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## Contractors on the Battlefield

by

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The use of civilian contractors to supply the logistical needs of armies in the field is a very old practice. From ancient times to the present governments have relied on private citizens and commercial firms to supply the “sinews of war.” From time to time the provisioning of armies from state-owned and state-operated armories and granaries using state-owned transport has eclipsed the use of private contractors, but they have never been missing entirely. Today, the need to reduce military expenditures and the desire to shift various governmental functions to private business have made the issue of contractors on the battlefield an important one for American political and military leaders.

In discussing the use of civilian contractors on the battlefield a distinction must be made between the traditional—and more common—practice of *procurement contracting* by which the government secures the manufacture and delivery of food, clothing, arms and equipment, and what we may call *services contracting*, the use of civilian contractors to provide services on the battlefield, or at least in the immediate zone of operations. The two types are often mixed, but it is the latter type which concerns us here. This paper also focuses on the use of contractors by the Army, although the other services use contractors as well. Although the employment of civilian contractors on the battlefield raises many legal and administrative questions, the key question here is how effective such contractors have been in providing support to our forces in the field.

### A Short History Of U.S. Army Contracting For Battlefield Support

Even before the establishment of the United States Army in 1775, American military leaders were accustomed to relying on civilian contractors to fulfill the needs of their troops on campaign. Since 1775, American armies have always been accompanied on the battlefield, both at home and abroad, by civilian contractors. The provision of food, clothing, shelter, transport, labor and general

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housekeeping has often been entrusted to contractors, who have fulfilled their responsibility with varying degrees of efficiency and economy. The failures of such contractors have sometimes brought the Army near to ruin, but on the whole—particularly since World War II—they have made a positive contribution to the support of our armies in the field and have thus become an indispensable part of the Army's warfighting and peacekeeping capability.

### **The Colonial and Revolutionary War Period**

By 1775, the contract system had been used by European armies for over 150 years. Private contractors in England and in the colonies had long provided supplies and transport for British troops in North America, and American leaders were well aware of the drawbacks as well as the advantages of the contract system of army supply. Profiteering had always been a problem; thus in the early years of the Revolutionary War private contracting was not permitted. There were even suggestions that those who advocated private contracting in 1776 were under Tory influence. Early in the war, the preferred method of ensuring the supply of the American forces in the field was that of direct purchases by Army officers or government agents, acting on behalf of the Continental Congress, for the delivery of goods and services to units in the field. The civilian agents utilized their own credit to obtain supplies and services, were personally liable for the debts they incurred, and were paid a commission on the value of their purchases. The direct purchase system was subject to many abuses, and combined with the avarice of some merchants, a poor transportation system, and congressional ineptitude and delay, it produced the terrible winter camp at Valley Forge in 1777–78 and the even more desolate camp at Jockey Hollow in the winter of 1779–80.

The failure of the direct purchase system prompted the introduction of an alternative method for provisioning the troops in the field. Called "the system of specific supplies," it was not any more successful. Under the system of specific supplies, the various states through their agents undertook to provide in kind specified amounts of various goods and services required by the American military forces. The system of specific supplies was extremely clumsy and did not provide adequate support for a mobile, active army, particularly one in which troops raised by one state might actually be serving in another.

Underlying the failure of both the direct purchase and the specific supply methods were a crippling lack of funds and credit and an inadequate national financial system. By 1781, the situation was so bad that Congress and American military leaders were willing to try almost any system which seemed capable of adequately supplying the troops in the field. In February 1781, the Continental Congress appointed a Philadelphia merchant, Robert Morris, as Superintendent of Finance to oversee Army procurement. Morris acted quickly to replace the costly and inefficient direct purchase and specific supply methods with the European practice of supply by private contractors, which he believed would be both more efficient and less costly. Morris wrote,

In all countries engaged in war experience has sooner or later pointed out contracts with private men of substance and talents equal to the understanding as the cheapest, most certain and consequently the best mode of obtaining those articles, which are necessary for the subsistence, covering, clothing, and moving of any Army.<sup>1</sup>

Morris soon concluded major contracts with private individuals and firms for the supply of the Army after Yorktown. In December 1781, Comfort Sands and his brothers, Richardson and Joshua, received a contract to supply rations during the following year to the troops stationed at West Point and its outlying posts. Sands was also among the individuals awarded a large contract by Morris to provide the moving Army with rations during the 1782 campaign season. The others involved in the contract were Tench Francis of Philadelphia, Thomas Lowery of New Jersey, Walter Livingston of New York, and Oliver Phelps and Timothy Edwards of Massachusetts. Morris hoped that by engaging contractors from different states he would be able to avoid jealousy arising from the

domination of Army contracts by any one firm or region. In the fall of 1782, he contracted with John Banks to supply clothing and rations to Nathaniel Greene's army in the South, and he also negotiated a contract with the firm of Duer and Parker to supply the troops in New York and New Jersey with rations during the year 1783. Small contracts for limited supplies, labor, fuel and transport were also made at the local level.

