuild the Iraqi infrastructure. Now, the PCO objectives are pretty clear in my mind: one, to improve the infrastructure of Iraq; two, to boost the Iraqi employment; and three, to leave behind a skilled and knowledgeable workforce, workers and managers, who will sustain the infrastructure that we're helping the Iraqis build today.

Now, while establishing a secure environment is undoubtedly the number-one priority in Iraq today, the Army's efforts involve more than just clearing the area of insurgents. Despite the insurgency, we've made considerable progress to rebuild Iraqis' infrastructure in several areas. Progress is being made in resurfacing roads, increasing the availability of electricity, building and refurbishing hospitals and schools, developing sources of safe drinking water, and modernizing the facilities that have suffered from more than 35 years of neglect.

To highlight just a few examples, this week we will surpass 2,000 construction project starts. That's more than two-thirds of what we had planned to do. The pace of reconstruction spending or disbursements -- i. e., paying for work that's been done -- has more than doubled in the last five and a half months. The number of Iraqi employees that are employed by the reconstruction efforts has grown. Where training is required to sustain investment, contractors are working side by side with workers in Iraq to prepare them to take over the operation and maintenance of new and refurbished facilities.

And we've learned, however, that the workforce development is more than just formal training, for which the PCO and its contractors are responsible. It also includes a framework that extends from the worker on the shop floor up through the appropriate ministry, coordination of inter-organizational bodies, and even beyond that. Workforce development means having the appropriate laws and regulatory environment in place to support good practices at the national level, policies that will provide the resources to maintain an infrastructure that will serve the people of a free and sovereign Iraq for many years to come.

Again, I want to say it's a pleasure being with you today. I'll turn it over to Charlie, and he'll give you more of the specifics and answer your questions. And I'll be available to answer questions as well. And again, thank you for your interest in what we're doing in a very important project, not only for us in the United States but certainly for the people of Iraq.

Charlie, over to you.

MR. HESS: Thank you, Secretary Bolton.

Again, ladies and gentlemen, good to be with you again today back in the Pentagon. As you may know, this is, again, the fourth in our series of briefings with respect to the status of the reconstruction program. The last time we did this was on the 19th of January, pre- election. And what I'd like to do, just to give you some insight on what's transpired since then, is give you a few statistics. We'll turn it over to Bill Taylor for any opening comments that he might have, ask General Bostick to provide some comments, and then quickly go

into your questions.

As you may recall, the last time we were here, we reported that there were 1,578 construction starts. Right now, as Secretary Bolton indicated, we're moving rapidly toward the 2,000 number. Currently today, it's 1,955 projects which have been started. Of that, we've finished 582. So currently under way there's just slightly over 1,300 projects which are in physical construction activities.

And as the secretary indicated, we are now seeing significant increases in terms of the disbursement rate. Last week, for example, we were approximately at \$2.04 billion. This week we're now up to \$2.1 billion. Again, we're looking at roughly somewhere between \$80 million and \$100 million worth of placement per week -- disbursement per week in terms of the reconstruction program.

Some good starts this week. We participated in a groundbreaking yesterday with respect to the Health Academy that will provide practitioners; that will be instrumental in making sure that our clinics and hospitals have the right staffing in terms of the hospital staff. And then also, just recently, we've finished up sort of the hot start on the Baiji 3 and 4 projects, and again, we're ready to put those projects on line here momentarily, and that will bring approximately 280 megawatts to the grid. So again, starting projects and completing projects, which is what we've said we were all about.

With that, what I'd like to do is turn it over to Ambassador Taylor; let him give you some insight on the overall program, and then ask General Bostick to see if he's got any comments as well.

AMB. TAYLOR: Thank you, Charlie. Just a couple of things. We'll get straight to questions shortly. The overall program -- Charlie mentioned the PCO placements, that is the number of dollars that has gone out that he's paid in terms of work on the ground. Overall, we are now about \$5.8 billion of the \$21 billion that Congress has made available. So we have disbursed, that is paid out, \$5.8 billion.

The other thing, as Charlie mentioned, since we last talked is the ripple effects of the election. The election has had, as people around the world know, an effect in the region; it's had an effect on other countries. We are very pleased that we've been part of that. The way it works, of course, is that there's a political aspect on the election that now leads into the seating of a parliament, and then a constitution drafting, and then finally another election, come the end of this year.

The economic piece is what we're directly involved in. And, of course, the security work that General Casey is responsible for pushing forward is an important piece that's fundamental to both the economic and the political piece.

So we're very glad to be here. It's been an exciting couple of weeks since the election, and we look forward to the next one.

General Bostick.

GEN. BOSTICK: Good morning. Great to be with you all today. I think it's helpful when we step back and look at how far we've come from June of last year to this time now, starting with about 200 projects in June of last year, around a billion dollars worth of construction, to today, 2,000 projects and about \$5 billion worth of construction.

The credit really goes to a number of different folks: the men and women in uniform, certainly; our great civilians that are out there; contractors; the Iraqi people most of all. The Iraqi men and women who are out there on the frontlines of this reconstruction effort are doing a wonderful job. And they're doing it in a wide variety of construction projects, from the large-scale capital projects like your dams, the work on the electricity, the water

and sewage treatment plants -- projects that aren't seen by many Iraqis. But they're also doing small-scale projects, projects in the cities and towns for the Iraqi people -- very important projects like their schools, the health clinics, the railway stations. They cover the waterfront, and they're all important.

There are many challenges that remain out there, but the Iraqi people, working with the coalition forces, the great civilians, are doing a wonderful job moving this mission forward.

MR. WHITMAN: Thank you all for that overview. And with that, let's get into a few questions.

Charlie?

Q Mr. Hess, I'm Charlie Aldinger with Reuters. I'd like to ask -- you mentioned the electricity level before. With the horrors of summer approaching in Iraq, I wonder if you're going to reshuffle any of these \$18 billion in funds to attack the electricity grid. And I understand that power levels still fluctuating rather wildly. And while roads and schools are important, but that electricity level should be at the top of your list, is it not?

MR. HESS: Well, the electricity is extremely important, you're exactly right. And again I think we talked a little bit about this last time. I'll give you a little bit of an update, and then ask Ambassador Taylor to chime in, and maybe General Bostick as well.

What the Ministry of Electricity is doing now is actually doing maintenance on many of the plants that have frankly never received the kind of maintenance that has been necessary to maintain them in an operating capacity. And, unfortunately, to do that maintenance work, you've got to remove those plants from operation, dismantle some of the equipment, refurbish it, and put it back into what we would describe as fully capable operating status.

We've taken a hard look at that with the ministry, with our colleagues in the Corps of Engineers. The Gulf Region division is out there watching the construction. We've tried to identify projects that are what we have almost described as orphan projects, the projects which in fact are very close to being good projects, they would generate electricity but for some key repairs that are necessary. And we've gone out to try and identify the parts, get the parts, and help the ministry get those plants back in operation so that we can achieve some short-term gains here in the electrical infrastructure.

Again, we've got two new plants that are about ready to come on line, as the Baiji. There are other plants out there that are at a similar state. USAID has also got a plant that they're trying to get on line here fairly quickly.

And so, again, it is difficult. It is still a challenge to get this work done. Particularly in Baiji we've had -- that was an instance where the contractor's workforce was attacked, had one individual killed and one individual kidnapped. They left the site for a while, but they came back. And again, we're still making progress there.

So you're right; it's a challenge. It's tough. But it is certainly high on our radar screen in terms of things that we need to get done.

AMB. TAYLOR: (Off mike) -- that is the -- is to emphasize the point you made that terrorist attacks on both transmission lines and oil pipelines -- the oil flow into electricity-generating plants is important. And when those get attacked, that reduces the flow of oil into the electricity, and that reduces the amount available.

But we are taking the steps exactly as Charlie has described it, and we'll continue.

GEN. BOSTICK: And the -- (off mike) -- that we're out in the field seeing the reconstruction ongoing, and

this is a terrific opportunity for the Iraqi engineers that are working at the power plant to do the maintenance that Charlie talked about. They have not been able to do this in the past. If you take a look at one of the power generation turbines that we worked on at the Hadithah dam, it had not been worked on since 1985, when it was commissioned. So it's that sort of neglect that has gone on for many years here, that the Iraqi government is now playing catch-up with.

There's a good-news story here, though, as well. In addition to doing the scheduled maintenance that they're executing, the demand has gone up significantly. If you look at the demand prewar, it was about 5,000 megawatts. Today it's about 8,000. It's about a 60 percent increase, and that's because the Iraqi people are able to buy televisions and computers and air conditioners and heaters -- things that they couldn't do until democracy and freedom opened up in this country.

