

JOHN McCAIN, ARIZONA
ROB PORTMAN, OHIO
RAND PAUL, KENTUCKY
JAMES LANKFORD, OKLAHOMA
MICHAEL B. ENZI, WYOMING
KELLY AYOTTE, NEW HAMPSHIRE
JONI ERNST, IOWA
BEN SASSE, NEBRASKA

THOMAS R. CARPER, DELAWARE
CLAIRE McCASKILL, MISSOURI
JON TESTER, MONTANA
TAMMY BALDWIN, WISCONSIN
HEIDI HEITKAMP, NORTH DAKOTA
CORY A. BOOKER, NEW JERSEY
GARY C. PETERS, MICHIGAN

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

KEITH B. ASHDOWN, STAFF DIRECTOR
GABRIELLE A. BATKIN, MINORITY STAFF DIRECTOR

November 2, 2015

The Honorable Ashton Carter
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Mr. Secretary:

The Special Inspector General for Afghanistan Reconstruction (SIGAR) issued a report today regarding a compressed natural gas (CNG) filling station constructed in the city of Sheberghan, Afghanistan.¹ According to SIGAR, the purpose of the CNG venture, known as the Downstream Gas Utilization project, was to demonstrate the commercial viability of natural gas for automobiles in Afghanistan.² This was intended to be a part of a broader effort to take advantage of Afghanistan's domestic natural gas reserves and reduce the country's reliance on energy imports.³

The cost of this facility appears to have ballooned far beyond a reasonable estimate. Two separate studies estimate that building a CNG station in a country like Afghanistan would cost \$200,000 to \$500,000.⁴ According to the Defense Department's Economic Impact Assessment, the Department spent nearly \$43 million between 2011 and 2014 on the CNG station, \$30 million of which was spent on overhead costs.⁵ The Department provided no additional documentation detailing how this money was spent.⁶

It also appears that the Department began this particular project without conducting adequate planning. SIGAR was not able to find any indication that the Department's now-shuttered Task Force for Stability and Business Operations (TFBSO) program, which was

¹ Special Inspector General for Afghanistan Reconstruction, *DOD's Compressed Natural Gas Filling Station in Afghanistan: An Ill-Conceived \$43 Million Project* (November 2, 2015) (SIGAR-16-2-SP).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

responsible for the CNG venture, considered the feasibility of the station's broader objectives or consideration of potential problems before awarding the contract for the physical construction of the station and to assist in initial start-up activities.⁷

Due to security concerns, SIGAR was unable to determine whether the CNG facility is currently operational. However, Afghan government documents obtained by SIGAR indicate that Qashqari Oil and Gas Services, the business that took over the filling station in May 2014, did not renew its business license in November 2014 – only six months after Qashqari purportedly began operating the facility.⁸

I am particularly troubled by SIGAR's account of its difficulty in obtaining information regarding the CNG facility. The TFBSO, which was given approximately \$822 million to encourage private investment and development in Afghanistan and reported directly to the Office of the Secretary of Defense, apparently ceased all operations on March 31, 2015. SIGAR has requested the production of documents and to interview personnel that were within TFBSO, but the Defense Department has indicated that because of TFBSO's closure, the Department no longer possesses the personnel with expertise to respond to SIGAR's requests.⁹

I request that the Department brief my staff on TFBSO's operations and that the Department provide the following information:

- (1) The name and title of the official and office currently responsible for projects, including the CNG facility, that were begun by TFBSO;
- (2) Any feasibility study conducted by TFBSO in regards to its CNG filling station and the Downstream Gas Utilization project;
- (3) Any audits, reviews, or assessments of TFBSO's operations; and
- (4) The names, titles and offices for currently employed Department military and civilian personnel previously responsible for supervising TFBSO operations.

I request that you provide these documents and information as soon as possible, but by **no later than Monday, November 23, 2015**. I also request that you make the last Director of TFBSO and current Defense Department Senior Advisor Dr. Joseph Catalino available for an interview by the Subcommittee.

⁷ *Id.*

⁸ Briefing by SIGAR to Permanent Subcommittee on Investigations Staff (October 26, 2015); Special Inspector General for Afghanistan Reconstruction, *DOD's Compressed Natural Gas Filling Station in Afghanistan: An Ill-Conceived \$43 Million Project* (November 2, 2015) (SIGAR-16-2-SP).

⁹ Letter from Principal Deputy Under Secretary of Defense for Policy Brian P. McKeon to Special Inspector General for Afghanistan Reconstruction John Sopko (October 9, 2015).

I appreciate your assistance. Please contact Jackson Eaton with the Subcommittee at (202) 224-9872 with any questions. Please send any official correspondence relating to this request to Kelsey_Stroud@hsgac.senate.gov.

Sincerely,

A handwritten signature in blue ink that reads "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being more prominent and the last name "McCaskill" following in a similar style.

Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations

cc: Rob Portman
Chairman
Permanent Subcommittee on Investigations