



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

February 25, 2014

The Honorable John F. Kerry
Secretary of State

The Honorable Charles T. Hagel
Secretary of Defense

General Lloyd J. Austin III
Commander, U.S. Central Command

General Joseph F. Dunford, Jr.
Commander, U.S. Forces–Afghanistan, and
Commander, International Security Assistance Force

Dear Secretary Kerry, Secretary Hagel, General Austin, and General Dunford:

The Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is charged with preventing and detecting waste, fraud, and abuse in programs and operations relating to the reconstruction of Afghanistan. Recently, my staff became aware that communications towers built using reconstruction funds are not being and may never be used for their intended purpose. This appears to be an ineffective expenditure of reconstruction funds.

My staff learned that sometime during 2011-2012, the Department of State entered into a contract with MNM Communications Inc,¹ for the design and construction of six communications towers, that, when completed, would be three times taller than any existing towers in their vicinity. The towers were to provide cell phone support and be made available to Afghan telecommunications providers for television and radio broadcasters, who it was anticipated would want to access these towers to extend their area of broadcast coverage in southwestern Afghanistan. The towers were to be placed in secure locations to help address the threat from insurgent attacks. Tower operation and maintenance, and leasing support, to be arranged for by the State Department under separate contract, would help ensure that the towers remained a sustainable asset for the Afghan people.

The tower project was proposed and implemented by the Department of State's Political Affairs Section (PAS), Office of Strategic Communications (STRATCOM) at the U.S. Embassy Kabul, Afghanistan. On June 20, 2011, STRATCOM issued a Task Order Proposal Request (TOPR) for the design/build of six communications towers in southwestern Afghanistan at an estimated total cost of between \$5 million and \$10 million dollars. The contract to design and build the six towers was awarded to MNM Communications Inc. for \$7.2 million dollars. Construction of all six towers was completed during 2012. Four of these towers are located in Helmand Province, one is located in Kandahar Province, and one is located in Ghazni Province.

¹ MNM Communications Inc. is a U.S.-based general construction and communications company.

Shortly after construction of the towers was completed, PAS/STRATCOM issued a solicitation for the second phase of the project to operate and maintain the towers, and also to market their use to Afghan television and radio companies. These contracts would promote, facilitate, and manage no-fee leasing agreements with television and radio broadcasters, and facilitate and manage leasing agreements with Afghan government users. The solicitation also requested operation, maintenance, and management services for each tower and its associated facilities. The Department of State recommended contract costs not exceed \$2 million dollars to meet the requirements set forth in the services contract solicitation. Plans called for the Department of State to divest itself from the selected operations and maintenance contractor of the communications towers after the expiration of the services contract. The terms of the services contract solicitation called for one base year of operation and one option year.

According to information received by SIGAR, PAS/STRATCOM greatly underestimated the cost of the contracts to operate, maintain, and market the towers. Bids received were four to five times higher than the \$2 million dollar limit that PAS/STRATCOM had set. As a result of the high bids, the decision was made to not award these service contracts. SIGAR also was told that the Department of Defense (DOD) cancelled the Expeditionary Cellular Communications project, and according to information received, the U.S. government lost most of its potential use for the towers. Research by SIGAR found that this program may have been intended to provide continuous uninterrupted cell phone coverage for forces in Afghanistan operating in remote areas. Some of the towers may have been designated by the Department of State as “excess property,” which allows them to be turned over to DOD. On May 18, 2013 one tower at Camp Leatherneck was transferred to the DOD garrison for \$150,000 dollars.

Due to the rotation of military and civilian personnel, we were unable to locate or communicate with officials at Camp Leatherneck and the U.S. Embassy who could provide more details. Therefore, to assist SIGAR in better understanding the decision to construct these six communications towers, the reasons for their lack of utilization, their future use, subsequent sale, or transfer, please provide the following information:



Figure 1 - General locations of the identified communications towers



Figure 2 – Communications tower near Camp Leatherneck in Helmand Province, Afghanistan

- How were the requirements for the six communications towers determined?
- How much in total funds has been spent on the communications towers and associated facilities?
- How were the cost estimates for construction of the towers and the second phase of operation, maintenance, and marketing services determined?
 - Why were the cost proposals received significantly higher than the estimated costs?
- Was a target Afghan communications/broadcast audience identified as part of the second phase cost estimate prior to the award of the construction contract?
- How and why was the decision made to not go forward with the services contract?
- Did the Department of State consider alternative uses for the towers when it first determined that the towers would not be used for their originally intended purpose?
- How was the decision made to turn over the Camp Leatherneck Communications Tower to DOD?
 - Has a decision been made to turn over the other five towers to the DOD or anyone else?
 - What is the timeline for any such decision?
- What is the status of the turnover of the six towers and associated facilities, including cost?
- What are DOD's plans for the towers and associated facilities?
- Has consideration been given to turning over the towers and associated facilities to the Afghan government? If so, would the Afghan government have the financial resources, technical capacity, and management capability to sustain these towers and facilities?

Please provide copies of all records pertaining to the foregoing questions.

A draft of this letter was sent for initial comment to DOD and the State Department on January 23, 2014. Given the subsequent request by State Department officials asking for a time extension relating to the retrieval and production of documents addressing these questions, we request a formal written response no later than March 7, 2014.

Should you or your staff have any questions about this request, you may contact me directly or contact Jack Mitchell, Director of Special Projects at john.h.mitchell161.civ@mail.mil or 703-545-5964, or Jerry Clark, Engagement Manager, Special Projects, at jerry.w.clark50.civ@mail.mil or 703-545-5965. Thank you in advance for your cooperation in this matter. I look forward to your response.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction