May 05, 2016

The Honorable Ashton B. Carter Secretary of Defense

Dear Secretary Carter:

In July 2013 the Afghan government released its *Afghanistan National Railway Plan* (ANRP), which highlights the important role that an expanded national railway could play in reducing Afghanistan's dependence on foreign assistance.¹ The ANRP is an Afghan government document that it developed in coordination with representatives from multiple U.S. government agencies, the U.S. Central Command, and U.S. Forces Afghanistan. The plan notes that "much attention is focused on expanding the national railway as a means to haul significant tonnages of commodities and resources from mines to markets."² The ANRP also suggests that, without an expanded national railway, some of Afghanistan's largest mineral deposits "would not be economically viable for private sector investment."³

Our January 2016 audit report, titled *Afghanistan's Oil, Gas, and Minerals Industries:* \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth, also noted the importance of rail infrastructure to the development of the Afghan mining sector. As stated in our report, Afghanistan's lack of rail networks is a key factor contributing to slow extractive-industry development. The report also found that Afghanistan's rail network is almost nonexistent and the few railroad lines that do exist use gauges (track spacings) that are incompatible with each other. Because Afghanistan is a landlocked country, shipping bulk commodities like iron and copper (of which Afghanistan has vast reserves) generally requires transport by rail to customer or port in order to be economically feasible.

Given the important role that expanded rail infrastructure could play in building a sustainable Afghan economy, I am writing to request information regarding U.S. Department of Defense (DOD) efforts to develop the Afghan railway sector. Please provide responses to the following, with supporting documentation, not later than June 09, 2016:

- Has DOD provided any assistance or implemented any projects or programs to develop, construct, operate, or otherwise promote rail infrastructure in Afghanistan, since 2010? If so, please provide specific details including all relevant contract, cooperative agreement, grant, or direct assistance information.
- 2. The ANRP included the following list of challenges to the expansion of Afghanistan's national railway: "mountainous terrain, regional and inter-ministerial cooperation, regional connectivity, ability to import railway building materials and rolling stock, availability of real estate, funding, and transparency." Has DOD provided assistance to the Afghan government or implemented projects or programs to specifically address these challenges with railway development? Are there any plans for such assistance in the future?

¹ The Railway of Opportunity: Afghanistan National Railway Plan (ANRP), July 1, 2013, p. v.

² Id. p. 4.

з Id.

⁴ SIGAR 16-11, Afghanistan's Oil, Gas, and Minerals Industries: \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth, January 11, 2016. p. 14.

⁵ Id.

⁶ ANRP, p. 33.

I am submitting this request under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Should you or your staff have any questions about this project, please contact Mr. Matthew Dove, Director of Special Projects, at or

Sincerely,

John F. Sopko

Special Inspector General for Afghanistan Reconstruction

Encl: I - DOD Response, dated June 21, 2016

APPENDIX 1 – DOD RESPONSE TO SIGAR INQUIRY LETTER 16-35-SP, DATED JUNE 21, 2016



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE 2700 DEFENSE PENTAGON WASHINGTON, D.C. 20301-2700

JUN 21 2016

The Honorable John Sopko Special Inspector General for Afghanistan Reconstruction 1550 Crystal Drive, 9th Floor Arlington, VA 22202

Dear Mr. Sopko:

Thank you for your letter of May 5, 2016, inquiring about Department of Defense (DoD) efforts to develop Afghanistan's railway sector. I am responding on behalf of the Secretary. Your letter describes the Afghanistan National Railway Plan (ANRP) released by the Afghan government in July 2013 and correctly states it was developed with the assistance of the U.S. Central Command (USCENTCOM). USCENTCOM helped develop the ANRP at the request of the Department of State in support of its New Silk Road Initiative.

An initial review of our records did not reveal any additional railway sector projects. We will continue to search our archived records and provide an update if other railway sector projects beyond the ANRP are discovered. Developing Afghanistan's railway sector is not within the scope of DoD's current missions. Therefore, at this time, the Department has no plans to provide additional railway sector assistance to the Government of Afghanistan.

We welcome the opportunity to continue working with you and your staff.

Sincerely,

Jedidiah Royal
Deputy Assistant Secretary of Defense (Acting)
Afghanistan, Pakistan, and Central Asia

