

Mr. KAUFMAN. I ask unanimous consent to speak as in morning business for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AFGHANISTAN

Mr. KAUFMAN. Mr. President, I rise today to speak about our policy in Afghanistan, which has evolved significantly since I arrived in the Senate in January 2009. After President Bush diverted our focus from Afghanistan to Iraq in 2003, President Obama redoubled our efforts to engage in an effective counterinsurgency strategy. In the past year, we have finally invested the resources necessary to make progress in Afghanistan with increased troop levels, equipment, and funding. But despite this commitment and the outstanding performance of our troops, progress in Afghanistan is riding on far more than the military. It also requires a civilian strategy, Afghan National Security Force training, cooperation with Pakistan, Afghan Governance, and tackling corruption at all levels, beginning with President Karzai.

The Obama administration has made a concerted effort to get the policy right in Afghanistan, as demonstrated by the two policy reviews conducted in 2009. As it embarks on a third review this fall, I encourage a renewed focus on corruption, which will serve as the bellwether for progress as we transition toward a conditions-based drawdown in July. The majority of Afghans do not support the Taliban, but they will not support U.S. efforts if they perceive their government as corrupt. According to a recent poll, 59 percent of Afghans cite corruption as the biggest problem, while 54 percent cite security.

At the same time, this is not a battle between the U.S. and the Taliban. It is a struggle between the Afghan Government and the Taliban for the support of the population. While less than 10 percent of Afghans actively support the Taliban, this does not necessarily translate into support for the Afghan Government in the absence of jobs, free and fair elections, an efficient judicial system, and other essential services. Counterinsurgency is about building trust between the local population, the security forces, and the government. And without credible governance at the national and subnational levels, we cannot expect sustainable progress.

Since assuming office, I have traveled to Afghanistan three times in March and September 2009, and April of this year. My trips have been eye-opening experiences, and I have made the following observations. First, our military is performing at the highest level—a 10 out of 10. The bravery and commitment of our men and women in uniform is both admirable and inspiring. Moreover, from the top down, the military has embraced counterinsur-

gency strategy, which is the best way to meet current and future security challenges. This is why I strongly support Secretary Gates' efforts to rebalance the defense budget to better prepare for the non-conventional threats of the future, drawing on the lessons learned from Iraq and Afghanistan.

My second observation is that counterinsurgency strategy in Afghanistan requires far more than the military. It requires a strong civilian capacity, indigenous security forces, and governance to meet the requirements necessary for progress. First, the military must shape the strategy. Second, security forces must clear the area of insurgents. Third, they must hold the area. And fourth, civilians, in partnership with the local and national government, must build through economic development. In Afghanistan, we are working toward a fifth stage of transferring responsibility to the Afghans by July 2011.

Last year at this time, I gave a speech detailing the requirements necessary for waging an effective counterinsurgency strategy in Afghanistan, including sufficient numbers of Afghan National Security Forces, or ANSF; a "civilian surge" strategy; increased levels of cooperation with Pakistan; and building Afghan government capacity through the elimination of corruption. In the past year, there has been progress in some of these areas, but significant challenges still remain.

When considering the sufficient number of ANSF, it is important to look to COIN doctrine, which stipulates one counterinsurgent for every 50 civilians. This requires nearly 600,000 counterinsurgents given the size of the Afghan population. If we add the total number of international troops plus current levels of the Afghan army and police, it is less than half the required 600,000. At the same time, there has been recent progress in lowering the rates of attrition and increasing recruitment and retention, especially among the Afghan National Police.

By comparison, the current level of Iraqi Security Forces is 600,000, which seemed like a lofty goal just a few years ago. Increasing the size of the ANSF is possible, but training an effective Afghan army and police will continue to require great patience, determination, and leadership.

Remember, Iraq and Afghanistan are about the same size and need 600,000 troops for our counterinsurgency. We have less than 300,000 now, security forces, troops, police, and our troops.

When I asked him about this issue last year, General McChrystal said that we did not need to reach the requisite level of 600,000 because the plan was to selectively focus on population centers in regional commands east and south. While it makes sense to hone in on areas with the biggest security problems, the Taliban has filled the void in areas where we diverted our attention. We have seen this most prominently in the north, where violence has

increased in recent months as U.S. and international troops continue to concentrate, where they should, on southern Afghanistan.

In addition to levels of trained ANSF, I also remain concerned about the U.S. civilian strategy. While it is positive that the number of civilians posted in Afghanistan more than tripled since President Obama took office—rising from 300 to nearly 1,000—there are not enough civilians posted outside of Kabul to partner with the local government. Today, there are approximately 400 civilians outside of Kabul, but more are required to reach the population of more than 28 million.

This underscores the need for building greater U.S. civilian capacity for engaging in counterinsurgency. We are more likely to face nonconventional threats in the future, and must therefore prepare both the military and civilian agencies for such operations. This requires a whole-of-government approach and greater civilian-military coordination. While I am pleased that joint training with the military is now required for all civilians deploying to the field in Afghanistan at Camp Atterbury in Indiana, other steps must be taken to better prepare our civilian workforce for engaging in counterinsurgency operations. We must also increase interagency staffing of the Civilian Response Corps, as overseen by the Office of the Coordinator for Stabilization and Reconstruction, or S/CRS, at the State Department.

In addition, an increased number of Afghan civil servants are required for partnership with U.S. civilians, especially as we look toward the build and transfer stages of the process. The establishment of the Afghan Civil Service Institute, which trains Afghan bureaucrats, is a step in the right direction. But examples such as Marja demonstrate that "government in a box" cannot be installed without Afghan partners who can institute rule of law and provide credible government services. We must avoid situations like in Marja, where we opened the so-called government in a box and there was little government.

Since last year, cooperation with Pakistan has improved perhaps more than any other area. In April 2009, the military began an extensive operation targeting the Pakistani Taliban beginning in the Swat Valley and extending into South Waziristan. These operations, coupled with high-profile arrests of Pakistani Taliban leadership, were positive developments. But there is no question that Pakistan—and especially the Pakistani intelligence service—could do more to target the Afghan Taliban and other extremists operating along the border in North Waziristan.

More than any other factor, however, corruption at every level of the Afghan Government and distrust between the U.S. and President Karzai are undermining our chances for success. This is the elephant in the room, which cannot

be ignored. We cannot afford to turn a blind eye to corruption, or deal with it only at the local level. Rule of law must be instituted from the top, and we will not succeed if corrupt officials escape justice.

Since last year, this is the one area where there has been no progress. To the contrary, the Afghan Government has continued to derail corruption investigations led by Afghan institutions, such as the Major Crimes Task Force and the Special Investigative Unit. This situation has worsened in recent months, as demonstrated by the recent case of Mohammad Salehi, an aide to President Karzai who was arrested for soliciting bribes. President Karzai personally intervened to secure Salehi's release despite the fact that his arrest was ordered by the Afghan Attorney General and the investigation surrounding the charges against him was Afghan-led.

As the administration prepares for a December review of its strategy, I am deeply concerned that the debate has changed from reducing corruption to determining how much corruption can be tolerated. Reports indicate that the administration has considered focusing on lower level corruption as opposed to that which stems from the top. Make no mistake, just as the "fish rots from the head," the root of the problem stems from Kabul. This has been clearly demonstrated by the decisions to release corrupt officials, which have been personally made by President Karzai.

Corruption in Afghanistan is a continuum, and we must address the problem at both ends of the spectrum. It is a fallacy to think we can delineate a clear line between corruption at the highest level and the local level, or that we can address this issue without dealing with President Karzai. National and subnational incidents are of equal importance and must be confronted at the same time if we are to be successful.

In the midst of the debate about the best way to tackle corruption, concerns have been raised about Afghan sovereignty. Fighting corruption and protecting Afghan sovereignty are not mutually exclusive, and combating corruption does not necessarily impede on Afghan sovereignty.

