Contractors on the Battlefield

27 February 2007
• 19,300 Direct Hire U.S. & International Employees

• 29,000 Subcontractor personnel

• $3B worth of equipment and supplies
Iraq – Constant Change . . . . As Expected
Pace and Scope . . . . Unexpected

OIF: Operation Iraqi Freedom
OEF: Operation Enduring Freedom

Supported Population

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- **200 K**
- **150 K**
- **100 K**
- **50 K**

- **Build up**
- **Drive to Baghdad**
- **Push Forward**
- **Consolidation/Counterinsurgency**
- **Elections/Reconstruction**
Contractor Mobilization

• Recruiting Qualified Personnel
  – Pool of Experienced Personnel
  – Recruiting Efforts
  – Third Country Nationals (Including Former Balkan HCNs)
  – Host Country National Hires

• Processing & Deploying Personnel
  – Medical screening
  – Background check
  – Job-specific training (defensive/evasive driving course, NBC training, etc.)

• Retaining Qualified Personnel
  – Pay
  – R&R
  – Prospect of Continued Work
LOGCAP III Program Overview – We Deliver

**BASE CAMP SUPPORT**
- Ice
- Fuel
- O&M
- MWR
- DFAC
- HVAC
- Water
- Billeting
- Laundry
- Latrines
- Showers
- Fire Fighting
- Vector Control
- Waste Removal
- Power Generation

**LOGISTICS SUPPORT**
- Class I – Rations & Water
- Class II – Indiv Equip/Tools/Supplies
- Class III – Fuel (Packaged & Bulk)
- Class IV – Construction Material
- Class V – Ammo
- Class IX – Repair Parts
- Joint Distribution Center
- Forward Re-Distribution Point
- Maintenance Organizational/Direct
- Ice Distribution
- Mail Distribution
- Movement Control
- Maintenance/Recovery
- Material Handling Equipment
- Line Haul (Bulk Fuel/HET/Flatbeds)

**SCOPE**
- Number of Countries: 8
- Total KBR Employees: 18,000
- Boots on Ground: 225,000
- Laundry (Bags): 33,000
- MWR Patrons: 77,000
- Meals: 432,000
- Water (Gal): 10 MM
- Fuel (Gal): 839,000
- Ice (Tons): 429

*as of 21 Sep 06*
Life Support – Village Concept

Sample Site Plan

Available Accommodations
From the beginning of the shooting war on 20 Mar. 2003, Task Order 43 grew from a base of zero through a period of extremely rapid growth to meet the mission.

Continually Escalating Environment -- Small Arms Fire, Rocket Attacks, Mortars and Improvised Explosive Devices and Extremes of Climate, Brutal Road Conditions & Rock Throwing.
Force Protection...Hostile Environment

- The enemy has options to impact our mission
- Since beginning of project
  - 68 Killed in Action
  - 524 Wounded in action
- Period from 01 Jan – 30 Sep 06
  - 400+ Improvised Explosive Devices
  - 800+ Indirect Fire
  - 200+ Small Arms Fire

Contractors on the battlefield is not just a phrase ... it is a reality!
Force Protection – Camp D4 Falcon
Enemy Mortar Rounds Ignite Ammo Storage Dump

- 10 Oct 2006 - 120 KBR Personnel
- Located 10 miles south of Green Zone
- 3 Mortar attacks on camp

No KBR or Military casualties
Multi-national Force – Iraq (Baghdad Sites)

KBR Continues Operations
In A Combat Environment Without A Single Mission Failure

How difficult is it to maintain a schedule in Baghdad?

- D1A Hope/War Eagle received 314 mortar and 7 rockets in one month with 103 in one day
- One Expat Subcontractor was kidnapped and 12 HCN subs were killed during the construction of the War Eagle DFAC
- Every day during the POP an indirect fire attack was directed at one or more of the sites on this project
• Create a ‘safe’ area where the HN labor force is more efficiently utilized
• Build an area which houses an industrial type zone which utilizes local labor in manufacturing, servicing and/or training
• Create a work force that may be later screened for work ‘inside’ the wire
• Keep construction costs low by
  – Allowing the HCNs to build infrastructure
  – Use hasty type structures which use salvage and harvested raw materials as much as possible
**Contractors on the Battlefield**

**Congressional Budget Office Study (October 2005)**

<table>
<thead>
<tr>
<th>Billions of 2005 Dollars</th>
<th>20 Year Total</th>
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<tr>
<td>LOGCAP Contractor Support</td>
<td>$41.4</td>
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<tr>
<td>Total Army Costs</td>
<td>$93.0</td>
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<td>Difference in Total Cost</td>
<td>$51.6</td>
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The Future -- Integrated Team
Back up
Theater Transportation Mission

Convoy Commander Position – The Backbone of TTM
KBR initiative to improve command and control over each convoy

Convoy Commanders:
- Capitalize on ‘ATTITUDE’
- Increase responsibility
- Enhance communications
- Provide ‘field’ leadership
- Facilitate ‘TEAM’ building
- Key element of stability
- Many with previous military experience
- Trusted by soldiers
- After action agents

Many now serve within other KBR functions

“An Essential Element of Success”!!!
Defense of Freedom Medal

- Support ASC in presentation of Defense of Freedom Medals to wounded KBR employees and families of deceased KBR employees
- Provide KBR senior leadership opportunity to thank employees and their families for their service
- 47 awards presented on 09 February 2007 – Houston
- 31 awards presented on 17 March 2006 – Houston
- 8 awards presented in January 2006 – Iraq
- 1 award presented in May 2006 – Iraq
- 8 awards presented in July 2006 – Iraq
- 38 nominations submitted pending approval