Morris hoped that the contracting system would result in both greater efficiency and greater savings. In fact, the reduction in the number of purchasing agents, issuing commissaries, and other government personnel involved in supplying the Army did produce substantial savings. The cost of providing rations at West Point, for example, was cut in half. But Morris's hope that the contracting system would produce lower costs through free competition among men of integrity was generally disappointed. In less than ninety days, Army officers were complaining of the poor quality of rations delivered by the contractors and criticizing the avarice of Sands and Company; accounts for the fixed installations and the moving Army were being confused; the contractors were complaining of late payments; and rather than competing, the contractors were colluding to pool risks and profits, fix prices, and pressure Morris for payment. In September 1782, Sands and his associates threatened to stop supplying the Army on 1 October unless Morris met their demands. Morris subsequently canceled the contract but was forced to pay Sands and Company some \$40,000 in compensation. As the war came to an end in 1783, charges were pending against a number of contractors for various abuses.

In early 1783, General George Washington, who had criticized both the system of purchasing agents and the system of specific supplies, expressed his satisfaction with seeing his troops better fed, better clothed and better housed than ever before. However, Washington soon became dissatisfied with the performance of Duer and Parker and complained of irregular issues and the provision of unwholesome rations. He defended his officers against claims that their complaints were frivolous, and both General Washington and Alexander Hamilton pointed out that the contractors were often more concerned with increasing their profits than with providing the Army with the supplies and services it needed when and where they were required. Washington characterized the major contractor, Comfort Sands, as a purveyor of "low dirty tricks," who was "disingenuous and little abounding in a temper to conciliate the good will of the Army" and "determined to make all the money he can by the Contracts."<sup>2</sup>

The Army's experience with private contractors in the War for Independence contained most of the elements which would characterize the later use of contractors on the battlefield: mixed results in terms of performance and adequate support for the troops; lack of experience and expertise on the part of Army officers in dealing with contractors; lack of clarity in communications between the Army and supporting contractors as to requirements, capabilities, and costs; and financial manipulation and desire to increase profits at the expense of the Army on the part of contractors. Even so, the system of private contractors did result in some improvements in efficiency and cost-savings over the other methods available, and it must be said that without the credit provided by private contractors the new-born nation might not have been able to sustain an army at all. It should also be noted that the utilization of contractors to supply forces on the battlefield did not receive a fair test in the Revolutionary War. In fact, most of the contracting was done after Yorktown and involved the supply of static installations rather than mobile forces engaged in combat. Moreover, the nature of the contracting activity undertaken was such that procurement was thoroughly mixed with the provision of services on the battlefield. Nevertheless, by 1783 the system of private contractors was generally accepted, and it would remain the primary system for providing the fledgling U.S. Army with food, forage, fuel, clothing, equipment, weapons, transport and additional labor, both in garrison and in the field, for many years to come.

## **The Nineteenth Century**

Save for the War of 1812, a short but successful war against Mexico, the cataclysm of the Civil War, and a continuous counterinsurgency campaign against the various native peoples of North America, the United States Army was at peace for most of the century after the Revolution. The basic institutions of a modern standing army developed slowly, and despite a few nearly catastrophic failures early on, the contracting system devised in the later stages of the Revolutionary War provided adequate support for a small and relatively inactive Army. Gradually, private contracting was supplanted by the growing system of government arsenals and manufactories and the development of procedures for centralized procurement from the expanding American industrial sector managed by the logistical bureaus of Army headquarters. Nevertheless, in time of war the demands of active operations revived the need for private contractors to supplement the efforts of the bureaus.

In the immediate aftermath of the Revolution, the private contractors upon whom the Army relied, including that practitioner of "low dirty tricks" Comfort Sands, were often both inefficient and corrupt, and as the historian James A. Huston has noted, "the contract system, effective as a last-ditch measure under Robert Morris in the victorious phase of the Revolution, left much to be desired in supplying the small garrisons and expeditionary forces during the next two decades."<sup>3</sup> In 1786, the Army's subsistence contractor, Turnbull, Marmie, and Company, performed so poorly that the Army's ranking officer, Lieutenant Colonel Josiah Harnar, himself paid for rations to keep his minuscule army from starving. In March 1791, Congress passed legislation to outfit an army to subdue the Indians on the frontier, and the contract for supplying the troops beyond Fort Pitt went to William Duer, who had drawn George Washington's ire for providing unwholesome provisions in the Revolutionary War. The resulting expedition against the Indians, led by Major General Arthur St. Clair, was an abject failure, and much of the blame for the debacle can be attributed to mismanagement and negligence on the part of the supply contractor. The ability of the Army to adequately feed, clothe and otherwise support its soldiers had not improved eighteen years later when the restrictive policies of a new Secretary of War, William Eustis, and the collusion with dishonest contractors of a commander, Brigadier General James Wilkinson, combined to produce what historian Russell Weigley has called "one of the Army's worst peacetime disasters of any era," the virtual abandonment of some 2,026 enlisted men in a swampy camp at Terre aux Boeufs, south of New Orleans, where the unhealthy climate, poor sanitation, and lack of shelter, clean water, clothing and wholesome rations resulted in 166 desertions and more than 830 deaths between February 1809 and January 1810.<sup>4</sup>

Nor had the supply of the Army improved much by the War of 1812. Although arms and ammunition were by then being supplied from the production of national arsenals, subsistence, clothing and transport were still largely under the system of private contracting and proved generally unsatisfactory, in part because of the lack of adequate staff supervision by experienced Army logisticians, a defect which was largely repaired by the creation following the War of 1812 of the Quartermaster, Subsistence, Medical and Ordnance bureaus of the Army staff and the assignment to head those departments of men of some vigor and vision. The Army was slowly weaned from the system of private contractors, and in the 1820s Secretary of War John C. Calhoun did much to end the evils of relying on private contractors to feed the Army by centralizing subsistence procurement in the office of the Commissary General of Subsistence.

