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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

April 20, 2018

Lieutenant General Todd Semonite
Commanding General and Chief of Engineers
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314

Dear Lieutenant General Semonite,

On March 30, 2018, the Special Inspector General for Afghanistan Reconstruction (SIGAR) issued a report on a nearly \$60 million U.S. Army Corps of Engineers (USACE) project known as North East Power System Phase III (NEPS III) that was intended to bring electricity to one million Afghans.¹ SIGAR found that, even though the transmission lines were completed five months ago, they have never been operational and it is unclear when—or whether—they ever will be. The project appears to pose a significant risk for loss of U.S. taxpayer money and potentially even endangers the lives of Afghans.

NEPS III was a part of the entire \$110 million North East Power System Project to electrify the northern provinces of Afghanistan. The NEPS III contract was awarded in September 2013, and scheduled to be finished by January 2016. However, NEPS III was not completed until 22 months later, in November 2017.²

SIGAR specifically found that though the project was ultimately constructed successfully, it was built on ground that was still privately owned. Local Afghans live directly under the transmission lines. Despite the passage of almost five years, no progress has been made to acquire any of their land. Inexplicably, USACE authorized construction to proceed despite the fact that the land had not been legally acquired. The presence of people and homes under the transmission lines makes it unsafe to energize the system. Because USACE officials told SIGAR they had ethical concerns about transferring a hazardous system to the Afghan government, USACE spent an additional \$98,000 to disable NEPS III to prevent Afghanistan from turning it on.³

¹ Special Inspector General for Afghanistan Reconstruction, *Afghanistan's North East Power System Phase III: USACE's Mismanagement Resulted in a System that Is Not Permanently Connected to a Power Source, Has Not Been Fully Tested, and May Not Be Safe To Operate* (SIGAR 18-37 Inspection Report) (Mar. 30, 2018)

² *Id.*

³ *Id.*

Furthermore, SIGAR found that NEPS III was never permanently connected to the power substations that it was designed for, and that the contract for NEPS III generated by USACE did not include a requirement to do so. In essence, USACE had a built a power cord whose “plug” could not fit into the “outlet.” USACE officials have acknowledged they should have included such a contract provision. A permanent connection would take several years and millions of additional dollars to install. As such, the system may never be fully operational, and the system may not even be tested until after the contractor’s warranties have expired.⁴

SIGAR inspectors also found numerous structural problems in the work performed by the contractor during their site visits. SIGAR inspectors witnessed transmission towers built on unstable, unreinforced, and cracked soil embankments and whose concrete foundations are deteriorating. They found uncertified fire doors in a substation. SIGAR inspectors also found batteries in a substation that may eventually explode.⁵

In order to better understand this project and USACE’s processes, I ask that you provide information or documentation responsive to the following requests on or before May 11, 2018:

1. What officials at USACE were responsible for the NEPS III project? Please describe any favorable or adverse performance evaluation or personnel action they received related to the oversight of this project.
2. Why did USACE allow construction of NEPS III to proceed prior to acquiring the land on which it would be built, and why was a requirement to permanently connect NEPS III to the rest of the Afghan power grid omitted from the contract?
3. Please describe if there are USACE power projects in Afghanistan other than NEPS III for which the land has not been legally acquired or for which the contract has not required permanent connections to the ultimate source of power.
4. Please provide the capital project assessment for NEPS III required under Sec. 1273 of the Fiscal Year 2013 National Defense Authorization Act.
5. Please explain why USACE did not concur with SIGAR’s recommendations regarding contractor performance for NEPS III and describe any evidence or work papers that support USACE’s position.
6. Please describe what steps USACE will take to operationalize NEPS III equipment and when it will become operational.

⁴ *Id.*

⁵ *Id.*

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If you have any questions, please contact Jackson Eaton of my staff at (202) 224-2627. Please send any official correspondence related to this request to Rina Patel at Rina_Patel@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman