

The Efficacy of Civilian Contracting on the Counterinsurgent
Battlefield
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The expeditionary character and versatility of maritime forces provide the U.S. the asymmetric advantage of enlarging or contracting its military footprint in areas where access is denied or limited. Permanent or prolonged basing of our military forces overseas often has unintended economic, social or political repercussions. The sea is a vast maneuver space, where the presence of maritime forces can be adjusted as conditions dictate to enable flexible approaches to escalation, de-escalation and deterrence of conflicts.

- A Cooperative Strategy for 21st Century Seapower

Introduction

Since the inception of Operation Iraqi Freedom, the Federal Government has spent nearly 85 billion dollars to fund civilian contracts geared towards supporting military personnel and operations in theater. Such a figure underscores a recent unprecedented reliance upon the civilian sector to enable the United States to wage war more effectively when engaged in counterinsurgency. As the United States continues to find itself embroiled in regional, low intensity conflicts, civilian contracting will provide military planners with a viable alternative to expanded military force which will ultimately yield positive dividends on the counterinsurgent battlefields of the twenty first century.

A Historical Context of Contractors on the Battlefield

From the first salvos of the Revolutionary War to the modern battlefield of today, civilian contracting has played an integral role in supporting the operations of the United States military. The genesis of this important relationship can be traced back to the colonial struggle for cessation of British rule. A dearth of national infrastructure coupled with a fledgling military supply and support system compelled General George Washington to turn to the private sector to provide critical food and gunpowder that would sustain the Continental

Army throughout the arduous war for independence.¹ Although this contracted support played a pivotal role in successful execution of the Revolutionary War, it was not without fraud and abuse. Profiteering and corruption became all too commonplace as merchants sought to make large profits off the plight of a nascent Army and young Republic.²

Nearly 100 years later the same would prove to be true as the United States became embroiled in a bitter civil war. As fighting raged across the American landscape, the Federal Government was compelled to fulfill the demands of a "war emergency" that had gripped a beleaguered Union. Such haste opened the door for unscrupulous contractors to again lay siege upon a preoccupied government. Vociferous public outcry during this period would eventually persuade Congress to enact legislation ("Frauds Bill" of 1863) which ultimately defined contractors as part of the land and naval forces of the United States thus making them eligible for punishment under the Uniform Code of Military Justice.³ Although this legislation amounted an extreme measure, it represented one of the earliest actions taken by the government to regulate the conduct of the civilian contractor.

¹ Frank A. Osmanski, *Proposed Fourth Service of Supply*, (Washington D.C.: Industrial College of the Armed Forces 1958-1959), 2.

² Frank A. Osmanski, *Proposed Fourth Service of Supply*, (Washington D.C.: Industrial College of the Armed Forces 1958-1959), 3.

³ Mark R. Wilson, *The Business of Civil War*, (Baltimore: The Johns Hopkins University Press 2006), 183.

The collapse of the Soviet Union and the dawn of the "New World Order" would set the stage for an increased reliance upon civilian contracting abroad to further the military objectives of the United States. During this period, terrorism and shadowy non-state actors emerged as the primary threat facing the interests of the United States. Further, the monolithic threat of the Soviet Union disappeared only to be supplanted by smaller nations that were engulfed in insurgent and irregular warfare. Defined as the struggle among state and non-state actors for legitimacy and influence over relevant populations, successfully waging a counterinsurgency demands creative approaches to defeating the enemy.⁴ Operations such as Desert Storm and Restore Hope would prove to be a harbinger of the future as civilian contractors and the military worked together to address threats and emergencies throughout the globe.

