

November 8, 2010

The Honorable Hillary R. Clinton
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20500

Dear Madame Secretary:

I am writing today on behalf of the more than 330 member companies of the Professional Services Council (PSC), the primary national association of companies providing professional and technical services to every agency of the federal government, prominently including the Department of State and USAID. Included in our membership is most of the private sector implementing partners supporting USAID development assistance missions around the world, including Afghanistan. As an organization, PSC has been deeply involved in and works closely with both State and USAID on the full range of issues and challenges associated with the work of these firms, particularly as it relates to both Iraq and Afghanistan. Most recently, we and our member firms have become increasingly concerned about the Afghan government's proposed ban on the use of private security personnel to protect development projects and those working on them.

As you know, President Karzai's original decree imposed a complete prohibition on the use of private security personnel after December 17. Soon thereafter, the U.S. government negotiated an exemption for the protection of U.S. diplomatic and military personnel but failed to include its implementing partners among those authorized to use private security when necessary. As of now, the decree would force development firms to cease using private security approximately 90 days after November 15, when the newly-formed commission's recommendation will be made to President Karzai regarding a transition of security responsibilities to Afghan police and armed forces.

U.S. development firms are vital extensions of USAID, operating in the most dangerous regions of Afghanistan. They depend on highly trained and vetted private security personnel (large numbers of whom are Afghan nationals) to provide essential security for compounds and staff movements. The use of private security by these firms is based on security policies and risk mitigation standards. Implementation of the decree would force development firms to adopt far less efficient implementation methods or close down projects altogether. The consequences of this would be significant and would include both the halting or delaying of vital programs designed to support the Afghan people, a diminution of the effectiveness of U.S. stabilization and counterinsurgency strategies, and the immediate unemployment of thousands of Afghan nationals currently

working on development and reconstruction projects, a result that itself would carry clear and disturbing implications. Indeed, the vast majority of employees working on development projects today are Afghan nationals. In some cases, the ratio of Afghan citizens to U.S. citizens or ex-patriots working on these projects is as high as 10:1.

While implementing partners are committed to working with USAID on a reliable and effective long-term solution to this problem, development contractors remain unconvinced that the Afghan National Security Forces (ANSF) as currently constituted present a viable current option for ensuring the safety of their personnel. Indeed, the State Department as recently as October 26 adopted the same position. The Special Inspector General for Afghanistan Reconstruction reached the same conclusion in his June 2010 report.

Some have also suggested that because non-governmental organizations (NGOs) do not use private security, development firms do not need to either. However, such a comparison is entirely inapt and ignores substantial differences in mission, location and status. Some NGOs do, in fact, use private security. Some, under their humanitarian charter, refuse to support the U.S. military in its implementation of the counterinsurgency strategy in Afghanistan. Many do not work in key conflict-ridden districts or other high-risk areas where U.S. development firms routinely work. Nor are most NGOs performing the kinds of high visibility project being executed by development firms, such as programs to strengthen the Afghan government; building roads, schools, and other infrastructure; and supporting the Afghan private sector through lending programs and more.

With all this in mind, we believe it is vital that the State Department:

- Negotiate a specific exemption for all USAID implementing partners engaged on projects in Afghanistan similar to that negotiated for diplomatic and military personnel;
- Direct USAID to issue authoritative, written instructions providing consistent guidance for all implementing partners on near-term actions required to respond to Afghan Presidential Decree 62. Currently, firms are being given contradictory and inconsistent guidance by State and USAID officials, such as requests to submit “minimum security” plans that are premised on reducing or eliminating the use of private security firms; and
- Direct the U.S. Embassy in Kabul to continue to support responsible efforts by the Afghan government to properly regulate private security contractors to ensure their greater control of security functions while ensuring that the objectives of U.S. funded development projects can be achieved.

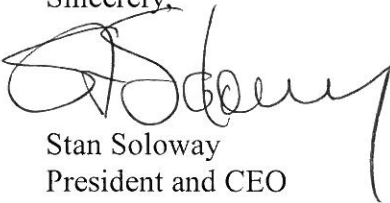
Furthermore, PSC believes that USAID’s current approach to development and stabilization assistance in Afghanistan is the appropriate delivery model. Shifting to a policy that is overly reliant on direct assistance to technically weak government

ministries and local organizations will create a significant risk of waste and abuse in an environment that is already highly vulnerable to mismanagement and corruption. In such an environment, an appropriate security policy, which fully honors both Afghan sovereignty and the real security needs of development projects and personnel, is essential.

We look forward to working with your office and other federal agencies to chart the correct course forward.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stan Soloway', with a long vertical flourish extending downwards from the end of the signature.

Stan Soloway
President and CEO

cc: Amb. Richard Holbrooke
Amb. Karl Eikenberry
Amb. William Todd
Administrator Rajiv Shah
Mr. Earl W. Gast