

DEPARTMENT OF THE ARMY
COMPLETE STATEMENT
OF
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ENGINEERS
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HOUSE COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

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INTRODUCTION:

Mr. Chairman and members of the Committee, I am Brigadier General Robert Crear, Commander of the Southwestern Division of the U.S. Army Corps of Engineers. I am honored to appear before you today to testify on the work of the United States, in concert with our Coalition and Iraqi partners, to repair and rebuild the oil infrastructure in Iraq.

Last October, I returned after an eight months' tour in Kuwait and Iraq where I served with Task Force RIO (Restore Iraqi Oil). As Commander of the Southwestern Division, I have been involved with restoration of the Iraqi Oil system since the Corps was assigned the mission to begin planning to implement the contingency support plan back in January 2003. I deployed to Kuwait just prior to commencement of hostilities and commanded Task Force Rio during the early stages of getting the oil system back into production. I had the distinct

privilege of working with the Office of Reconstruction and Humanitarian Assistance, the Coalition Provisional Authority's Oil Minister, the excellent staff of the Iraqi Oil Ministry, the Oil Ministry's 13 operating companies, and the Combined Forces Land Component Command. I truly enjoyed the fine teamwork of these organizations as they shared tasks to get the oil infrastructure back into production.

PLANNING PRIOR TO THE WAR

As is usual in military operations, planning for post war reconstruction was conducted simultaneously with planning for war. These plans involved restoration of the oil system and included extensive use of contractors to supplement military and governmental capacity. Prior to the war, we originally expected we would have to repair the damage caused by military action, deal with the resulting humanitarian crisis, and set the stage for the new Iraqi government to oversee further exploration, production, refining and distribution facilities. Of greatest concern, however, was that Saddam Hussein's regime would repeat their actions of the Gulf War, where they set ablaze and crippled a large portion of the Kuwaiti oil infrastructure. Understanding that the flow of oil was the essential lifeblood of the future, free Iraqi economy, the Acting Secretary of the Army designated the US Army Corps of Engineers as the executive agent for Iraq Oil Infrastructure Reconstruction, and we formed Task Force Restore Iraqi Oil (RIO) to fight the expected fires and to repair any damage. Task Force

RIO also trained the forward troop units in shutdown techniques and then followed on the heels of the initial assault to make the oil system safe.

WHAT WE ENCOUNTERED

As it turned out, when we entered Iraq, we encountered relatively little war damage, but instead found an infrastructure crippled by a combination of long-term neglect, devastating looting, and damaging sabotage. The country's infrastructure was sagging under the weight of 30 years of neglect, misrule, and mismanagement. There was precious little dependable electricity to support the oil infrastructure, very limited public water supply, no sewage treatment, no communication system except what we brought with us, no railroads in operation, only limited other modes of transportation, and basically very little means for the new Iraqi government to do its work. This meant the oil system could not rely on any support from these basic infrastructure systems. Virtually all public buildings, as well as the thirteen companies which made up the Iraqi Oil Ministry and their contents – records, equipment, supplies – were destroyed by looters and saboteurs. This made it almost impossible to reestablish production data and very difficult to determine which areas of the infrastructure to concentrate on for the most gain. Furthermore, many of the experts on the country's infrastructure were Ba'ath Party members who had fled or had been removed. Under the Saddam Hussein regime, public servants did only what they were told by their supervisors, so there was no tradition of individual initiative to fill the void. Our

relatively small cadre of advisors faced considerable challenges dealing with this catastrophic situation.

During the early reconstruction period, the effects of widespread sabotage and looting constantly undermined our efforts. Because we had anticipated and planned for operations in just such a difficult and dangerous environment, one of our immediate major efforts in the early days was to secure critical facilities. The damage resulting from the actions of saboteurs and looters, however, still turned out to be significant. For example, the communication system for the Iraqi Oil Ministry was looted and destroyed, office records and equipment were looted or destroyed, fuel pipelines were sabotaged, and large pumps and major pieces of equipment were removed. No oil system plant had dependable electricity because many high voltage electricity transmission towers were toppled or significantly damaged as result of the war, sabotage and looting, as criminal elements scavenged copper and aluminum from the high voltage wires.

