

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

MS: Ladies and gentlemen, our session is going to begin.

Please find your seats. Thank you.

FS: Ladies and gentlemen. At this time, I have the distinct privilege of introducing Captain Sam Dickson. Captain Dickson has 21 years of service on both active duty and in the reserves. He is currently stationed at Travis Air Force Base in California. And when he's not vacationing in Baghdad at Air Force expense, he's a sergeant in the California Highway Patrol.

This morning, Captain Sam Dickson will speak to us about security and doing business in Iraq. Ladies and gentlemen, please welcome an American soldier, Captain Sam Dickson.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

CAPTAIN SAM DICKSON

MS: Good morning. I am Captain Sam Dickson. I will be talking to you today about security and working in Iraq or as Admiral Nash subtitled it, Constructing With Security.

As I recall from my college public speaking courses, the best way to open up a presentation like this is to start out with a great joke or an unusually witty anecdote.

Well, I don't have one.

So I'm going to move right into our main topic. I'll be talking about the current situation in Iraq. I'll be talking about how we are currently providing security. I'll be talking about the real challenge, as I perceive it, for most of the contractors that will be coming out to Iraq. And then finally questions. And I'll be offering you some other resources in Iraq that will be of use to you.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

Well, the threat of Iraq is quite real. I've broken it down into these five main groups. The large group are huge groups of Iraqis that haven't typically seen to be a major problem. Typically, they come out from religious services or from protests. And, in general, they have not been a very big security problem. The one exception would be the instance we had in Sauder City a few months ago.

The smaller groups, however, have proven to be very dangerous. These are groups that have attacked our convoys, have attacked our base camps, our work sites. And they've proven to be quite effective. In general, they did not make frontal assaults because those have not proven to be as effective. But they have ... through the use of improvised explosive devices and more distant artillery and rocket fire ... have proven to be quite a thorn in our side.

During the movement refers to our convoy. And if you've been reading the papers, you know that that's been the source of a great deal of injuries and deaths among our

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

coalition forces. Whether it's from the improvised explosive devices, mines, small arms fire, RPGs or sometimes often combined attacks where an RPG or an IAD would be used to stop a convoy and then it will be attacked from both sides by small arms fire. These have proven to be very, very effective against the coalition forces.

Under stationary, I broke that down into job sites and base camps. At the job sites, again, we have direct attacks that have not been particularly effective. However, some electrical tower teams that have been out in the system putting back up towers have been harassed.

In some areas though, contractors need to be aware that there's still some UXOs or Unexploded Ordinances out there. And there's also some areas that are still mined. So that's something that you'll have to take into account when you move into a new area.

There's also sabotage which continues to go on. Mr. Bearpark mentioned it. It is an ongoing problem for the

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

coalition forces and for future contractors coming into Iraq.

At base camps, again, direct attacks have proven to be a problem. You've all heard about the Al Rashid bombing that occurred just a few months ago. We also had ... the Coalition Provisional Authority's main building in Baghdad has been rocket attacked a couple of times now. So they have the ability to reach out and touch us when they want to.

The biggest problem though with these stationary targets has been the vehicle based IAD, the VVIAD. Or the car bomb. And as you all know, that is also proven to be extremely effective. Examples include the U.N. building, the Red Cross building and more recently the tragedy at the Italian police training facility in Southern Iraq.

Occasionally, we have some infiltrators that try and get into facilities, whether to plant explosives or conduct direct attacks. And finally, the last one is criminal.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

We've all heard the stories about all these attacks against the coalition forces. But the criminal element continues to be a problem in Iraq. Not as much in the north. It is more concentrated in the South. But we still see things like car jackings, some looting and just regular old crime that you'd expect to see anywhere like bank robbery and traffic, DUI, things like that.

So where are all these things occurring? Well, you've probably already seen this map several times. It's a standard map of Iraq. And the item in green there is the Suni triangle which extends from Baghdad over to the western pollution and up to Tukrit. That's where most of the anti-coalition attacks have occurred. Towards the South, down in the Samwa area and down closer to Umkasar and especially Basra where you see more of the criminal elements. But that doesn't necessarily mean that that doesn't happen. That the source of attacks aren't happening.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

More recently, of course, the British have experienced several attacks down in the Basra area which up until recently have been pretty quite actually.