As someone once said, we cannot want to win this more than the Afghans want to win it themselves. To the contrary, the two most significant bodies for investigations—the Major Crimes Task Force and the Special Investigative Unit—are housed in the Afghan Interior Ministry, and they operate with only minimal U.S. involvement apart from advising.

While it may be unrealistic to eliminate corruption completely, we must demonstrate that we are committed to doing so. And at the moment, we are moving in the wrong direction. We must measure and assess levels of corruption using a standardized metric to demonstrate that we are on an upward trajectory as we move toward the July 2011 drawdown date.

The recent establishment of three U.S.-led task forces to deal with corruption in Kabul is a good idea, but it is a tacit acknowledgement that our current strategy is not working. Now that the task forces have been created by the State Department and DOD, coordination and implementation of a common strategy are key. At the same time, these task forces are worth nothing—they are worth nothing—if Karzai releases corrupt officials or stands in the way of prosecutions. As we approach July, the Karzai government must demonstrate it is willing to arrest, detain, prosecute, and punish those who are caught red-handed.

The war in Afghanistan is critically important and worth fighting. If we leave, al-Qaida and other terrorist groups will reconstitute and once again find safe haven in Afghanistan, which will undoubtedly increase the threat to the homeland. American lives are at risk, and we must do everything in our power to defend our national security interests and ensure al-Qaida does not return to Afghanistan.

That said, let me be clear on two critically important points. First, we must remain dedicated to a top-to-bottom review of the entire Afghanistan campaign this December. Anything less would be a disingenuous attempt to sidestep the hard questions that linger about this exceedingly difficult foreign policy issue. Second, and most important, the December review must assess whether the Karzai government is genuinely committed to detaining and prosecuting corrupt officials who are brought before the courts, regardless of their family and political connections. Additional findings to the contrary gravely threaten our prospects for long-term success.

At the end of the day, we have to ask whether the Afghan people will choose the Afghan Government over the Taliban when we begin transferring security and governmental responsibilities to the Kabul government next year. Given that rampant graft and corruption is the top concern of Afghan citizens who were polled—ranked even above their own security—the answer to that question will be no unless the Karzai government gets serious about this debilitating and rampant problem.

This is what defines, more than anything else, our long-term success. And we should not continue—I cannot emphasize this enough—we should not continue to put our brave young men and women in harm's way unless we are pursuing a strategy that we believe has a reasonable chance of success.

This is the litmus test, and we must confront it head-on in December. As stewards of America's treasure, both in terms of resources and American servicemembers' lives, we owe the American people and our distinguished fighting force nothing less. And the American people deserve no less.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CREATING AMERICAN JOBS AND ENDING OFFSHORING ACT OF 2010—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3816 which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to the consideration of Calendar No. 578, S. 3816, a bill to amend the Internal Revenue Code of 1986 to create American jobs and to prevent the offshoring of such jobs overseas.

Mr. GRASSLEY. Mr. President, before I start to speak, it is my understanding I have 30 minutes for our side and I ask unanimous consent that Senator DORGAN be recognized immediately after my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I wish to tell my colleagues why I think the bill before us, S. 3816, is not a good approach. This bill is being sold as somehow having the potential to create American jobs, but it would likely have the exact opposite effect. It would lead to a net decrease in American jobs. For that reason, I encourage my colleagues to vote against this bill.

The bill has three key aspects: a payroll tax holiday for employers hiring U.S. workers to replace foreign workers; a denial of business deduction for any costs associated with moving operations offshore; and lastly, ending deferral for income of foreign subsidiaries for importing goods into the United States. This last provision, according to my colleagues on the other side of the aisle, is the principal issue of the three, and from that standpoint, in my opposition, I agree. It certainly is the most dangerous, so that is the one I wish to address in detail.

To understand this partial repeal of deferral, it is best to consider the topic of deferral more generally and then we can consider this particular idea in context.

The term "deferral" refers to how U.S. corporations pay U.S. income taxes on foreign earnings of its foreign subsidiaries, only when those earnings are repatriated to the United States. That is, the U.S. tax is deferred until the earnings are paid by means of dividend back to the U.S. parent corporation. Deferral is not a new policy.