The greatest problem we faced, however, was dealing with an oil infrastructure that had been neglected and mismanaged for many years by the Saddam Hussein regime. The country suffered from a lack of capital investment as Saddam chose to purchase weapons and build palaces instead of repairing and improving refineries, gas plants and the means to deliver refined products to the citizens of Iraq. It is a tribute to the Iraqi engineers and staff of the Iraqi Oil Ministry that the country's oil system was able to function at all, and that we were able to assist in restoring them as quickly as we did.

All members of Task Force RIO were subjected to personal hazards as well. Movement throughout the country was extremely dangerous and required extreme security measures. It should also be noted that those of us who were part of Task Force RIO initially suffered many of the same hardships as the Iraqi people. Like them, we did not have basic services such as power, and sewage, nor did we have an adequate work area. Also like them, we were greatly hampered by the lack of reliable communications in the area. In fact, we often had no communications at all.

WHAT WE DID

Again, in Central Command's planning for Operation Iraqi Freedom, safety and security of the oil fields were considered paramount to the overall success of the operation. By setting the oil fields of Kuwait afire during the Gulf War, Saddam Hussein had already demonstrated a callous disregard for human health and the environment. Task Force RIO's immediate mission was to secure the oil fields, put out the fires, and get the oil flowing to provide refined fuel products for domestic use and ultimately oil for export. With more than 1500 wells in the Iraq Oil Fields, the potential for disaster was enormous. We knew that this effort would require extensive contractor involvement and we knew that the short notice, requirements for secrecy, and essential nature of the mission would hamper our contracting flexibility.

Task Force RIO was initially headquartered in Camp Doha, Kuwait, but later moved to Baghdad. RIO operated with two remote field offices, each located in

the two major oil fields – Rumaila and Kirkuk. Task Force Restore Iraqi Oil (RIO) was very successful. Even before the ground war was over, we worked with our military forces to ensure the safe shutdown of the oil facilities. Rather than the hundreds of fires that were predicted, there were only 9 oil fires as a result of the war and we extinguished, in a cooperative effort with the Kuwaitis, those fires by 13 April, less than a month after entering the oil fields. Also, in spite of unprecedented looting of oil, power and other infrastructure, we were able to immediately begin an assessment of infrastructure repair needs and initiate repairs. Some of our early accomplishments included the reemployment and reestablishment of the Northern Oil Company in Kirkuk and the Southern Oil company in Basrah by mid-April, producing "1st Oil" from the wells to the refineries on the 22nd of April, and producing our first exported oil by the 22nd of June. Recently, the Iraqi Ministry of Oil has produced over 2.5 million barrels per day, with exports of 1.8 million barrels per day resulting in the receipt of over \$10.0 billion to the Iraqi government. These daily production amounts are comparable with pre-war levels. In addition, while repairing the oil production and refining infrastructure, we helped to prevent civil unrest by importing over 1.7 billion liters of gasoline since May 2003 for humanitarian assistance, and large amounts of other needed types of fuel including liquid petroleum gas (over 500,000 metric tons), kerosene (over 700,000,000 liters), and diesel fuel (over 579,000,000 liters). In essence, we went from a small advance party in mid-March to a substantial operating division within just a few months, executing more than \$2 billion in repair and humanitarian assistance in less than a year.

It should also be noted that, as of last Tuesday, 8 June 2004, the Iraqi Ministry of Oil has assumed all command and control of oil in Iraq. This transfer of sovereignty was accomplished ahead of schedule and is due in large part to the efforts of the Corps and its contractors, and the incredible skills and abilities of the Iraqi people who managed to keep a decrepit system going all these many years.