Up towards the North in Tahuk, which is the most northern province, the Kurdish area tends to be a little bit more secure. We have seen a recent trend of more attacks out towards the east, out towards the Bakaba area. And so I've modified this now. Instead of the Suni Triangle, I'm calling this the Suni rhomboid. And I realize for the engineers that's not truly a rhomboid. But this really is a concern long-term. Because, as you noticed, that zone continues to move to the east. It moves closer to Iran which is not a good thing in general to have it moving in that direction.

All right. So, that's the kind of negative news. The positive news is that civilian contractors in general have not been major targets here. Our analysis indicates that less than two percent of attacks involve civilians. And most of that two percent occurred when the contractors were

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

merely in close proximity to the coalition forces that were being attacked, typically in a convoy or perhaps next to some other coalition or military facility that was being bombed or mortared or whatever. We don't have any incidences of a verified targeted attack against a specific contractors. So I think that's very good nice.

The bottom line though is Iraq is a dangerous place. My boss when he told me to setup this presentation, he said, you know, I don't want you to sugar coat anything. But we don't want to scare people off either. But I made a commitment when I put this together that I'm going to tell you exactly how it is. It's a dangerous place. It doesn't mean that there aren't ways that we can address the danger and take calculated risks. But make no mistake about it, Iraq is not a friendly place in many instances.

All right. So how are we addressing the security? We're providing overall security in general, security for the nation are the coalition military forces given the overall name of the Combined Joint Task Force Seven or CJTF7 which

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

is consistent with the U.S. military's habit of coming up with unpronounceable consonant only abbreviations. CJTF7 is under the command of Lt. General Sanchez that works in concert with the CPA.

On top of the coalition military forces then we have the Iraqi security agencies which are made up of several different agencies. The NIA is the new Iraqi Army. They'll be primarily involved with defense against external threats. Although they may be used in internal cases, depending on what the particular situation is. There is no posse talacatus in Iraq currently.

The ICDC is the Iraqi Civil Defense Core, again dealing with mostly internal security and they're most closely analogous with our National Guard. There's the FPS which is the Facility Protection Services. This is an umbrella organization for the power police, the water police, the oil police, all the things that are designed to protect the infrastructure of Iraq. We also have just the regular old

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

police and the board guards which do as you might suspect, guard the boarders.

How effective are these Iraqi organizations? Some more than others to be honest. Most of them are still in their early stages of being formed. The new Iraqi army has just graduated a few classes. They're not really an effective fighting force yet. Pretty much the same with the ICDC.

The police, however, have actually been stood up fairly quickly and have proven to be fairly effective. I see reports virtually everyday of them getting involved in finding bombs and thwarting bank robberies and doing all the things that you would suspect police forces would be doing.

All of these forces still have training issues, have equipment shortages, have manpower shortages. But we are working very hard to get those addressed. And by the time most of these contracts start coming into being, that you'll be fulfilling in the March, April, May timeframe of

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

next year, these forces will be much further along than they are now.

But in the end, it's going to be your company that's going to be providing the rest of the security for your people and your facilities. Just as here in America, you don't rely on the police department to provide your personal security, you take steps to protect yourself and your home and your family and your property, et cetera, et cetera. Yes, the police are there to support you, but really the security starts with the individual.

Okay. Let's look at how you're going to be doing that in Iraq. The first thing you're going to have to do is change your business paradigm. Security is now going to have to be one of your number one concerns. And this is going to be a difficult transition for a lot of companies where speed or efficiency have been your number one concern. Well, security is going to have to be right up there. Because once you get to Iraq and you understand the threat

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

a little bit better, you'll know that security has to be a key concern for you.

The next step is to strategize as if you're going to be going into a totally unknown product market here in North America as Mr. Bearpark mentioned. Research and evaluate conditions, anticipate threats and then plan accordingly. Pretty straight forward. But I thought it was worth a bullet.

Okay. So the initial steps, retain a dedicated security manager. This is a very, very key step. This is somebody that's going to be able to focus your company's efforts on security. They won't be torn by other responsibilities. Their whole job is going to worry about security. You need to give them the authority ... or what in the military we would call the rank ... that is commensurate with their peers to make sure that they aren't subordinated to other concerns. So that security always remains one of the top concerns and doesn't just get foisted off as a second tier or a secondary consideration.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

They'll wind up being a controlling agent for any external security that your firm may wind up hiring for use in Iraq, whether that's another company or whether it's Iraqi locals that you're going to have security, you want to have somebody in your company that is controlling those assets.

Otherwise, they can turn around and if you don't have the expertise in your company to say this is the security we need for this. This is how I want you to provide it.

Those security companies can take over that function and wind up directing how they're going to do that to you. And that doesn't really benefit your company in the long run.

They need to be experienced in the region, especially Iraq, if you can get it. That's going to be tough to find.

There's not a lot of those. But, of course, that would be advantageous.

The last thing recommended is that they have a security clearance if that's at all possible. That will make it

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

easier for them to plug into the classified intelligence information that is available in Iraq. And without that clearance, that will be pretty difficult to do.

Okay. So now we can start on the market research I was mentioning before. If you were going to enter a new market, do some research to figure out what that market is about, what military ... in this case ... what military functions are available nearby? What coalition force is going to be available to help you provide security in the area where you're going to be living and where you're going to be working?

What Iraqi agencies are going to be available. As I mentioned, some of the facility protection services and the ICDC are not fully formed yet and may not be available in the areas where you're going to be working. What kinds of threats are you going to be facing? Both movement and stationary.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

And a lot of that's going to be based on the history of what's happened in that particular area. If I was going to move into Tukrit, well, the threats I'm going to face there are much different than the threats I'm going to face up on Mosul which is different than the threats I'm going to face down in Bosra or even up in Tahook. Completely different.

Cultural sensitivities can't be over emphasized. Have you ever seen this before? This gesture? What does this mean? Here it means something quite different. Here it means, well ... I think you probably know what it means. But in Iraq, it means patience. So if you see drivers doing this out the window to you, that means slow down, have patience, let me in or whatever. We might interpret that as something quite different. So cultural sensitivities.

Housing. This will be a big issue for may, many companies. If you're going to bring in a large contingent of people, where are you going to put them? What sort of housing is going to be available in that area? There's hotels in some of the largest cities. Some of them amazingly quite nice.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

Up in Arbeal, there's a beautiful four, five star hotel up on a hill that has plenty of rooms. But that is not the standard of what you typically see in Iraq.

Finally, what indigenous support are you going to need? Are you going to be hiring local cooks, local custodians, those sort of things? Are you going to be buying food off the local market? Those are all things you have to consider. Indigenous support is a potential problem. And it's a potential problem in that it's difficult to vet Iraqi employees at this point. We don't have a system. You can't call up Brinks or somebody else and have them run a personnel check on most Iraqis. So hiring indigenous people can wind up being a security risk for your company. But in a lot of cases, you may not have a ton of options.

All right. So you've done the research. Now you've got to start making some decisions based on what you found out in that research in the housing. Local economy versus building your own. The advantages, of course, is the local economy is that it's already there. A lot of times,

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

there's other facilities co-located like a restaurant or cleaning services, that sort of thing. And they can be relatively inexpensive. The disadvantages are that you probably have very little control over what kind of security is going to be at that site.

The Rashid was a different deal. The Rashid is owned by the coalition. So we can control it. But there's other hotels that contractors using it are outside of the green zone in Baghdad that those contractors really have no control over who gets into that hotel, what kind of security is provided, who they've hired to provide it and that sort of thing. So that is I would say a definite disadvantage.

In addition, those locations may not be ideal for your needs. If you go to build your own route, well, that has the advantages of defining ... allowing you to define what security measures are going to be in place. It will be totally up to you. And you can also design the camp for your best needs.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

The disadvantages is that it's going to take some time to get built and it is expensive. There's non doubt about that. There is a third possibility. You might want to consider and that's co-locating with other companies that are trying to do the same thing.

The Bechtel compound in Baghdad near the CPA offices is actually they have several different companies within the Bechtel compound. And that's worked out well for them to share those cost and share the burden of running the camp.

Vehicles. This is one of the key decisions that you're going to have to make. What kind of vehicles you're going to be using in Iraq. Obviously, you're going to have to bring some with you because there's no Chevy dealership or Ford dealership in Baghdad. Not yet at least. So most of the vehicles you're going to use, you are going to have to bring with you. And we're going to need them to get around. There is no public transportation.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

So we have the armored versus the soft issue. A soft car is one that's not armored, just a standard ... a standard vehicle is a soft vehicle. The armored vehicles, of course, offer the very good level of protection against small arms fire and improvise explosive devices, the small bombs on the side of the road. Not particularly good against RPGs, but they do offer some protection at least.

More importantly, I think they offer a certain psychological comfort level for your employees. Because I feel at least they have something around them beyond just the pane of regular glass.

The disadvantages are that they're slower. They're almost always smaller. They have limited range. And because of their weight, they can't be taken into some areas. Much of Iraq is desert, of course. And where you can take some sedans and two wheel drive vehicles, the armored vehicles, you can't do it because they're too heavy.

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

The soft cars offer the advantages of the faster. They're more nimble. They have greater range, generally larger, can carry more cargo, more people. They're cheaper and more readily available. The armored cars are not always easy to get ahold of.

Disadvantages is that they offer almost no protection. It's one of the reasons that the British ... as a by the way point ... the British Foreign Office requires that all of their employees in Iraq use only armored vehicles.

Let's look at a couple of examples of these armored vehicles. This is a Toyota land cruiser which is armored and a range rover. If you have the money, that's a nice way to go. Both of those are armored. You can't really tell from the outside. But when you get up next to them, it's very obvious. The windows are quite thick. And when you open up the door, it feels ... I'm sure those doors weight 800 pounds and it feels like it.

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

Of course, for the ultimate in armored transport, if you have the money, the M1A2 Abrams. And we're not using all the ones that we have over there right now. So you might be able to get a good deal. I don't know. That's an Army thing, not an Air Force thing.

However, this is probably beyond the budgets of most companies. And you'll have to go with something less. Which brings us to what I had on the slide before which is the SUV dilemma which basically comes down to a profile issue. In general, the lower the profile that you are presenting as you drive around town, the better. Here's an earlier model ... it's a Mercedes in this case ... which is armored. But it will attract a great deal less attention than that brand new Range Rover that I showed you a few slides back.

On the right is one of the typical SUVs that we use in Iraq. These have become the de facto civilian vehicles used by all CPA employees who are not military. And before someone starts writing a letter, we also have some Fords

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

there. And both GMC and Ford make excellent vehicles. And these have proven to be very valuable assets for us. But they are not armored. And they do have the disadvantage that if you do get into an attack, they're only going to offer very, very limited protection.

The other thing that's happened is that since we moved in in May and started using these vehicles, they have now become widely associated with coalition forces. So anytime you see two suburbans driving down the road, it's pretty unlikely it's an Iraqi family going out to Iftar dinner that night after Ramadan ends. It's almost always coalition forces.

So, the dilemma is how do you balance security needs with profile? If you can maintain a lower profile, you probably will never get attacked. But if you do get attacked, you'll wish you had more armor than the armored vehicles offered you. Or in traveling in convoys with the military vehicles.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

So an SUV does offer a lower profile than a Humvee with a gunner in the top turret or following an armored personnel carrier. But they, unfortunately, sort of lost their anonymity that they once had in the Baghdad region. Actually, all of Iraq for that matter.

Okay. The next thing you have to consider is the size of security personnel contingent that you're going to bring with you if in fact any. Your research may lead you to believe that you won't need any additional security based on the type of contract that you're going to be working. But you probably are going to need your own security. That's almost for sure.

So you're going to have to decide what kind of weapons they're going to need. In most cases, pistols are not going to be sufficient. They're great for self-defense, but they really are useless in terms of defending a convoy or defending I guess attackers are coming in for a little bit longer distance.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

So, if you're going to be bringing long guns, what type do you need? Some are more easily concealable than others. And this goes back to the issue I brought up before about the cultural sensitivities, the way you would approach doing business up in Tahoos is vastly different than the way you do it in Takrit.

In Takrit, you want show of force. You want to be the prickly porcupine that no one wants to mess with. Because they know that they're messing with trouble. Up in Tahoos, you want to present a little softer tone, maybe weapons that can be concealed a little more easily and don't present such a formidable presence. Because they're going to take offense at that because the security situation is such there that you don't need that show of force. And if you show up with a bunch of guns, guys on their hips like this, they're going to take that as a great deal of offense. So, something to consider.

And there are security sources as well. I mentioned before that you can hire companies. The other option is to hire

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

locals. This is again fraught with some potential peril. But there have been ... there are local Iraqis here, security companies, which can offer you very-well trained, very quality, people.

Coupled with that though is the possibility that who are they really loyal to in the long-run? Is it possible that they've been contacted by members ... by FRLs or whoever else is pulling the strings currently in Iraq in the resistance movement? Could they possibly be turned to be used against you at a later point? Absolutely. So, it's a calculated risk?

You also might consider outsourcing contracted work. And I'm sure this is ... I'm not an expert in contracting. But if you can get the locals to do more of your work, then that's going to be less exposure that you're going to have. So if you can find Iraqi companies that are able to complete the work that you need done, that puts less of your people at-risk and less people that have to be

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

in-country, less people that have to be out on the ground then.

And finally, communications. This is also a key point, almost as important as the vehicles. How are you going to be able to communicate with your people? How are they going to communicate with each other? How are you going to communicate with the outside world? How are you going to communicate with coalition forces? If something bad were to happen, how are you going to get ahold of the local detachment of the 82nd airborne so they can come over and rescue you?

Now, you will have the advantage when you arrive, that by the time ... if everything goes by schedule. And one thing I've learned in Iraq, is that nothing goes off "on schedule" there. But they've already let the contracts for the three primary cell phone companies. They're going to be building the new cell phone network in Iraq. So currently, there are no cell phones. But by early next year, those cell phone contracts should be up and running.

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

And we should have a good quality cell phone system ready for you to use.

But that won't be enough. You're still going to need to bring possibly, satellite phones, have been a popular choice for many companies, as well as their own proprietary radios.

Okay. The final piece of this preparation puzzle then is your most valuable asset and that's your people. You're going to have to be honest with them about what they're getting into. It's very unfair to send people into a situation that they really don't understand or don't know about. The other piece of that is that you should make sure that everyone understands what the exit strategy is if the employee decides they want to do that.

KBR ... you've all heard of KBR, the company that provides logistic support to the Army. Their people are well-briefed about, 'hey- it's a dangerous situation'. That's why we're paying you a fair amount of money for the

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

type of work that we're expecting. But they also understand that if they leave before their contract is up, they have to give up a large percentage of that bonus pay. And that's something that they've negotiated ahead of time.

So you need to make sure your employees understand what they're facing. And also, if they decide that they want to leave, what that means for their career.

Personal protective equipment. We recommend you provide people with ballistic vests. There's actually two different types of vests. There are vests like a police officer would wear that offer protection against ballistic rounds. There's also what we call flapjackets that offer a thicker material that are designed to protect against a blast fragmentation from bombs.

Helmets and eye protection. I mentioned eye protection. Because this is not something that most people would think of. I certainly hadn't thought of it until I got to Iraq. But anytime you're traveling in a vehicle in Iraq, whether

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

it's day or night, you should always have some sort of eye protection on. Because if something were to happen, a bullet, a vehicle ... I'm sorry, an IED, an Improvised Explosive Device, goes off, you don't want that glass flying around the inside of the car. So you always have some sort of glass on whether they're clear or whatever to make sure your eye are protected.

The helmet thing is kind of interesting because it goes back to what I was talking about before about risk versus gain. I have a helmet and often times travel around with my boss. I wear civilian clothing to try and reduce the ... well, our signature. To try and reduce the profile that we're presenting. Because we drive around in suburbans, unarmored suburbans.

Of course, I have my Air Force issued helmet with me. And a lot of times I don't wear it in Baghdad. Even though I'd prefer to have it on, I like that protection that it offers, but if you're a potential bad guy driving past this suburban and you see someone there with a helmet on, what

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

does that say? Well, it's probably a westerner. And they're probably either military in civilian clothes or they're a contractor. So they're probably a potential target. So, that's one of the things you're going to have to balance about protection versus profile.

You might want to offer immunizations, anthrax, smallpox, malaria. These are all things that the military offers. Some of the civilian companies that are over there now have offered this to their employees. You may not consider it to be that big of a threat. But at least, it might be worthwhile to offer it.