Q Mr. Hess, a brief follow-up. I'd like just -- if you can give a few more details, how many power plants are there? How many are now on line? And do you expect the power grid this summer to be good, medium, lousy, what?

Q And what are they producing?

MR. HESS: I think, in order for us to give you that information, we'll probably have to take that off line, because it's a fairly extensive list of facilities, different types, different capacities. And some are in service, and some are out of service.

As of yesterday, for example, I do know that roughly 3,850 megawatts were generated. Certainly there are a number of plants that are off the grid at this point in time for the maintenance, and that number changes on a daily basis, and that's tracked on a daily basis by the ministry. And rather than give you just sort of an off-the-head -- off-the-top-of-my-head number, I would prefer that we could actually give you the details here. And we could do that right after this briefing.

MR. WHITMAN: Bob?

Q This is Bob Burns from Associated Press, and my question is for both Mr. Hess and Mr. Taylor. In the previous briefings, you've talked about the effect on the work by the security problem, the insurgency, how it's limited the work. And can you describe what the trend has been, say, since January 30th, whether it's gotten better or worse or about the same?

MR. HESS: Let me take a start at that and then I'll ask Bill to chime in. My sense is right now we are able to construct and work in many areas of the country. And in fact, my sense is that -- I won't say everything is improving, but clearly it seems like we have in fact the ability to do a lot of work in multiple areas that we didn't necessarily have that opportunity before.

Now, not to say that the insurgency is gone, but clearly, by the fact that we have many projects in many areas, we've just been able to continue on. And clearly the insurgency, I think, has been dealt a blow not only by the elections but by the cleaning out of Fallujah and other cities where the insurgencies sort of took root. And clearly, at this point in time I will tell you that based upon just some recent reports, Fallujah is a city that work, a lot of work, is being done even as we speak.

So again, while I'm encouraged, I certainly don't think that the work is over. My suspicion is that the insurgents will regroup and then try and figure out other ways to get at the heart of the infrastructure and get at the heart of the democratic process that the Iraqis are trying to institute. But for right now, I think progress can be made. And clearly, if you go up to the Kurdish region or down to Basra, I know the ambassador was down in Basra just recently, I was up in Kurdistan, and progress can be made and the environment is very conducive to

doing work.

MR. TAYLOR: Charlie, well said. I agree.

Q This is Rick Little with the Dallas Morning News. And I'd like to ask both Mr. Hess and Mr. Taylor to kind of expand on that topic of security. Out of the money that's been spent, when you calculate the value of a construction project, does that include the amount of money that needs to be spent on security? And if it does, out of the \$5 billion you talked about, how much is being spent on security?

MR. TAYLOR: Yeah, it does. The over \$5 billion that we've actually paid out does include what the contractors need for their security and what are included in the project. So in that are the personal security details for contractors, for supervisors; in that are the cost of hard cars, of concertina wire around bases, hardening the man camps. All of that is included in that cost of doing business. It's an expensive place to do business, and the security part is in there.

We were talking about exactly this question earlier today, the three of us, actually, and we will have for you, I predict -- I don't make predictions, I try not to make predictions. But I predict that by the next time we do this, we will have a more quantifiable estimate of the security costs in our overall disbursements.

Q (Off mike) -- that's spent on security?

MR. WHITMAN: I think we may have lost audio. Can you hear me?

MR. HESS: Yes, we can.

MR. WHITMAN: The follow-up question to that was, is there any way that you can characterize it, even with a rough estimate, at this point?

MR. HESS: I wouldn't -- the only thing I can tell you in terms of numbers that were budgeted originally for security was around 5 percent. Clearly, in some cases it's exceeding that 5 percent number significantly, and in other areas it's less than the 5 percent, given the fact that we're having Iraqi firms do the work virtually without any security support.

So again, I will tell you that it's -- there's no really good way to gauge that at this point in time, and it varies on a project-by-project basis.

AMB. TAYLOR: The variation on a project-by-project basis, as Charlie says, is exactly right. It also -- it varies as Charlie indicated earlier, depending on where you are. It's obviously lower in the north and the south, and it's higher in the center. On the project-by-project basis, the way to think about it is there are small projects, for example, where we provide technical assistance to local governments, and that by itself is ex-pats going into local villages and local towns and local provinces, capitals of provinces, and in order to do that, they need protection. So there's not a lot of construction costs in that, of course, and so these are probably -- these are smaller projects. But as a percentage, the security, that is the personal security details, the hard cars, is a higher percentage. So it will vary a lot. But again, we will have better information next time we talk.

MR. WHITMAN: We have some time. Let's go over to Jim.

And I remind you that we have Secretary Bolton here, if you have any questions for him, too. He's more than willing.

Q Jim Mannion from Agence France-Presse. Just wondering as far as the security situation goes, can

you say, are there any areas where you cannot work because of the dangers? And I'm specifically thinking of areas in the Sunni Triangle. And I'm interested in knowing whether the Sunnis are getting the benefit of all of this reconstruction work or whether they're feeling the benefit of this reconstruction work.

AMB. TAYLOR: The first thing, of course, is Fallujah, in the heart of the Sunni Triangle, and we can work there. The reason we can work there is that the Marines have cleaned out that city of terrorists. But in answer to the first part of your question, we could not work there before. And so both PCO, GRD and USAID, who were doing projects in Fallujah before and were trying to do projects before, were not able to do that, had to suspend these projects, and now are able to resume them and do different ones, additional ones. So the security situation matters in terms of our ability to do reconstruction.

MR. HESS: To add to that, I think what we see typically is we'll go into a city like, say, Samarra; work will commence; perhaps there will be some type of attack somewhere in the city, a VBIED or an IED; for a short time, contractors may decide not to show up on site. But that usually only lasts a relatively short amount of time, and then they're back to work. So my sense is that they're -- again, they're not being intimidated to the extent that work can't proceed. There are some impacts, but clearly they are willing to come back out and risk their lives to get the work done. So I'm encouraged to see that. If that were not the case, then I think we'd have a very significant problem.

GEN. BOSTICK: We generally track the projects that are delayed over two weeks. And if you look at the total number of projects that are delayed over two weeks as a figure, just under 10 percent. So we're able to construct throughout the country. In the areas where it's difficult -- Sadr City, I think, is another great example, like Fallujah -- we won't send the construction workers in there to do the work if the insurgency is high. The maneuver forces, both the Iraqi security forces and the coalition forces, will go in, clean out the insurgency, and then the construction will begin. If you take a look at Sadr City, a couple of months ago you probably couldn't walk through there. And if you walk through today, you'll see about 12,000 Iraqi workers, about \$300 million worth of contracts that are in progress and working. So that's the procedure. That's how it's working throughout the country. And a good estimate on how many projects are delayed.

MR. WHITMAN: Pam, for what I'm sure is a multi-part question. (Laughter.)

Q You'd be absolutely right.

Gentlemen, this is Pam Hess with United Press International, and I want to follow up and clean up a couple of the questions that have come so far.

The L.A. Times reported a couple of weeks ago that, of the \$3 billion that's been spent so far, most of it has gone toward outfitting the Iraqi security forces with equipment. Is that true?

My second question is a follow-up on one I keep asking and not getting an answer to, the number of contractors that you've had kidnapped or killed. And --

MR. WHITMAN: Let's stop with those two, and we'll see if we can come back then, and give everybody a chance.

Q Okay, but it's also cleanup of -- (off mike).

MR. WHITMAN: Let's start with those two.

MR. HESS: Let's go with the first one. I think, Pam, why don't you give that one again and we'll give you an answer on it.

Q LA Times reported \$3 billion, most of it's being spent on Iraqi security force equipment.

MR. TAYLOR: Yeah. I mentioned earlier that about \$5.8 billion total, and Pam, I think you are asking about just the piece of that which is the \$18.4 billion second supplemental appropriation. And of that, \$3.6 billion has been spent, actually sent out the door; about \$11.6 billion is under contract. But of the \$3.6 billion that you asked about, the single largest component of that that has been spent is in security and law enforcement. And that's as you would expect. It is -- a large component of the security work that we're doing outfitting, equipping and training of the Iraqi security forces is in equipment purchases. And that can go relatively quickly.

Some of the others, in particular on the construction side, go much more slowly. But the second largest one of the expenditures in the \$3.6 billion of the \$18 billion is electricity. And then there are good amounts also in democracy, where we spent a fair amount of money in preparation for the successful elections, as well as in private sector development. Now, I have to say the private sector development was -- there's a big chunk of that one that went to remove the debt, so that one was a big jump since probably the last time we talked.