By the Mexican War of 1846-48, the Army's logistical bureaus had developed effective procedures for dealing with both procurement and services contracting, and the Army's own system for the production and distribution of armaments, clothing and other equipment was becoming increasingly effective. Fixed garrisons, and in some cases units in the field, were still provisioned in large part by contract, but experienced Army officers were able to avoid the most serious abuses by private contractors, most of whom in any event had been thoroughly winnowed in the years before the war. However, the rapid mobilization and movement of U.S. forces into Mexico put severe strains on the Army's procurement system, and between 15 August 1845 and the end of 1846, the

Quartermaster's Department alone placed over 400 contracts, most of which were for transportation services. Once the Army entered Mexico, additional transport was hired and a number of civilians were engaged to maintain wagons.

The principal issues raised by the experience of the Army with private contracting during the war with Mexico focused on the control and discipline of contractor personnel. The hiring of mechanics, teamsters and laborers was expensive, the supply of such workers uncertain, and their retention doubtful. Moreover, contract teamsters proved difficult to control and generally resistant to Army discipline on the march and in camp. The situation became so difficult that the Quartermaster General, Thomas Jesup, urged the formation of a corps of workers under military control and discipline to perform as mechanics, teamsters and laborers. Jesup cited as reasons for his recommendation a possible cost reduction of one-third and a doubling of efficiency. His proposal received support from the Army's civilian leadership, Assistant Secretary of War Trueman Cross noting the need for reliable transport personnel who would not "swear back," but Congress failed to act. Over sixty years would pass before Jesup's recommendations became reality.

The Civil War provided a major testing of the Army logistical bureaus and of the existing system of procurement and services contracting. The enormous expansion of the Union Army at the beginning of the war created severe problems for a time in the procurement contracting sector, but by and large the contracting of services on the battlefield, although greatly expanded overall, remained manageable by virtue of the increased capabilities of the logistical bureaus for developing and enforcing effective policies and procedures. The high level of manpower mobilization in the North, as well as the ready availability of unskilled labor provided by numerous freed slaves from the states of the Confederacy, reduced the need for contractors, but construction, labor and transport services on or near the battlefield continued to be provided by private firms. Difficulties in procurement contracting early in the war led to improved management procedures which were then applied to services contracting as well, the general principle being to concentrate contracting authority insofar as possible in the bureau headquarters in Washington or in major regional centers.

Despite the scope and scale of Civil War operations, there were essentially no new developments in the use of contractors on the battlefield, and in the postwar period of the Indian wars from 1865 to 1890 the Army continued to find the use of private contractors to provide food, fuel and transport to the frontier outposts to be a satisfactory supplement to the Army's own system of arsenals, clothing factories and storehouses. Supplies were moved to the Western forts by railroad, by express companies such as Wells Fargo, by wagon trains supplied by private contractors such as Majors and Waddell, and by Army wagons driven by civilian teamsters hired on an individual basis. The policies requiring competitive public bids for Army contracts and the selection in most cases of the low bidder complicated matters and often resulted in the payment of higher fees than the Army might have obtained by negotiation, but on the whole the system worked quite well.

## **The Early Twentieth Century**

The Spanish-American War of 1898 and the subsequent assumption by the Army of overseas responsibilities in the Philippine Islands and elsewhere served to highlight the deficiencies of the existing system of procurement contracting and added new angles to service contracting for forces operating overseas. As part of the reorganization and reform of the Army growing out of the problems encountered in the War with Spain, the Quartermaster, Commissary, and Pay Departments were consolidated in 1912, and a body of enlisted men dedicated to the performance of logistical tasks was created in the form of the Quartermaster Corps, which by the eve of World War I numbered some 5,400 men. The creation of the Quartermaster Corps responded to the long-standing requirement for a body of skilled and semiskilled men under military control and discipline who

could be deployed as Army needs dictated, the prospect of overseas operations being a prime consideration. Although the creation of the Quartermaster Corps did not eliminate the need for private contractors on the battlefield, it was a move in that direction.

The situation was not substantially altered by United States participation in World War I. Given a high level of manpower and industrial mobilization, the Army found in uniform most of the logistical specialists it needed as well as sufficient unskilled labor to cover most of its requirements. Skilled personnel obtained through enlistment and the draft were formed into specialized units to perform all necessary support functions in the zone of operations, and combat units were often called upon to provide the necessary unskilled labor. In France, the American Expeditionary Forces did use some private contractors, primarily French and Belgian firms, to obtain extra labor, transport and housekeeping support.

