



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

September 9, 2014

The Honorable John F. Kerry
Secretary of State

Dear Secretary Kerry:

Thank you for your department's response to my inquiry concerning a State Department project to construct six communication towers in Afghanistan.¹ Based on the information provided, it appears that the towers built in connection with this \$6.5 million project were never used as intended.² The purpose of this letter is to request additional information that will assist my office in its inquiry to determine the extent to which this project resulted in a waste of Afghanistan reconstruction funds.

According to your department's response, "The overall objective of this towers project was to expand and enhance media provider coverage and telecommunication services to the civilian Afghan population in underserved and strategically important... provinces via television, radio, and telephonic mediums."³ The response also stated that the towers were considered to be "one of the highest Strategic Communications priorities for the Department of State" in Afghanistan.⁴ However, "After it became clear that the towers could not be used for their originally intended purpose, the Department considered alternatives but determined that there was no available foreign assistance or other State Department use for the towers."⁵

Given this information, I am concerned that the officials responsible for planning and executing this project did not take into consideration a number of apparent red flags which were evident prior to the decision to commit over \$6.5 million in U.S. taxpayer funds. Based on the records provided to SIGAR, such red flags included serious concerns expressed by senior State Department personnel, Department of Defense (DOD) flag officers, and Afghan officials regarding the viability of the project. Specifically, concerns were raised that Afghan telecom providers would not connect to the system, and that DOD did not want the towers because of the high cost of fueling the towers' generators. Despite these concerns, the State Department moved forward with construction.

In addition to the concerns raised by the information provided SIGAR your department's response neglected to include key contractual and other documents referenced in that response and also indicated that that one of the communications towers turned over to DOD by the State Department would be used to provide cellular telephone coverage.⁶ However, in a March 28, 2014 letter to SIGAR, DOD indicated that the tower is in fact not being used.⁷

¹ SIGAR received both unclassified and classified responses, however, only unclassified information is included in this letter. See Attachment II - U.S. Department of State Response to SIGAR-14-37-SP dated March 21, 2014.

² The total amount spent on the media towers and associated facilities.

³ See Attachment II - U.S. Department of State Response to SIGAR-14-37-SP dated March 21, 2014, p. 1.

⁴ Ibid.

⁵ Ibid, p. 4.

⁶ Ibid.

⁷ See Attachment I - U.S. Department of Defense Response to SIGAR-14-37-SP dated March 28, 2014, p. 1.

To enable us to complete our inquiry and to resolve the new questions raised by your department's response, please provide the following information:

- SIGAR has learned that, in addition to the six towers referenced in our initial February 25, 2014 inquiry letter, a seventh tower already in existence at Kandahar Air Field was brought into this program bringing the total number of towers to 7. This 7th tower was later transferred to DOD for \$150,000. Why was the tower transferred to DOD? Records reviewed by SIGAR staff indicate that insurgent threats prevented DOD from enlisting Afghan users of this tower. Was this tower ever used? If so, how was it used?
- Your department's response stated that, "Granting the towers to the Afghan government was considered, however as the Afghan Government continued to struggle with lacking resources and technical capacity to operate and maintain these towers, this option was rejected for the safety and welfare of the public, as well as other reasons." It has been reported that an International Security Assistance Force (ISAF) helicopter recently hit a tower during night operations in southern Afghanistan killing one ISAF member.⁸ How are the six communications towers at issue here being marked for air traffic safety?
- Please provide background information on and documentation concerning the role that the communication towers were to play in supporting the following State Department programs discussed in their response to our initial inquiry.
 - Countering Extremist Voices - Strengthening People to People Ties,
 - Operation Palisades, and
 - Expeditionary Cellular Communications System.
- In the information provided in your response to SIGAR we found that on August 20, 2011, senior State Department officials suspended and planned to end the communication tower project. On September 1, 2011, a Decision Memo recommended approval for construction of seven towers. Why was the decision made to move ahead with construction despite the prior decision to terminate?
- Information SIGAR received indicates that the State Department has tried to auction off some of the towers in an attempt to recover a portion of the fund's investment in the towers program. What have been the results of this effort?

Please provide your response no later than September 24, 2014. I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Please provide the requested information to Jack Mitchell, Director of the Office of Special Projects, at [REDACTED] or [REDACTED]. Please contact him if you have any questions.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

⁸ National Broadcasting Company World News. "Three Americans Injured, One ISAF Soldier Dead in Chopper Crash." NBCnews.com. <http://www.nbcnews.com/news/world/three-americans-injured-one-isaf-soldier-dead-chopper-crash-n117181> (accessed August 20, 2014).

Attachment(s):

I – U.S. Department of Defense Response to SIGAR-14-37-SP dated March 28, 2014

II – U.S. Department of State, Public Affairs Section, U.S. Embassy, Kabul Response to SIGAR-14-37-SP dated March 21, 2014

III – SIGAR-14-37-SP Inquiry Letter: Communications Towers dated February 25, 2014

ATTACHMENT I: U.S. DEPARTMENT OF DEFENSE RESPONSE TO
SIGAR-14-37-SP DATED MARCH 28, 2014



THE JOINT STAFF

WASHINGTON, DC

28 March 2014

Reply Zip Code:
20318-0300

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

Dear Mr. Sopko:

Thank you for your letter to the Secretary of Defense expressing concern over the recent Special Inspector General for Afghanistan Reconstruction report on six communication towers built by the Department of State (DOS) using reconstruction funds. I am responding on behalf of the Secretary to answer the question presented to the Department: "What are the Department of Defense plans for the towers and associated facilities?"

The six towers identified were constructed in 2012. Four towers were built in Helmand Province, one in Kandahar Province, and one in Ghazni Province. One of the four towers in Helmand Province is located at Camp Leatherneck and was transferred to the Department of Defense as excess DOS property. This tower is currently not being utilized and future use will be determined as part of the ISAF/IJC basing decisions. All remaining towers identified remain under DOS control.

The SIGAR's oversight mission remains an important aspect on the reconstruction programs and operations aimed at success in Afghanistan. We remain in full support of the SIGAR initiative.

Sincerely,


DAVID L. GOLDFEIN, Lt Gen, USAF
Director, Joint Staff

ATTACHMENT II: U.S. DEPARTMENT OF STATE, PUBLIC AFFAIRS SECTION, U.S. EMBASSY, KABUL RESPONSE TO SIGAR-14-37-SP DATED MARCH 21, 2014



United States Department of State

Washington, D.C. 20520

www.state.gov

MAR 21 2014

TO: Mr. John Sopko Special Inspector General for Afghanistan Reconstruction

FROM: ^{DMR} Michael Reinert, Director of Communications and Public Diplomacy, Public Affairs Section, U.S. Embassy, Kabul

SUBJECT: SIGAR Letter of Inquiry 14-37-SP

The Public Affairs Section (PAS) Kabul in coordination with the Bureau of South and Central Asian Affairs, U.S. Department of State, submits the following responses to your Letter of Inquiry regarding media towers in Afghanistan.

SP14-37-1: How were the requirements for the six media towers determined?

In 2010, S/SRAP and the Bureau of Public Affairs requested PAS/STRATCOM build a network of communication towers across Afghanistan. This project was considered one of the highest Strategic Communications priorities for the Department of State, as reports had determined that telecommunication services in Helmand, Kandahar, Ghazni, and Paktika province were significantly limited due to insurgent activity that was threatening and destroying commercial and government-owned cell towers. The overall objective of this towers project was to expand and enhance media provider coverage and telecommunication services to the civilian Afghan population in underserved and strategically important Helmand, Kandahar, Ghazni, and Paktika provinces via television, radio, and telephonic mediums. As Taliban forces were forcing local phone companies and cellular tower operators to close at dusk under the threat of death, these towers would only be effective if built in protected locations, such as Forward Operational Bases (FOBs). As such, incidental benefits attributed to the project included improved capacity of some military applications, depending upon the location.