And finally, consider advanced, technical-driver training. Everyone that's been in Iraq for any length of time can tell you stories about how they or a friend of theirs was able to get out of the situation by driving perhaps a little more aggressively than you might on the beltway or down in Los Angeles during commute hours. So having some tactical training about how to position vehicles, how to

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

block other vehicles, do things like that might be very helpful to your employees.

Okay. Now, let's look at implementing some of the decisions that you've made. There's four basic sections here: security organization; base camp security; worksite security; and then convoy and vehicle movement procedures.

Your security organization has got to be one of the first people on the ground. And this is where that person you hired in the beginning, your expert on security, your security czar, is going to be the first person on the ground to help you get your security organization setup and running before the rest of your employees show up.

They'll be implementing our security subcontractors, if in fact you have any. They'll identify your organization to local coalition units. I'm not a business person. I work in the military and the government. But I certainly understand the value of connections and the value of networking.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

And that's really what these people can do for you. They can get plugged into a local network of other security companies, other companies that they are doing business with the military, with the Iraqi security forces. And they can find out what's going on on the ground there, where the threats are, where the quiet areas are. So they get plugged into that network and that's important.

Base camp security. You have to establish the parameter control. As I mentioned before, your two basic threats there against your base camps are infiltrators and blast impact weapons like mortars and rockets and things like that. There's only so much you can do against the weapons that are being lobbed into. There's no wall high enough ... you know, "ain't no wall high enough ..." that you can build to protect against mortars. But you can harden and do things within your base camp that will improve the chances of employee surviving a potential attack.

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

I have some pictures of some of these sample barriers. This is the Sesco barrier. In this case, it's being used to protect a Bradley fighting vehicle. And the Sesco barrier is made up of wire fencing, about three feet by three feet about four feet high, with a thick fabric interlining. And then it's filled with sand and rocks of which there are plenty in Iraq.

It has the advantage of being very cheap, easy to put up and fairly versatile. But once it's in place, it's difficult to move around. And during the rainy season, they may wind up turning into mud.

The T-wall has also been very effective. This is two shots. The one there on the left is actually at the coalition provisional headquarters, you know, the main presidential palace there in Baghdad. The one on the right are some of the walls that they put up around the housing area that are just next to the coalition compound.

IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03

The walls are great. They offer protection against bombs, against mortars, against small arms fire. They're very, very effective. But they're also kind of expensive. And they're difficult to move into position. You've got to have a crane. I mean, there's a lot of difficulty in getting those to work. So they're not the answer in all cases.

You're also going to have to talk about access procedures. Once you've established this parameter, how are you going to decide who gets in? And how are they going to get in? who's going to be guarding that access? And perhaps even more important ... and this can often times be a big political football ... who decides whose deciding who gets in? And that really should be your security chief.

And then finally, establish vehicular control. As I mentioned before, the vehicle based IEDs have been devastating. They have been truly, next to convoy operations, have proven to be the most difficult problem to solve for the coalition forces.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

So how do you establish vehicle control where you can protect yourself? Well, I suppose the best way would be to just build a wall around your facilities and don't let any vehicles in. But that's not really possible, is it? The basic problem trying to prevent unwanted vehicles, while still allowing desirable or wanted vehicles.

What you're going to have to have is sort of a ... not sort of ... but you're going to have to have a defense in-depth. Which means that you're going to have to think about it. To get past our first row of defenses, how am I going to stop them there? If they get past that second row of defenses, how am I going to stop them there?

Case in point is the Italian police compound down in Southern Iraq. They actually used two vehicles to conduct that attack. The first large truck came in and ran the defenses and shoved them out of the way. So the second vehicle that was loaded with the explosives could come in and actually conduct the attack.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

These are some examples of some things you can do to protect yourself against vehicles, embedded spike strips and those traffic jacks. And that's a hat there. You can see the relative size of those. But those are not really going to be the most effective. You're going to have to have some sort of hard barriers that are going to prevent vehicles from getting in.

Coordination is important because you want to absolutely prevent any friendly fire incidents. If you're out, for instance, stringing up a new electrical line, you wouldn't want to be mistaken for groups that are out there trying to steal the same electrical line to melt it and sell it for money. So you're going to want to coordinate that with the local security agencies and possibly with coalition military forces.

