

**Statement of John F. Tierney**  
**Chairman**  
**Subcommittee on National Security and Foreign Affairs**  
**Committee on Oversight and Government Reform**

**“Oversight of U.S. Coalition Support Funds to Pakistan”**

**As Prepared for Delivery**

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Good afternoon. This hearing continues our sustained oversight of U.S. national security interests in Pakistan and our strategic interests in the critical Afghanistan-Pakistan border region.

Since 2007, our Subcommittee has held six related hearings, and we have dispatched three separate Congressional delegations to the region.

The historic February 18, 2008, elections opened a new chapter in Pakistani political history, and represent an historic opportunity for the United States to strengthen our ties to Pakistan, in a manner, ideally, that both improves the lives of all Pakistanis and that ensures our vital U.S. national security interests.

The United States and Pakistan forged an uneasy, yet critical, alliance following the events of 9/11 and after decades of uneven bilateral relations. Pakistan asserts a repudiation of the Taliban and a public alliance with the United States in counterterrorism efforts. Pakistan has also become the third largest recipient of U.S. military and economic support throughout the entire world.

Much of this financial support was developed in the crucible of the immediate days after 9/11, and has not been guided by a long-term strategic plan. The centerpiece of the U.S. effort has been “Coalition Support Funds,” which are drawn from a Presidentially-designed and Congressionally-authorized fund of money to “reimburse” counterterrorism allies for incremental costs associated with supporting U.S. combat operations.

To date, nearly \$6 billion has been transferred under the Coalition Support Funds program to Pakistan. This represents greater than fifty percent of the total United States support to Pakistan and its people since 9/11.

The Defense Department has been given enormous discretion and authority under this program. The entire legislative guidance consists of a handful of sentences. The State Department has a smaller role, being required to concur with each payment authorized by the Defense Department. Today, we will hear from key witnesses from both departments.

Our Subcommittee has conducted an eight-month investigation into Coalition Support Funds, part of which included our bipartisan request to the Government Accountability Office to undertake the report that is being publicly released today in conjunction with this hearing.

Bottom-line – and let me be very clear here – the more I learn about U.S. Coalition Support Funds to Pakistan, the more I am troubled: first, in terms of waste, fraud, and abuse of a huge amount of U.S. taxpayer funds; second, about the program’s failure to achieve vital U.S. security objectives; and third, about the program’s incompatibility with a long-term strategic partnership between the U.S. and Pakistan.

Let me briefly touch on each of these concerns, all of which, I am hopeful, will receive a full and public airing at today’s hearing.

First, I have grave concerns about the Defense Department’s stewardship of nearly \$6 billion in taxpayer funds. The GAO’s in-depth, on-the-ground investigation offers a damning critique.

Specifically, the GAO found:

- “[F]or a large number of reimbursement claims Defense did not obtain detailed documentation to verify that claimed costs were valid or actually occurred”;
- “Defense paid over \$2 billion in Pakistani reimbursement claims for military activities covering January 2004 through June 2007 without obtaining sufficient information that would enable a third party to recalculate these costs”;
- The Defense Department paid costs that may not have been “incremental” to Pakistan’s expenditures as required by U.S. law;
- The Defense Department paid millions of dollars to Pakistan for “reimbursements” of potentially duplicative costs; and
- The Defense Department, more generally, established limited and insufficient guidance to ensure financial accountability.

We’ll hear more about what the GAO discovered when the director of the investigatory team testifies in just a few minutes.

Second, beyond the lack of financial accountability, I have grave concerns about the efficacy of this program. In short, how much “bang” have U.S. taxpayers gotten for these billions of “bucks”?

A series of post-9/11 reports have documented western Pakistan’s deterioration:

- In December 2005, the 9/11 Commission's Public Discourse Project stressed, and I quote: "*Taliban forces still pass freely across the Pakistan-Afghanistan border and operate in Pakistani tribal areas.*"
- In April 2007, the State Department concluded, and I quote: "*Pakistan remains a major source of Islamic extremism and a safe haven for some top terrorist leaders.*"
- In July 2007, the National Intelligence Estimate announced that al Qaeda had "*protected or regenerated key elements of its Homeland attack capability,*" including "*a safe haven in the Pakistan Federally Administered Tribal Areas.*"

Coalition Support Funds, as currently structured, are intended to enable Pakistan to attack terrorist networks and stabilize the border areas. A recent U.S. Defense Department report concludes:

*The War on Terror has caused Pakistan to engage in a counter-insurgency struggle for which it is ill-suited. The Army has been trained and equipped as a conventional military with a primary focus on fighting a conventional opponent – India. Pakistan's Frontier Corps soldiers are outgunned by their militant opponents. The result of these deficiencies in structure, tactics, doctrine and flexibility is that Pakistan occasionally takes 'tactical pauses' from engagement with the enemy while it reorients for changing targets.*

Some have gone even further in criticizing these U.S.-funded, post 9-11 Pakistani military efforts as, in fact, counterproductive.

One wonders where we'd be if, as at least one observer has noted, and I paraphrase, we had sought to deprive insurgent extremists of their base by strengthening legitimate governance throughout the territories of Afghanistan and Pakistan while ending policies (such as invading Iraq) that act as recruiting tools for the enemy. Early concentration on the democratization of Pakistan, to include civilian control of its national security strategy, followed by efforts to reinforce its security forces and police forces to act independently against Pakistan's existential threat of extremism may well have presented an enduring partner that could ensure that foreign aid was effectively directed toward mutual threats.

Let me be very clear, many of our Pakistani friends have fought valiantly, and many have died to save their country from the scourge of militant extremism and international terrorism. But that is just it – they are fighting an existential threat to their government and to their families and their neighbors.

This brings me to my third primary concern – the Coalition Support Funds program, as currently structured, is incompatible and inconsistent with a long-term strategic partnership between the United States and Pakistan.

Our two countries share a common set of enemies, but the Coalition Support Funds program furthers the damaging perception that the proud Pakistani military is merely acting as a rented tool of U.S. interests, and that Pakistan is but a client of the United States. This has negative implications not only between our two governments, but, more fundamentally, in our critical long-term relationship with the Pakistani people.

Today, we hope to begin a constructive public dialogue on Coalition Support Funds to Pakistan in an effort to constructively reevaluate this program and consider how best to transition from a program borne in the ad hoc crucible of the first few days after 9/11 into an accountable, effective, long-term partnership between the militaries and the peoples of both the United States and Pakistan.