

**Statement of Cliff Mumm
Bechtel Corporation
Committee on Government Reform
U.S. House of Representatives**

September 28, 2006

Good afternoon Mr. Chairman and Members. Thank you for this opportunity to appear before this committee.

I am Cliff Mumm and from April 2003 to December 2004 I was the Chief of Party for the Iraq Reconstruction Program. I was in Iraq during that period so my experience is personal. I maintain ongoing executive responsibility for the Program and still travel frequently to Iraq.

Bechtel won two competitive contracts from USAID that covered the restoration of essential power, water, civil and telecommunications infrastructure. It *did not* include the Oil or Gas sectors. Under my direction, Bechtel delivered its first team to the region within three days of winning the contract.

One of our first priorities was to crisscross the country to assess the state of Iraq's infrastructure so USAID could determine the highest priority needs. In addition to war damage, our teams discovered that many critical facilities, such as water treatment and power plants, had been wrecked by years of neglect, looting and mismanagement.

Our assessment concluded that approximately \$15 billion was needed to bring the country up to a regional standard. Given the country's vast needs, no one expected that our contracts, which totaled \$2.3 billion, could complete the job. The work could, however, provide a platform upon which the Iraqis could build and sustain themselves.

To help get the country back on its feet, we used Iraqi contractors every place we could. In fact, we awarded to Iraqi contractors three-quarters of our work. At the peak, our work employed more than 40,000 Iraqis across the country.

Among other accomplishments, we dredged and refurbished Iraq's only deepwater port at Umm Qasr. We restored the bulk of Iraq's water treatment and sewage treatment capacity, capable of serving millions of people. Our work in the power sector increased capacity by more than 1,200 megawatts.

Hundreds of thousands of Iraqi children were able to attend classes in 2003 in more than 1200 schools we refurbished. We repaired three major bridges critical to humanitarian and commercial traffic. We also restored the national telecommunications grid.

One of our most important contributions was more than 600,000 hours of training programs, which improved Iraqi skills in plant operations, safety, construction management, and information technology.

The security environment we encountered was profoundly difficult. Armed insurgents stop at nothing to sabotage major infrastructure. Key Iraqi operating staff are often forced to abandon their posts in the face of murder and kidnapping. Power generation capacity is often stranded when fuel pipelines are blown up or transmission lines cut.

In the case of the Basrah Children's Hospital, escalating violence frequently made work impossible. In May 2006 alone, 85 people were murdered in Basrah, including nine British

soldiers. Iraq's prime minister declared a state of emergency in the city which continues to this day. In the face of all this, our team still managed to complete essential civil and structural work for the hospital.

We are proud of the work we did on behalf of the American and Iraqi people. We are proud of our own people, including especially our over 600 professional Iraqi colleagues. USAID has attested that Bechtel performed "exceptionally well under extremely difficult circumstances." I am honored to share our experience with the Committee and would like to answer any questions at this time.

Thank you.