MR. HESS: Okay, Pam, let me try and address your second question in regard to the casualties. Again, it's my understanding that that number of casualties is, in fact, tracked, but as a result of privacy issues associated with information concerning individuals, essentially it's not the policy of the department to release that information. And I'm going to ask you to maybe stop and see my deputy from back there, Mr. Crum, who I think is probably in the audience, and he can give you a little bit more detail on that.

Q -- just a number. I don't see how privacy is complicated with that.

MR. WHITMAN: Let me say something on casualties and civilian casualties. You know, our civilians and our contractors are an integral part of this team. We mourn the loss of every individual that's helping Iraq move forward in this endeavor. But it does demonstrate that the insurgents are targeting success and the success that we're having in reconstruction efforts is part of that. And but they are -- those casualties are obviously felt by the department, whether or not they're military or they're civilian contractors that are working on our behalf.

Let's go over here.

Q If you don't care, it's just number.

Q Yeah, how is that a privacy issue?

MR. WHITMAN: I don't have that number. If we have a number, I'll see what we can do about it.

Q But you said they know that number.

MR. WHITMAN: I'm telling you I don't have the number. Okay?

Let's go over here.

Q My question is for Mr. Hess. I'm Joe Tabet with Al Hurra TV. Sir, could you specify what kind of military bases are under construction and where they are located?

MR. HESS: Can you repeat that question, please?

Q Yeah. My question is: Could you specify what kind of military bases are under construction, and

where are these military bases located?

MR. HESS: I can specify that there are military bases under construction. They are for the new Iraqi Army and for the Iraqi National Guard. I don't think that I'm ready to disclose locations of those at this point in time, given the sensitivity of that information to potential adversaries.

Q I mean, what kinds of military bases. I mean, do we have air force bases, let's say?

MR. HESS: (Off mike) -- bases. They are essentially the type of facilities that would consist of barracks, dining facilities, training compounds, vehicle maintenance areas and things of that nature that you would find on any kind of typical military cantonment associated with infantry-type activities.

Q What about the airports under construction? I mean, where are these airports?

MR. HESS: The airports are basically -- work that's going on with respect to airports are located at the primary airports here in Iraq. We're doing work at Basra, we're doing work certainly with regard to Baghdad International Airport, to include the terminal complex as well as the landing systems and the runway lighting systems. We're working up in Mosul. And those are the three primary airports. There's also some work going on I believe up at Irbil and I think one other -- Sulimaniyah, yeah.

MR. WHITMAN: I think we have time for about one more question, somebody that hasn't asked one. Go ahead.

Q I'm Carl Osgood with Executive Intelligence Review. I'm not really sure who I should address the question to, but there's been concerns raised from a series of audit reports about accounting of funds and oversight of contracts back from the days of the CPA. I'm wondering what you can say to assure just that all of the funds that you're spending are being properly accounted for and contracts are being adequately overseen and so forth.

MR. HESS: Well, let me take a start at that, and then I'll ask the ambassador to chime in. In fact, we just met with the special Iraq IG this week. That's the group that was formerly the CPA IG. They are in fact in the process of doing continual audits of the Iraqi Relief and Reconstruction Fund. That will include projects that PCO has under way, as well as those projects that other executing agencies, such as USAID, GRD and MNSTCI, the Security Training Command forces, have under way.

What we're trying to do is make sure that we can identify, provide the data that they need. Clearly, we've learned lessons from the activities that occurred during CPA times. And my belief is, again, that the work that we're doing can be audited, should be audited. That's part of the process. We need to have transparency in terms of where the taxpayers' dollars are going. Part of that includes making sure we have the right receiving reports, that work is built according to plan and specification, that we've got the documentation in place to demonstrate that payment has been made appropriately for work that was performed correctly, and those types of things.

I think we have those processes in place. The IG is here to assure that we do. And if there are things that we need to correct as a result of their reviews, we will attempt to do that.

AMB. TAYLOR: Charlie is exactly right. We are very open. We want to be as transparent as we can be to the IG, to the Congress, to the American people, anyone who wants to know kind of what is going on with their funds. These are American taxpayer funds, as you point out.

There are constant audits going on. There are audits that PCO runs, that USAID has. The IG runs

these. And we report to Congress four times a year in some detail about each of these, and we try to be responsive. So transparency/openness, I think, is our best tool to avoid the problems that have been identified in the past.