Associated Cost to Employ Contractors

To effectively examine the efficacy of contractors on the modern battlefield it is first important to analyze the associated cost of their employment. Skeptics of the contracting process use the argument that rampant fraud and poor return on investment outweigh any potential benefit of employing civilian contracted agencies. All too often the headlines of various news services carry the scathing messages of

⁴ Department of the Navy, *Expeditionary Warfare... Shaping for the Future* (Washington D.C.: DPS October 2008) 6.

unscrupulous businessmen and corporations raking in profits at the expense of the warfighter and taxpayer. An example of this wanton abuse can be found in the case of Parsons Global Services which was awarded a contract to build 150 health centers in Iraq. Ultimately the company completed just six of these centers at a cost of \$190 million dollars: 30 million more than its original budget.⁵ Although not endemic to the entire contracting process, such occurrences tend to cast a pall upon any perceived benefits contracted support may yield. The case of Parsons not only galvanizes those opposed to contracting but also highlights the often extreme costs and poor performance that are often incurred with civilian contracts.

On the surface, contractual support may appear to be impractical and not cost effective. However, a recent study conducted by the Congressional Budget Office (CBO) examined the disparity in cost between hiring privately contracted personnel to perform security functions and employing military personnel to do the same job. The study's findings noted that "In 2007, private security guards were earning up to \$1,222 a day or \$445,000 a year... by contrast, an Army Sergeant was earning \$140 to \$190 a day or \$69,350 a year."⁶

⁵ Dawn Kopecki, "When Outsourcing Turns Outrageous" *Business Week*, July 31, 2006, www.businessweek.com.

⁶ Congressional Budget Office, *Contractors' Support of U.S. Operations in Iraq*, 2003 (Washington, D.C.: GPO) 16, 17

At first glance, these numbers seem to indicate that contractors are far too expensive, however, as the report further notes these figures do not portray the complete picture. The study went on to cite that the figure of \$1,222 a day represents a contractors billing rate not the pay going to directly to an individual employee. Billing rates fund overhead, indirect costs and profit. Moreover, the number representing the military does not depict the true cost to the government as it does not take into account many of the other daily costs that are associated with training and supporting a soldier or Marine in combat. Although this comparison does not apply to every civilian contracted position it does debunk the blanket notion that contracting as a whole is not cost effective enterprise.

Contracting as a Shaping Entity

The Army Field Manual Counterinsurgency defines waging a counterinsurgent campaign as "those military, paramilitary, political, economic, psychological, and civic actions taken by a government to defeat an insurgency."⁷ By its very nature, an insurgency is a delicate tactical environment that demands constant vigilance over the attitudes and minds of an indigenous population. Contractors, in their own capacity, are active

⁷ Department of the Army, *FM 3-24 Counterinsurgency*, 2006 (Washington D.C.: DPS) Glossary 4.

participants on the battlefield and are not immune from disrupting the delicate balance between cooperation and indignation. As a result, any discussion of contracting and warfare cannot exempt them from the tactical considerations.

In an environment with no margin for error, contractors can become a source of unnecessary friction. According to Eric Orsini and Colonel Gary Bublitz untrained contractors can be counterproductive to the goals of military commanders. They state:

"Today's U.S. military forces enjoy the reputation of being the best trained, best resourced, and most capable military of any nation in the world. One main reason for this success is that unit readiness is monitored constantly by commanders, senior leaders, and Congress. This monitoring includes assessments of personnel, training, and equipment... In contrast, there is no system currently in place to monitor contractor readiness..."⁸

This quote elucidates the problematic relationship between the military and civilian contractor in a counterinsurgent environment. Not unlike their military counterparts, contractors are plucked from society and thrust into a combat zone. Any similarities between the two end there as contractors are not afforded the same training as a Marine preparing to deploy. Outside of plying their trade contractors are often ill equipped to deal with the rigors of combat, unaware of the

⁸ Eric A. Orsini and Gary Bublitz, "Contractors on the Battlefield: Risks on the Road Ahead?" *Army Logistician*, January/February 1999.

geometry of the battlefield, inadequately trained with regard to the dynamics of the culture to which they are about to enter and often ignorant of the repercussions their actions can hold to an often tenuous civilian-military relationship.