## **World War II**

The use of contractors on the battlefield as we now understand the practice grew during World War II despite the fact that in a worldwide conflict in which the United States aimed at full personnel and industrial mobilization both the need for private contractors on the battlefield and their ability to form and deploy effective teams of skilled workers, as well as their financial interest in such activities, were limited. Most civilian firms were heavily engaged in war-related projects in the United States, skilled workers were at a premium given the mobilization of millions of men and women in the armed forces, and the means of transporting men and materials overseas for work in forward areas were restricted. Nevertheless, workers were hired individually or through contracts with private firms to provide the support services required by U.S. forces in all the theaters of war. Two aspects of the use of civilian contractors in World War II merit special attention: the increased use of manufacturer's technical representatives and the attempt to establish ordnance repair facilities under private contractors in North Africa and the Middle East.

For the first time in World War II, the manufacturer's technical representative became a prominent feature in forward areas. The increased complexity of military aircraft, signal equipment, vehicles and other war matériel produced by American factories, the rapid introduction of new and improved models, and frequent changes in operating and maintenance requirements made the "tech rep" a welcome addition at forward airfields, depots and repair facilities. In some cases, tech reps were even to be found in the front lines seeking solutions to technical and operational problems regarding equipment supplied by their firms.

The attempt to use American contractors to build and operate ordnance repair facilities to support Allied operations in North Africa and the Middle East is one of the more interesting logistical operations of World War II. Acting on the request of British authorities, in mid-1941 President Franklin D. Roosevelt directed the Army to establish and operate essential port, transportation, storage, assembly, maintenance and training facilities and to provide advice and assistance to the British and other friendly governments in obtaining and making the best use of military defense aid provided by the United States under the Lend-Lease Program. The British were to determine the location, size and character of the required facilities, which would then be built and operated by American companies under U.S. War Department direction. The use of civilian firms was mandated by the lack of adequate numbers of U.S. Army service troops in 1941 and the fact that the United States was not yet a belligerent.

Early plans calling for the establishment of facilities spread from South Africa through the Middle East to India were soon pared down to facilities in North Africa and Iran. U.S. Army Brigadier General Russell L. Maxwell was chosen to head the North African effort, and Brigadier General Raymond A. Wheeler was named to head the effort in Iran. An Ordnance officer, Colonel Francis H. Miles, was charged with developing a single plan for both areas and with placing a

contract for all activities (except motor transport) with a single firm. American firms were generally reluctant to take on the enormous task, and the Chrysler Corporation refused outright. Eventually, a contract was placed with the J. G. White Engineering Corporation for the construction and operation of facilities, and separate contracts were made with the Overseas Operations Division of the General Motors Corporation and with the Ford Motor Company for the automotive work.

The designated contractors had just begun to assemble and organize the men and matériel required for the project when the United States entered the war on 7 December 1941. Direct U.S. involvement changed the nature of the project and raised the question of whether military personnel should be used rather than civilian contractors. In February 1942, Under Secretary of War Robert Patterson, over the objections of Army leaders that service troops were not available, directed that the contracts with the civilian firms should be terminated and the job taken over by military service units. Patterson's decision required the replanning and rescheduling of tasks already laid out by the contractors, the creation of suitable Tables of Organization and Equipment (TO&Es) for the service units involved, and obvious delays in the project. The War Department soon agreed to let the construction activities proceed under the contractors with the scope of the projects greatly reduced and divided into two phases to be completed by the end of 1942. The initial requirement for 40,000 service troops was reduced to fewer than 25,000, it being assumed that the contractors would take care of the construction work and native labor would be used to the maximum extent possible. Plans were made in late May 1942 to dispatch most of the required service troops in one big movement in August, but events elsewhere disrupted the plan. Nevertheless, most of the contractor personnel had reached the Middle East by July, and eventually the planned construction projects were completed by the contractor and the facilities were handed over for operation by military personnel.

The use of civilian contractors to build and operate ordnance facilities in North Africa and the Middle East raised all of the problems cited today with respect to the use of civilian contractors on the battlefield. As Ordnance Corps historian Lida Mayo has written,

The opportunity to terminate the contract was welcomed, for by then Ordnance was well aware of the problems it posed. The [J. G. White Engineering] corporation was inexperienced in Ordnance operations; its letter of contract to operate supply and repair depots for tanks and miscellaneous Ordnance, Signal, Engineer, Chemical Warfare, and other military equipment also implied duplication of effort and confusion as to responsibility. More important than either of these considerations was the fact that there were inherent dangers in assigning to a civilian contractor tasks that were essentially military. The contractor might abandon the work, or the employees could leave when they saw fit. Civilian workers in a combat area might be captured, in which case they did not have the protection of military status, or they might be killed. And the very nature of Ordnance matériel argued against contract operations, for the storage, issue, and repair of munitions was essentially too vital an operation, and too vulnerable to sabotage and security violations, to be entrusted to civilians.<sup>5</sup>

## **The Korean War**

In many respects the Korean War was a continuation of World War II, although the low level of mobilization required somewhat greater reliance on contractors for essential support. For example, logistical operations in Japan in support of U.S. forces in Korea were dominated by Japanese contractors. Indeed, the Japanese automobile industry was revived by participating in the U.S. Army wheeled vehicle rebuild program during the Korean War. Japanese contractors were also called upon to provide stevedore and other services in Korea, but for the most part in Korea itself the Army

relied on Korean contractors to perform a wide variety of services, including stevedoring, road and rail maintenance, and supply-carrying parties.

The costs of labor obtained through Korean contractors was so high that in the summer of 1951, Army authorities adopted a policy of hiring labor directly whenever possible. Overall, however, the use of Japanese and Korean contractors resulted in substantial manpower savings for the Army. It has been estimated that without Japanese labor the Army would have required nearly a quarter of a million more service troops, and logistical historian James A. Huston has noted that "without Korean workers in Korea, it would doubtless have been necessary for the U.S. forces to assign whole divisions of combat troops to the supply lines."<sup>6</sup> The other problem occasioned by extensive use of contracted Japanese and Korean labor during the Korean War was that the Army did not have a sufficient number of experienced contracting officers and labor supervisors, nor did it have a sound doctrine for the contracting and management of civilian labor in a theater of operations. The lack of doctrine led to confusion over responsibilities for the procurement, organization, training, assignment and administration of contract labor.

## **The Vietnam War**

The use of contractors on the battlefield became a major part of the U.S. Army's logistical capabilities during the Vietnam War of 1965–73. Given the low level of manpower and industrial mobilization throughout the eight-year war, the use of civilian contractors was both inevitable and indispensable. Private contractors performed a variety of services in the zone of operations focused on five major areas: construction; base operations; water and ground transport; petroleum supply; and maintenance and technical support for high-technology systems. Civilian contractors were also used extensively by the other services and by the South Vietnamese government. Due to the lack of skilled labor in Vietnam, contractors often hired U.S. and third country nationals to perform the work required; in 1969 there were some 52,000 contractor personnel in Vietnam.

The Vietnam War saw increased use of manufacturers' technical representatives to deliver and maintain high-technology equipment such as helicopters and signal gear. Aviation maintenance, particularly avionics, sheet metal and structural repairs, was a particular concern. The U.S. Army Aviation Systems Command provided both Department of the Army civilians and manufacturers' field service representatives to advise and assist in problem areas. In the summer of 1969, there were some 151 field service representatives authorized plus those assigned to new equipment training teams. In addition, three participating U.S. contractors—Lockheed, Lear Siegler and Dynalectron—had some 1,892 contract aviation maintenance personnel in country.

From FY 1965 through FY 1971 the U.S. Congress appropriated \$969 million for construction in Vietnam, of which some \$895 million had been obligated by 31 December 1971. A good deal of the necessary construction work was performed by engineer units of the various services, but a number of private contractors also participated in the Vietnam construction effort. One of the principal construction contractors was the firm of Richardson-Morrison-Knudsen-Brown-Root-Jacobsen (RMK-BRJ), a lineal descendant of which, Brown & Root Services Corporation, is the principal U.S. Army battlefield contractor today, nearly forty years later.

The placement and management of Army contracts for services other than major construction were the responsibility of the U.S. Army Procurement Agency, Vietnam (USAPAV), which in FY 1969 administered services contracts worth some \$234.3 million. The largest contract administered by USAPAV was for the operation and maintenance of base camps and the field maintenance of installed equipment such as generators, air conditioners, pumps and refrigeration units. The contractor responsible for the maintenance and operation of base camps and other installations throughout Vietnam was Pacific Architects and Engineers (PAE). At peak strength, PAE had some 24,000 workers in Vietnam and furnished the required labor, organization and management while

the U.S. government supplied equipment, repair parts, tools and other materials. Together with another contractor, the Vinnell Corporation, PAE also operated and maintained fixed electric generating plants in Vietnam since military personnel were not trained in the operation of commercial equipment such as 1,500-kilowatt generators.

Another major area of contractor participation in Vietnam was water and highway transport operations. Most of the ports in Vietnam were operated by mixed military and civilian contractor forces. Contractor services included ship discharge and stowage, lighterage services, and in some cases short overland movement and off-loading at U.S. Army depots. In the Saigon area, military personnel were used as supervisors and cargo checkers, and most stevedore labor was provided by Vietnamese contractors. Elsewhere in Vietnam, U.S. military and third country stevedores were employed. For example, in the Qui Nhon area, both trucking and stevedore services were provided by the Han Jin Company of Korea. To alleviate the shortage in lighterage and coastal shipping a contract was awarded in December 1965 to the Alaska Barge and Transport Company for tug, barge, and intracoastal reefer and dry cargo shipping services. Alaska Barge and Transport also provided stevedoring and trucking services at various places. The Luzon Stevedoring Company provided shallow-draft barge and tug services, particularly for the movement of crushed rock for highway renovation in the Mekong Delta region. Sea-Land Services, Incorporated also began intermodal dry cargo and reefer container operations in Vietnam in October 1967. Sea-Land container vessels were discharged at Cam Ranh Bay and shuttled as necessary to the Saigon and Qui Nhon area.

By the end of 1965, it was apparent that the existing military motor transport available for port clearance was inadequate, and between March and June 1966, USAPAV awarded ten major contracts for trucking services. Among the contractors participating were the Vinnell Corporation, Equipment Inc., Philco Ford, Han Jin Company, Alaska Barge and Transport Company, and Do Thi Nuong. The support provided by Vinnell Corporation included the operation of thirty Army-procured Kenworth trucks and trailers designed for use in the Arabian desert; these were used effectively in the sand dunes around Cam Ranh Bay. In the III Corps Tactical Zone (CTZ), Equipment Inc. and Philco Ford trucks were also intermingled with U.S. Army vehicles in daily resupply convoys to forward base camps.