The locations of the towers were selected from 50 possible locations and were compared using weighted criterion as follows: (5 = most important; 1 = less important)

- Population Density (5)
- Gaps in TV Coverage (5)
- Gaps in Radio Coverage (5)
- Expeditionary Cellular Communications Systems (ECCS) (4)
- Secure Cellular Communication System (SCCS) - Mobile coverage (3)
- Ministry of Information and Culture (MOIC) request based on need for radio and TV coverage (4)
- Combined Security Transition Command – Afghanistan (CSTC-A) Joint Communications Section (CJ6) Enhancement (5)
- Key Terrain District (4)
- Supports Transition (2)
- Additional Military Uses (2)

SP14-37-2: How much in total money has been spent on the media towers and associated facilities?

This PAS/STRATCOM towers project consisted of two contracts for a total amount of \$6,500,568.

SP14-37-3: How were the cost estimates for construction of the towers and second phase of operations, maintenance, and market services determined?

Since the Kandahar Airfield (KAF) tower was already in existence, PAS/STRATCOM used an Independent Government Estimate (IGE) based on the costs of its construction during the previous year, as well as an estimate from ManTech, the company hired to manage operations and maintenance on the KAF Tower.

SP14-37-4: Why were the cost proposals received significantly higher than the estimated costs?

In the time between when the estimates were provided and when the proposals were submitted, two events occurred that impacted the overall cost. Cellular telecommunications providers that would have paid for use of the towers and thus offset related media broadcasting costs ultimately did not agree to use the towers as their operators were being threatened by the Taliban. As well, a private sector assessment conducted by the Asia Consultancy Group (ACG), one of Afghanistan's largest tower owners concluded that using these towers for increased media broadcasting was not in as much demand as previously forecasted since during the delays experienced in their construction, Afghans built their own smaller towers. Without the telecommunication sector on board to offset operational costs combined with the diminished broadcast media demand, the costs to operate and maintain the towers increased.

SP14-37-5: Was a target Afghan communications/broadcast audience identified as part of the second phase cost estimate prior to the award of the construction contract?

PAS/STRATCOM was in frequent/regular contact with various Afghan telecommunications companies and private sector broadcasters throughout the tower project's duration, starting in 2010 when four Afghan mobile telecommunications providers reported having had towers blown up and were still receiving threats when not turning off certain towers at night. At least two of the four telecommunications companies had indicated their willingness to interconnect with U.S.-built towers to provide cellular service. Furthermore, in order to stop insurgent intimidation from closing down the telecommunication lines at night, the Ministry of Communications and Information Technology was considering requiring all telecommunications companies to cooperate with the ECCS, which would be established through a separate program under ISAF. Finally, all major broadcasters were in routine communication with PAS/STRATCOM regarding placement of radio and television transmitters in the towers.

SP14-37-6: How and why the decision was made to not go forward with the services contract?

Due to the kinetic activity in the area and subsequent threats from the Taliban against mobile telecom operators who would use the system, the ECCS project was dropped by the military. Under threats from the Taliban, the mobile operators would not sign roaming agreements at that time that would have made the towers attractive for commercial operators. Additionally, delays in construction meant some operators resorted to using their own smaller radio towers.

PAS/STRATCOM received bids for upkeep that proposed a price that was significantly higher than the original estimate, as addressed in the SP14-37-4 response. As a result, PAS/STRATCOM decided not to award a contract based on its assessment that the impact of several unplanned obstacles: the higher-than-expected cost of contracting a service provider, the lack of infrastructure agreements, and the threats to the telecommunication operators outweighed the minimal foreign assistance benefits at that time. Instead, PAS/STRATCOM pursued other commercial Afghan entities to simply take over the towers and pay for upkeep.