The IIRO, [Iraq Infrastructure Reconstruction Office] or the Program Management Office, has foreseen that need and is going to setup a special cell within the office to

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

coordinate that particular function. Use nontraditional security arrangements. I hesitate to delve too far into this. Because this really is a gray zone. But Iraq is not a black and white place. There are some things that you're going to have to do there that you certainly might not consider doing in other countries, even in the Middle East. Iraq is a little more unsettled right now.

So by this one I'm talking about is you may need to make some sort of arrangements with the local political entities or the local religious entities to offer some additional protection against your facilities or your personnel. We've seen some cases where that has been absolutely very effective.

When we first got there and they were tearing down electrical cable, almost as fast as we could put it up. But once the coalition made some deals with some of these groups, the towers stopped coming down. And we've been able to get a little bit further on on the electrical problem.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

And you're going to have to plan for less than 24/7 coverage at your worksites. Unfortunately, a temporary cyclone fence with a sternly worded sign is not going to be sufficient. These locations, you may not have security there 24 hours a day.

So how are you going to protect your equipment and supplies? Theft is still a huge problem in Iraq as I mentioned before in addition to sabotage. It won't do much good if all your work is the work ... if several weeks of effort on your company's part is blown up one night because we didn't take adequate security measures to protect against sabotage.

Convoy and vehicle movement procedures. Use of the military going out on your own. Well, that's another calculated risk. When you go out with the military, they offer a great deal of fire power. They have communications. They can bring in air support. There's a

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

lot of great things that go along with moving with military convoys.

However, they also make themselves a huge target. And most of the contractors that have been injured in convoys have been because they've been part of a military convoy that got attacked. So that's something you're going to have to sort of weigh to decide whether it's worth that risk or not.

You need to establish though ... as I mentioned, these convoy operations are very important. You need to establish firm rules that everyone understands and will never ever be broken. Again, speak to someone who's been in Iraq for awhile and they'll either tell you a story or someone they know will tell you a story about how they nearly got ambushed. They got that close to being knocked off the road or something happens while they were driving when they weren't following the rules that the company has laid out for them. Things like never travel with less than two vehicles. Don't travel at night. And those sort of

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

things. Always carry shooters with you. Whatever the policy is that your security czar and your company has adopted, everyone's got to abide by those all the time.

The ultimate defensive driver environment. That's absolutely true. There are several cases where a small convoy ... and I say a convoy, anything larger than one vehicle is a convoy ... have been reconnoitered while they're actually moving. A vehicle will come up from behind them to sort of take a look to see who's in the vehicle.

Can they see any weapons? What kind of clothes are they wearing? Are they wearing helmets? Are they wearing flap jackets? Can they see any logos that look like it's military? They'll back off. They'll make a decision about whether they're going to proceed. And then maybe that vehicle and an additional one will come forward and actually conduct the attack.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

So that's something you're going to have to be thinking of, the ultimate defensive driver is watching your mirrors and seeing where these vehicles are going. The vehicle you just passed, did you see them start to put on maybe a mask or a hood or something like that to protect their ID if they were going to conduct an attack. The ultimate defensive driver environment.

So the bottom line out of all of this is making yourself less vulnerable as a target. Just like you cannot possibly harden your house so that your house can never be broken into or your car can never be broken into. No, you just try to make it so that your house or your car is more difficult to break into than the one down the block. Not a screw your neighbor sort of thing, but just so that your vehicle or your house doesn't get attacked.

Well, it's the same thing in Iraq. You want to make sure as much as you can that your compound and your people are protected to the point where they'll go after a softer target. A lesson learned? In the U.N.'s own report on the

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

bomb attack earlier this summer, late this summer, in August, they stated that their building was attacked most likely because it was the softest major target in that area. That the other coalition buildings and major target were much too difficult to attack. So they went after a softer target. And unfortunately, it was the U.N. But that was in their own report.

I'd finally like to go into what the real challenge, I believe, is going to be for many companies. And that's creating and fostering the environment of security first. I touched on this earlier. But it really has to be something that your company buys into, that it's not just something that has to be taken care of or is an after thought. It has to be security first. Because nothing, is more important than your people. And providing adequate security for them has got to be a key concern of yours.