U.S. forces in Vietnam consumed some 163 million barrels of petroleum products during the course of the war. For the most part, the Army and other services relied on commercial contractors to receive, store and distribute the necessary petroleum, oils and lubricants (POL) on a wholesale basis. Because no one firm had adequate facilities and equipment to meet the entire military requirement, it was necessary to award concurrent contracts to Shell, Esso and Caltex. Even then, the three firms had to be augmented by military petroleum units, particularly in northern South Vietnam. The U.S. Army and Navy constructed some 1.6 million barrels of fixed bulk POL storage at Cam Ranh Bay, Qui Nhon and Da Nang, and the U.S. Air Force had a storage capacity of about 350,000 barrels on its bases. The sole bulk storage facilities in southern South Vietnam were owned by Esso, Shell and Caltex and amounted to less than one million barrels, 90 percent of which was at Nha Be near Saigon. The Nha Be facilities were highly vulnerable to enemy action, and a Viet Cong attack on the Shell terminal there in 1967 resulted in the loss of \$3.5 million worth of product.

The use of private contractors to provide services to U.S. troops on the battlefield in Vietnam raised again all the old questions regarding the international legal status, control and discipline of contractor personnel as well as questions of doctrine, the modifications needed in Army procedures to accommodate contractor operations, and cost-effectiveness. On the whole, however, private firms provided a variety of services under contract effectively and at reasonable cost with an enormous savings in military manpower and equipment, and the cooperation and dedication of contractor personnel were major factors which led the Joint Logistics Review Board in 1970 to conclude that "U.S. forces committed to conflict have never been better supplied than those in Southeast Asia."<sup>7</sup>

## **The Gulf War**

Despite the relatively short duration of the Gulf War of 1990–91, all of the U.S. armed services, as well as British forces, made extensive use of contractors, either engaged directly or through host nation support arrangements with Saudi Arabia. In 1994, the U.S. General Accounting Office estimated that there were as many as 5,000 U.S. government civilian employees and some 9,200 contractor employees deployed in support of U.S. forces in the Gulf. The efforts of contractor personnel were focused on maintenance support for high-technology equipment but also extended to the provision of water, fresh foods and various services. Although Middle Eastern business practices sometimes complicated Army management of contractor efforts, the use of contractors during the Gulf War proved effective and reasonably inexpensive. The usual problems of management and administration were encountered, and substantial questions arose as to the legal status of the contractor personnel in theater, but on the whole the more than one thousand U.S. defense contractors involved made a major contribution to the spectacular success of our forces in the Gulf.

## **Contracting for Contingency Operations**

By the 1970s, the use of civilian contractors had become an accepted means of augmenting Army logistical capabilities, particularly in contingency operations conducted on short notice and for limited objectives and duration. Reductions in defense budgets and in the Army logistical force structure which began well before the Gulf War, coupled with apparent success in the use of contractors on the battlefield in Vietnam and the Gulf, led in the mid-1990s to the establishment of the Logistics Civil Augmentation Program (LOGCAP), designed to formalize Army procedures and relationships with civilian contractors to provide necessary logistical and engineering services on the battlefield or during contingency operations. Although a multitude of civilian contractors still participate in Army operations at home and overseas, the Army has only one principal LOGCAP contractor. The principal LOGCAP contract was awarded to Dyncorp of Reston, Virginia, in 1997; before that time it was held by Brown & Root Services Corporation (BRSC) of Houston, Texas. BRSC is a subsidiary of Houston-based Brown & Root, Incorporated, itself a part of the Halliburton Company of Dallas, headed since October 1995 by former Secretary of Defense Dick Cheney. Traditionally active in the energy field, Brown & Root, Inc., has become one of the top ten U.S. government contractors by virtue of its participation in the support of U.S. military forces. The company has grown to some 40,000 employees, and earns some 44 percent of its revenues overseas, mostly from energy-related contracts. As the fastest growing subsidiary of Brown & Root, Inc., BRSC saw its revenues grow from \$200 million in 1986 to over \$1 billion in 1995. A major portion of BRSC revenues is derived from support to the Army in peacekeeping operations such as Operation Uphold Democracy in Haiti and Operation Joint Endeavor in Bosnia.

The participation of BRSC in Operation Joint Endeavor, the deployment of a U.S. military peacekeeping force to Bosnia in 1995–96, was typical of its activities as the principal LOGCAP contractor. Operation Joint Endeavor was the largest and most complex logistical effort undertaken by the United States Army Europe (USAREUR) since World War II. The effort was facilitated, indeed made possible, by the participation of a number of civilian contractors, including Lockheed, Raytheon, Martin-Marietta, Serv-Air, Esko, Ogden and various Hungarian, Bosnian and Croatian firms. In Operation Joint Endeavor, USAREUR made use of LOGCAP for the first time. The principal LOGCAP contractor, BRSC, began providing support of Operation Joint Endeavor in Hungary, Bosnia and Croatia on 27 November 1995, and continued to provide support for the successive increments of USAREUR troops deployed to Bosnia annually since 1995. BRSC provided a wide range of services including base camp construction, transportation, the distribution of ice and water, POL support at selected locations, food service, laundry and tailoring, showers, latrines, trash and garbage removal, contingency equipment, the maintenance of organizational

clothing and equipment, and an unskilled labor pool. Although the initial contract called for only eight base camps, BRSC, aided by U.S. Air Force and Navy construction engineers, eventually built some twenty-five camps to accommodate the 20,400 U.S. troops in Bosnia and Croatia. As BRSC Vice President and Director of Operations Chuck Fiala has stated in Bosnia, the company does "almost everything that the [military] does not want to do . . . allowing them to focus on their military mission."<sup>8</sup> Although the main LOGCAP contract in support of Operation Joint Endeavor cost \$480.41 million up to 27 December 1996, USAREUR authorities claimed that the use of BRSC and other contractors resulted in significant cost savings.