SP14-37-7: 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?

After it became clear that the towers could not be used for their originally intended purpose, the Department considered alternatives but determined that there was no available foreign assistance or other State Department use for the towers.

Ultimately, PAS/STRATCOM pursued an option whereby the Department of Defense would provide cell and internet service to the troops in the vicinity with the hope that it would eventually reach the local population. As such, two of the towers have been turned over to Department of Defense, which will utilize the towers for cellular coverage and pay for upkeep. The remaining five towers are in

the process of being put up for auction to commercial entities that believe they can be used for both cellular and television/radio broadcast.

SP14-37-8: How was the decision made to turn over the Camp Leatherneck media tower to DoD?

PAS/STRATCOM considered all reasonable alternatives before approaching Department of Defense officials at Camp Leatherneck to ask if they would be able to make use of the tower. The Department of Defense confirmed they would be able to use it to enable a commercial provider to supply cell and internet services to troops in the area and ultimately to the Afghan National Security Forces and the local population. As a result, it was transferred.

SP14-37-9: Has a decision been made to turn over the other five towers to DoD?

The five remaining towers were placed in a Surplus Property Sealed Bid Auction facilitated by the Embassy's General Services Office on September 28, 2013. All five towers were being auctioned together as one lot. Several days prior to September 28, the auction was cancelled due to inaccessibility to the auction site. The Embassy received one sealed bid from a commercial entity prior to the cancellation. The five towers will be relisted in the next Embassy Surplus Property Sealed Bid Auction, as soon as it is scheduled by the Management and General Services Office.

SP14-37-10: What is the timeline for any such decision?

As detailed in SP14-37-9, the remaining five towers will be sold at the next Embassy Surplus Property Auction as soon as possible.

SP14-37-11: What is the status of the turnover of the six towers and associated facilities, including cost?

One tower has been declared excess property and transferred to the Department of Defense and the remaining five towers are being put up for auction. There is a seventh tower (KAF tower), which was previously declared excess property and transferred to the Department of Defense.

SP14-37-12: 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?

Granting the towers to the Afghan government was considered, however as the Afghan Government continued to struggle with lacking resources and technical capacity to operate and maintain these towers, this option was rejected for the safety and welfare of the public, as well as other reasons. For example, to avoid signal interference, spacing and spectrum boundaries must be carefully allocated. It is important to avoid signal interference by periodically evaluating the composition and physical array of the tower equipment in relation to other nearby signals. In addition, given the towers' locations, inadequate maintenance could be disastrous. If tower lighting became inoperable, or if radio frequencies on the tower were not properly managed and caused interference with aircraft, there could be major safety consequences. PAS/STRATCOM determined that the Afghan government did not have the technical knowledge, financial resources, or management capability to adequately maintain these highly complex issues regarding the five remaining towers.

Conclusion

Our records pertaining to this inquiry are both classified and unclassified. We are providing you with a disc of all unclassified records to be picked up at the Bureau of South and Central Affairs, Office of Press and Public Diplomacy, Harry S. Truman Building, Main State. The classified records are available in hard copy within the Bureau of South and Central Affairs, Office of Press and Public

Diplomacy and the Public Affairs Section at the U.S. Embassy, Kabul. We request that SIGAR review all records prior to submitting their final report.

Should you have any additional questions, please feel free to contact Mr. Greg Young at [REDACTED] or [REDACTED]. Additionally, you may contact Ms. Vitessa Del Prete at [REDACTED] or [REDACTED].

ATTACHMENT III: SIGAR-14-37-SP INQUIRY LETTER: COMMUNICATIONS TOWERS DATED FEBRUARY 25, 2014



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.

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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 [REDACTED] or [REDACTED] or Jerry Clark, Engagement Manager, Special Projects, at [REDACTED] or [REDACTED]. 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