Despite civilian contractors overall lack of training, their positive effect on the battlefield cannot be understated. According to the Army's publication Counterinsurgency, an integral part of placating a local populace is to gain economic stability. The manual states that "theater support contractors can make significant contributions to promoting economic pluralism because they rely the most on host nation employees and vendors."⁹ Further, as Richard May points out in his article Opportunity Missed:

"Contracting directly with the local national population would have several substantial positive effects for both Iraqi and U.S. forces. The first such benefit would be the development of a logistical network for the Iraqi population and military. As networks of logistics were developed for supporting the U.S. military, local logistical support could use the same routes, vehicles and systems. It is no secret that one of the most limiting factors on the Iraqi military is that it requires logistical support from the U.S. military; by building indigenous logistical networks, this problem would be solved."¹⁰

These prescient words advocate local empowerment through the implementation of managed contracts. Although Richard May uses

⁹ Department of the Army, *FM 3-24 Counterinsurgency*, 2006 (Washington D.C.: DPS) 8-16.

¹⁰ Richard May, "Opportunity Missed: Logistics Support Contracts Would Help to Stabilize Iraq," *Armed Forces Journal*, June 2007, www.armedforcesjournal.com.

the situation in Iraq to further his point, such actions can be applied to almost any engagement to help shape a counterinsurgent campaign.

Accounting for Contractor Security

Perhaps the most salient liability when employing contractors on the battlefield is the strain they can place on resources. The introduction of contractors to the battlefield presents commanders with a seemingly paradoxical problem in that although contractors free Marines to perform other duties they still require the protection of the military as they perform their contracted duties. According to the Associated Press, since the start of Operation Iraqi Freedom, nearly 800 contractors have perished while working in country.¹¹ In order to halt this loss of life either more private security firms will have to be resourced or the military will have to allocate more assets for the security of vendors as they perform their services. In both courses of action, there will be a strain on friendly forces both in operations and planning creating unnecessary friction.

Although providing security for contractors on the battlefield can be a burden on commanders, the dividends these

¹¹ Roberts, Michelle. "AP Impact: Nearly 800 Civilian Contractors Killed in Iraq." *USA Today*, February 23, 2007: www.usatoday.com.

noncombatants will pay is well worth the inconvenience. As the United States finds itself operating on foreign soil, it will be forced to integrate civilians into its total force structure so as to not only improve the lives of soldiers and Marines in austere environments, but also help project a less imposing image of the United States military while conforming to international law. Further, as Status of Forces Agreements (SOFA) are enacted capping the number of military personnel authorized in theater, alternate means of mission accomplishment will have to be found. Fortunately, SOFA agreements do not typically apply to contractors thus enabling them to operate under the auspices of the United States government while not adding to the total number of uniformed combatants in theater.¹²

Conclusion

Despite the negative stigma that has come to shroud contracting, it has become a permanent fixture in military planning and operations. As a result, now is the time to begin embracing this force multiplier so its effects can be maximized on the counterinsurgent battlefield. From the beginning of their careers, logisticians are taught that there are six functional areas of logistics: supply, services, general engineering, maintenance, transportation and health services.

¹² Rand L. Allen and William A. Roberts III, "Contractors on the Battlefield: Special Legal Challenges," *Wiley Rein LLP*, April 2, 2003.

In light of current operations a seventh functional area, service contracting, must be established. Although the argument can be made that contracting can fall under the broad category of services doing so will only diminish the importance of such a critical aspect of logistics. By creating a seventh functional area of logistics, the framework is set for logisticians to plan and continually improve upon a force multiplier that will to benefit warfighters and the environment in which they operate.

In the final analysis, contracted support to the United States Military has proven to be an indispensable asset that will only continue to mature as our missions abroad become more frequent and complex. In environments where a delicate balance between the military and indigenous populations exists, contracted support can empower and act as a shaping entity to bring about favorable conditions for friendly forces. As irregular warfare continues to dominate the strategic focus of United States, contractual support will provide both the military and developing nations with the tools necessary to successfully address the counterinsurgent dilemma.

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