Although the overall performance of BRSC and other civilian contractors in Bosnia has been excellent, many of the traditional difficulties of employing private contractors on the battlefield, some of them going back to 1775, have been encountered. The failure to include the principal LOGCAP contractor in the early planning for the operation; confusion as to contractor capabilities; unclear, shifting Army requirements; delays in obtaining the necessary funding authority and decisions from Congress and the Executive Branch; the lack of clear doctrine and procedures for the employment and control of contractors; inexperience on the part of Army contract supervisors; the complications of working in a multinational environment; and issues of Army control and disciplinary power over civilian contractor employees have all contributed to problems. But on the whole, the logistical contractors involved have worked diligently and effectively to support U.S. troops.

### **Contractors On The Battlefield: Past, Present And Future**

In their 1995 essay entitled *The Emerging Importance of Civilian and Contractor Employees to Army Operations*<sup>9</sup>, Raymond J. Sumser and Charles W. Hemingway fairly outlined the categories of problem areas encountered in the use of contractors on the battlefield in the past and the questions which are likely to arise from such utilization in the future. The international legal status of civilian contractor employees in a combat zone; the difference in attitudes and procedures for civilian contractors held by the United States and its various allies and potential partners; the doctrine for command and control of civilian contractors in a zone of operations; the lack of experience, particularly on the part of military personnel, in dealing with contractors; the discipline of contractor personnel; and questions of administration are all of concern. These are difficult and complex issues which cannot be resolved quickly or easily, but given the certainty of the continued employment of civilian contractors in support of Army forces worldwide for the foreseeable future, they must be addressed systematically and with some broader vision of how contractors fit into the overall scheme of Army warfighting.

The certainty of the continued use of contractors on the battlefield is suggested by several related trends in modern military and business affairs. Until recently, the decision to employ contractors to provide necessary services in a zone of active operations has been mainly a function of the perpetual shortage of Army service personnel and the need to compensate for that lack. The decision is now also intertwined with broader questions of national economics, business practice and political philosophy.

The United States Army has always found itself short of skilled logistical support personnel, particularly during periods of relative peace. Combat service support personnel are sometimes viewed as being in the "nice to have" rather than the "essential" category, and when economic and political pressures for reductions in defense spending and the size of our standing Army have risen, logistical personnel and capabilities have often been the first to be sacrificed. The current environment of reduced government spending and consequent grave reductions in the military force structure, coupled with continued high mission requirements and the unlikely prospect of full mobilization, mean that to reach minimum required levels of support the extant Army logistical

personnel will have to be augmented by civilian contractors. Since the late 1950s, no major operation undertaken by the Army—including the Vietnam and Gulf wars as well as a host of large and small contingency operations—could have been successfully completed without the assistance of civilian contractors, and that will continue to be the case in the future.

There are also other, more intangible trends leading toward continued heavy reliance by the Army on civilian contractors. Since the beginning of the twentieth century, the Army has steadily sought to adopt for its own benefit methods first developed in the American business sector. From the attempt to use Frederick W. Taylor's "time and motion" studies in Army arsenals at the turn of the century to the use of statistical control methods in World War I, the development of operations research/systems analysis in World War II, and the cost analysis methods of Defense Secretary Robert McNamara and his "whiz kids" in the 1960s, the Army and business have had a symbiotic relationship with respect to the development and implementation of so-called scientific methods of management and control. This cooperation has broken down the barrier between "military" functions on the one hand and "business" functions on the other, particularly in the field of logistics. At the beginning of this century reformer Secretary of War Elihu Root asked, "Is not the Army just one big business?" At the end of the century, the answer is, "Yes, at least in its logistical aspects." Given the acceptance of this idea—for good or ill—the view that military combat service support units and civilian contractors are interchangeable is only natural. And one of the hottest trends in business today, designed to reduce overhead and increase profits, is the idea of outsourcing—divesting a company of difficult and expensive functions and having them performed elsewhere more cheaply. Around 40 percent of the biggest American firms outsource at least one major piece of their operations at an estimated cost savings of 10 to 15 percent per year. Outsourcing is a business trend which the U.S. government, and consequently the military services, have taken to heart.