We're operating in a war zone. You've got to pay attention to your surroundings. I've outlined a couple of different anecdotes to you about where people paying attention to

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

what's going on around them saved their lives and saved the lives of maybe the people that are working in their immediate area. But make no mistake about it. We are working in a war zone.

I'd like to introduce you to two other concepts, OPSEC and COMSEC. These are words that the military likes to throw around. OPSEC is operational security. COMSEC is communications security.

Not everybody that's going to be working with you in Iraq, especially if you're hiring locals, is maybe on your side. And that's something that you're going to have to think about. You're going to have to consider yourself to be almost a military unit.

Are you being conscious enough of how your plans are being distributed? How easy it is to get ahold of those plans. A simple example might be if you had a regular shuttlebus run that went from your worksite to your ... from your base camp. And it went back and forth. And it went at the same

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

time everyday or several times a day. And they posted those signs. How easy would it be for somebody to get ahold of that schedule and plan an attack against one of those shuttlebus runs?

We have seen Iraqi people working in the CPA palace, Iraqi contractors that we've hired to provide janitorial service, actually sifting through appears in the trash as they're taking out the trash. They'll remove them from the office. Then when they think no one's looking, we've seen them going through and reading them one at a time to see what they are. I can't imagine what they'd be looking for. Maybe pornography or something. I doubt.

But they're not always our friends. And it's something that you need to keep in mind. Operations security and communication security. Does all this sound a little bit paranoid? Well, I suppose that is the nature of the military sometimes. But achieving a proper balance between speed and cost containment, mobility, trust, everything else is a huge challenge. And that's why the contracts are

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

worth so much money. Because we realize that that is a major function of the contracts. And it doesn't come easily.

All right. Enough negativity. The future is very bright. Iraqi security agencies, as I mentioned before, are coming online, getting better everyday. We are working very, very hard to get those people trained, equipped and out there. Security in many aspects, many areas, is better than it was a few months ago. Is it perfect? Absolutely not.

But current and future efforts on your part and our part are going to the combined effect. As we create more jobs and make Iraq a better place to live, the security situation will by definition improve. Which will make our job of rebuilding infrastructure improve. Which will have the synergistic effect of ... that's the plan at least.

Bottom line though, you and your company can have a very direct impact. I've had a chance to travel with Mr.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

Bearpark to quite a bit of Iraq. Some parts of it are actually ... **(END OF SIDE A)**

... which in a very similar part of the country that rival any UNICEF commercial you've ever seen. They're terrible awful places because they've been neglected for years. Whether it's due to political strife or the wrong religion, whatever it is. And there's an opportunity for us to have a huge impact, a direct impact on millions of people. The work you'll be doing will directly effect the lives of these people. And we need your manpower. We need your expertise to make that vision happen.

Achieving this vision does not come without risk certainly. Nothing worthwhile ever does. So I'll leave you with the thoughts of General Patton, George Patton. "Taking calculated risks is quite different than being rash."

These are some resources in Iraq that you can reference if you like. Their e-mail is up there, the Iraqi business center that was mentioned earlier. Susan Hemrock, Senior

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

Administrator. And then Beth Payne with Counselor Office is also a terrific resource. And she's very happy to help.

So, I hope I tried to ... I tried to and I hope I did achieve creating a balance then between trying to portray Iraq as it is today which is oftentimes a hostile place with you can provide security. It is possible to do business there in a secure environment. And it's a very important task that we have.

I guess probably the best way to close it up is the same way Admiral Nash did. We won the war. We need your help to win the peace. Thank you, very much.

FS: Thank you for joining us at the morning session of our industry day. The afternoon will provide you an opportunity to get more detailed information on the reconstruction in Iraq, an opportunity to network, ask questions and consider the great work that lays ahead.

**IRAQI INFRASTRUCTURE
SECURITY, DOING BUSINESS IN IRAQ
SAM DICKSON
11-19-03**

Before we begin the afternoon sessions, box lunches are available in two locations. In the atrium area of the hotel main lobby and in the grand foyer on this ballroom level.

WE ask that if you are in the front half of this room, you go out the front doors and exit down the escalator to the main lobby. If you are in the rear half of this room, we ask that you go out the rear doors please to the grand foyer. And as you go out those rear doors, if you would turn left and head down the hall, you would find your box lunches.

Again, thank you for attending the morning session. This concludes our morning session.

(END OF TAPE)