OTHER MISSIONS IN IRAQ

In addition to our work on Task Force RIO, the Corps has been assisting in the restoration of the power system in Iraq. In partnership with the Iraq Ministry of Electricity and the United States Agency for International Development (USAID), we have added more than 1300 MW of new power generation to the power grid in Iraq since Fall 2003. That number is expected to grow to 2000 MW once USAID/Army Corps current projects are completed this summer. In total, nearly one-third of new electric generation capacity in Iraq will be the result of the Corps civilians and soldiers working side-by-side with Iraqi engineers, USAID and contractors. In conjunction with supporting projects under the supervision of the USAID in support of the Ministry of Electricity, the Corps is continuing its efforts towards meeting its share of the 6000 MW goal for capacity by June 2004.

Upgrades have included the replacement of 600 km of transmission lines. Moreover, since September 2003, 5,355 miles of conductor has been restored or improved to date. That is enough to stretch from Savannah, GA to San

Francisco, CA and back to Cape Cod, MA and into Buffalo, NY – crossing our nation twice! To put all this in context, prior to the war, Saddam used electricity as reward and punishment with Baghdad receiving 24 hours of electricity per day while other areas were receiving less than 9 hours per day. Once current projects are completed over the next few months, and as local programs improve local distribution, all Iraqi citizens should receive reliable power 16-18 hours per day. The Corps is also continuing to support USAID as they work on long-term restoration of power in Iraq.

The Corps has also been responsible for the CEA (Captured Enemy Ammunition) program for Iraq. As you are all aware, under Saddam Hussein, Iraq was literally stockpiled in ammunition of various types, origin, and condition. This ammunition poses not only a threat to coalition forces and efforts to establish democracy, but they are also a threat to the citizens of Iraq as insurgents use them for indiscriminate IEDs and other terrorist activities. To date, the Corps has secured 264,000 tons and destroyed another 117,000 tons. It is expected that by September of this year, the Corps will have secured all the hundreds of thousands of tons of ammunition and have either demobilized it or secured it for future use by the Iraqi Defense Forces.

The primary reason we have been able to mobilize so quickly and contribute so significantly to winning the peace in Iraq is due to our ability to draw on an existing, highly trained and skilled Corps of Engineers workforce. In their normal jobs, my staff work as project managers, office and field engineers, contracting

officers, logistics managers and the like. We were able to draw on this expertise and move small numbers of our personnel, all of whom were volunteers, to similar positions in Iraq where they performed tasks similar to those they do in the United States. They are accustomed to accomplishing objectives through contractors. Our normal RIO staff of about 80 personnel in Iraq essentially managed the work of about 500 contractor personnel and a portion of the Iraqi Oil Ministry workforce. This in-country staff (normally serving 120-day tours) was drawn from 28 Corps Districts across the U.S. We also organized to minimize our in-country staff and draw heavily on our Southwestern Division staff in Dallas for much of our logistical, contracting, resource management, public affairs, legal, human resources, military contingency management, administrative and technical support. We were also able to coordinate many complex issues through regular videoconferences using our portable tele-engineering equipment located in our headquarters and field offices thereby minimizing the need for expert personnel to be physically in Iraq.

In addition, from the beginning of planning through today, we recognize that the enormity of the tasks facing us requires extensive contractor involvement on the Corps and Coalition teams. This need was not unique to either our prior wartime experience or our day-to-day operations at home and abroad. The contractors involved in the reconstruction effort brought extraordinary technical expertise, dedication and commitment to the team. I believe we would not have enjoyed the success we experienced without their contributions.

CONCLUSION

I am intensely proud that I had the opportunity to work alongside the extraordinary professionals in the U.S. military and coalition forces, Department of Defense civilians, our contractors and the new Iraqi government. I am also proud of the success of Task Force Rio and the long-term contribution it has made to an emerging free and democratic Iraq. Thank you for allowing me to spend time with you today. I will be happy to take your questions.