Forcing the increased use of civilian contractors at every level is an even more ethereal trend in political philosophy which has come to prevail in the last half of the twentieth century: the conservative capitalist idea that the "government which governs least governs best." The corollary of this libertarian "small government" concept is the idea that most functions currently performed by government ought really to be performed by private business. "Privatization," in part a reaction to the overregulation of private business by the government since World War II, is often promoted as a means of reducing the cost of government, particularly by reducing the number of employees on the government payroll and through assumed cost savings resulting from competitive bidding in the free marketplace. Calling to mind Robert Morris' unrealized hopes for cost savings in 1781, American advocates of "privatization" in the defense sector often cite cost savings of between 10 and 30 percent as a benefit of turning over various functions, such as computer services or housekeeping on military installations, to private firms. The advocates of privatization and outsourcing, both in business and in government, have the upper hand for the moment, and given the end of the Cold War, the armed forces are a natural target for such efforts, the more so in that the performance of logistical support functions for the services has always been an extremely lucrative enterprise for the canny contractor.

Despite the prevailing economic and political trends and the proven effectiveness and presumed cost-savings of using civilian contractors on the battlefield, there remains considerable resistance to the practice. Commanders who would not hesitate to engage a private contractor to build a child care center on a Stateside installation may be loathe to use a civilian contractor to construct a cantonment area in the area of active operations overseas. The uncomfortable questions of control, discipline and legal status of contractor personnel, as well as the technical difficulties of complying with contracting laws and guidelines and the comparative lack of experienced contracting officers, remain serious drawbacks to full acceptance of the practice.

In fact, there is some justification for continued skepticism regarding the use of contractors on the battlefield. If one were to seek out the single most troublesome aspect of the practice since 1775, the one factor that seems to dominate is the degree to which problems in contracting arise from the inadequate preparation and lack of experience on the part of military personnel. The worst abuses of the contracting system have run unchecked when Army officers have failed in their duty to detect and correct such abuses. With the growth in expertise in the Army's logistical bureaus in the nineteenth century, the worst abuses of the procurement contracting system were overcome, or at least brought under control. But the number of truly well-trained and experienced personnel to deal with the intricacies of service contracting in the field has never been high, nor has such dirty work ever attracted the Army's best and brightest. Given the likely prospect of heavy civilian contractor involvement on future battlefields, there needs to be greater emphasis placed on the development and placement of contracting experts throughout the Army.

One recent trend threatens to degrade rather than strengthen the development of officers to ensure the effectiveness of contractor operations. The use of civilian contractors to perform military staff work, including analysis of operations, is becoming widespread, prompted in part by the declining levels of manning and expertise on Army staffs at every level. However, there are some functions that a staff must perform internally, not just to get the job done but to provide the essential experience necessary to the proper development of junior and middle-level officers. Adequate staff analysis and writing skills are difficult enough to inculcate. The use of contractors to perform essential staff work reduces substantially the opportunities for the development of critical staff skills and can only lead to a point where most key military decisions are based primarily on analysis by outside civilian organizations which have their own agendas.

## **Conclusion**

The United States Army and civilian contractors have traveled together over a sometimes rocky road since 1775. In peace and in war, civilian contractors have provided supplies and services to American troops in the field, both at home and aboard. The proportionate participation of contractors has changed from time to time but they have never been entirely absent, and their prominence has increased in the era of limited mobilization warfare since 1945. The changing international business environment, reduced defense expenditures, and the desire to save additional funds by shifting many governmental functions to private business argue strongly for the use of civilian contractors in the future. The question for Army leaders is not whether to use civilian contractors on the battlefield but rather how to use them with maximum effectiveness and least cost. The vision of a power projection Army of the future outlined in FORCE XXI has as its sixth underlying concept "Sustain the Force," which visualizes the Army's ability to "seize the initiative, dictate the tempo, and maintain the tempo of operations over time" as resting on a modern, modular, automated, proactive and fast-moving logistical support structure. To make such a support structure a reality, it will be necessary to integrate into it from the beginning a recognition that civilian contractors are no longer an annoying, if necessary, presence on the battlefield but rather are—and will continue for the foreseeable future to be—a principal element in the equation.

## Notes

1. Quoted in James A. Huston, *The Sinews of War: Army Logistics, 1775–1953* (Washington, D.C.: Office of the Chief of Military History, United States Army, 1966), p. 71.
2. Quoted in Erna Risch, *Supplying Washington's Army* (Washington, D.C.: Chief of Military History, United States Army, 1981), pp. 254 and 258.
3. Houston, *Sinews of War*, p. 101.
4. Russell F. Weigley, *The History of the United States Army* (New York: Macmillan, 1967), pp. 113–114.
5. Lida Mayo, *The Ordnance Department: On Beachhead and Battlefield* (Washington, D.C.: Office of the Chief of Military History, United States Army, 1968), pp. 20–21.
6. James A. Huston, *Guns and Butter, Powder and Rice: U.S. Army Logistics in the Korean War* (Selinsgrove, Pa.: Susquehanna University Press, 1989), p. 390.
7. United States Joint Logistics Review Board, *Logistic Support in the Vietnam Era* (Washington, D.C.: Office of the Assistant Secretary of Defense [Installations and Logistics], 1970), pp. I, 4.
8. Neil Munro, “Top 100 Federal Contractors: 10. Brown & Root Inc.,” (downloaded from [www.wtalmanc.com/10100/10.html](http://www.wtalmanc.com/10100/10.html), 18 January 1999), p. 1.
9. Raymond J. Sumser and Charles W. Hemingway, “The Emerging Importance of Civilian and Contractor Employees to Army Operation,” Landpower Essay Series No. 95-4, June 1995 (Arlington, Va.: Association of the United States Army).

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