MR. BOLTON: To what Charlie and Bill have indicated, when we set this up, Dave Nash and myself, over a year -- almost a year and a half ago, there were strings attached, and rightfully so, from the monies that Congress gave us. We used all the same rules and regulations that we do stateside. There are no shortcuts. We mentioned that we are close to 2,000 projects. That requires thousands of contract actions. We'll go up to 3,000 projects or so. So there are thousands upon thousands of actions that have gone on, both in CPA and now in the PCO. And we put qualified people over there, contracting officers, military and civilian, as well as program managers. We now have a two-star who's running that for me.

All the audits, whether it's the IG, GAO, DCMA, the quad-A, they're all over there, in one fashion or another, checking this. There's more checking and double checking and triple checking going on than in anything I've ever seen in 30 years I've been at this. And not only do we have to worry about that, but since we're doing business with other countries, they also want to see what's going on with our contracting, with our source selections, and so forth. And with all of that, there have been very, very few anomalies, very few problems. And that's extraordinary considering the environment in which we are doing all of this. So it's a credit to Charlie, to Bill, General Bostick, and everybody else who's working day and night to make this stuff work and work well.

But the last thing I will say -- and I've offered it to everybody who's gone over to inspect what we're doing -- do what you're asked to do by whomever you are asked to do that, give us your report, if there's a problem, we'll fix it. And while you're at it, tell us how to do it better.

Q Excuse me, gentlemen.

MR. WHITMAN: Charlie?

Q Can I just sneak in one last question, gentlemen? You can't even give us a ballpark figure on how many power plants there are in Iraq and approximately how many of them are online or offline now? I mean, it seems to me that would explain to the great unwashed --

MR. WHITMAN: He indicated that he would give you that information, and we'll provide that afterwards.

Q Oh, yeah, all right.

MR. WHITMAN: Yeah, mm-hmm. So we'll provide that in greater granularity. He doesn't want to make an estimate of it right now.

Q Can you tell us how far behind this whole effort is compared to what the plan was in November of 2003?

MR. WHITMAN: Yeah, I wouldn't accept that characterization, and I'll let Mr. Hess address that. And that will be the last question.

MR. HESS: We're back on the issue of the number of generation stations. Again, what I would prefer to do, since that is a moving target and the number varies on a daily basis, rather than shoot from the hip, they do track the plants that are operational, the plants that are down, which ones that are in fact offline as a result of things that happened during the course of a day. And that is ministry business, because it's their responsibility. So I can give you that information, and we could certainly make that available. But I would not like to hazard the

guess on the number of plants and which ones are up and which ones are down today at this specific instance.

MR. WHITMAN: For the record, Mr. Hess, I guess the last part of that that you missed though was if there was a way for you to characterize the point in time in which we are now as ahead of schedule, behind your original schedule, on your original schedule. Is there a way to characterize that?

MR. HESS: Let me try that one. I would tell you that I think we are all not necessarily happy with where we are in terms of the schedule. Clearly if this had been a permissive environment, we would have made I think substantively more progress in regard to generation, transmission and distribution. The reality is that's still an area that's targeted by insurgents. I think I gave the example of the Baiji plant. That's not the only plant that has seen insurgency focused at it. And again, clearly, the insurgents understand the value of the electricity infrastructure as being a high-value target for them in terms of making the lives of the Iraqi people miserable.

And so consequently we focused our efforts to try to do what we can to help the ministry. Again, a large part of the portfolio of the action and requirement is in the ministry's hands. It's not ours to maintain. It's the minister's to maintain. That will become more and more a ministerial responsibility as this government transitions. And we'll do what we can to get them up to speed, give them the capacity and the training necessary to run the plants.

But they will have to assume -- and clearly I think General Casey's notion is they will assume more and more of the responsibility to secure those plants and provide the kind of infrastructure security that's conducive to delivering the services that these plants can in fact deliver. And so we're moving in that direction. It is tough. It is not easy. But we are making progress. And, again, I think the -- I give a lot of credit to our colleagues in the contracting community who have withstood ambush, death of principal supervisors on site, kidnappings, and have still come back to help us get these plants online. So that, I think, speaks well of our contractor community.

MR. WHITMAN: (Off mike) -- that estimate, or assessment, excuse me. And we thank all of you for joining us today, and we look forward to having you back in a couple of weeks. And I thank all of you for your continued interest in this topic.

Thank you.

MR. HESS: Thank you.

MR. TAYLOR: Thank you very much. ####

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