

**Testimony by the Under Secretary of State for Political Affairs
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Iraq and Afghanistan

Senate Armed Services Committee

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Mr. Chairman, Senator Levin, and Members of the Committee. I appreciate the opportunity to come before the committee today.

Before I begin, I would like to pay tribute to the men and women who are serving their country and the cause of freedom in Iraq. Secretary Powell, Deputy Secretary Armitage and I are immensely proud of the Americans – civilian and military – who demonstrate the highest degree of dedication, determination and courage as they work to bring security, democracy and prosperity to Iraq. I also want to thank our many Coalition partners for their steadfast support.

Thank you also for your support of the State Department.

I know that you saw the President's announcement yesterday of his nomination of Ambassador John Negroponte to be the first Ambassador to the new Iraq. We are delighted.

Before coming here today, I read closely the letter of invitation from the committee. You had these questions: How are we going to ensure a smooth transition from CPA to an Embassy? How are we going to put in place the right people, resources and organizational structure to do the work of the American people, without interruption, on July 1?

To what kind of Iraqi Government will the American ambassador be accredited? What powers will that government have and how will it be formed? And what is the role of our Coalition partners, the United Nations and the international community in the weeks and months ahead?

These are the right questions. They are the same ones that we are working through. We do not yet have all the answers. As Secretary Powell said earlier this month to your colleagues here in Congress, "Creating a democratic government in

Iraq will be an enormous challenge, but Ambassador Bremer -- with the Iraqi Governing Council, the United Nations and our coalition partners -- is committed to success.” And what did the Secretary say next? “When the State Department assumes the lead role this summer in representing and managing U.S. interests in Iraq, we will carry on that commitment. We’re already thoroughly involved, and we will succeed.”

We have the guidance we need, the direction required, and a plan for a successful transition in Iraq. I am pleased to report today on what we are doing to establish effective American representation in, and support for, the new Iraq.

GUIDANCE, DIRECTION, PLAN

Our guidance comes from President Bush. He repeated it last Tuesday night. “One central commitment” the President said of our mission to liberate Iraq, “is the transfer of sovereignty back to the Iraqi people. We have set a deadline of June 30th. It is important that we meet that deadline. As a proud and independent people, Iraqis do not support an indefinite occupation – and neither does America.”

The President went on to describe that day: “On June 30th, when the flag of free Iraq is raised, Iraqi officials will assume full responsibility for the ministries of government. On that day, the Transitional Administrative Law, including a bill of rights that is unprecedented in the Arab world, will take full effect. The United States, and all the nations of our coalition, will establish normal diplomatic relations with the Iraqi government. An American embassy will open, and an American ambassador will be posted.”

Our specific direction comes from Secretary Powell. The Secretary has set the State Department in motion to support the President’s goal of a smooth transition on June 30.

After the CPA and the Iraqi Governing Council signed the November 15 Agreement and established the June 30 transition date, the Secretary called Ambassador Francis (Frank) Ricciardone back to Washington to head our transition team. In his first day on the job, Ricciardone went to the Pentagon to meet with his counterpart as the Iraq Transition Team leader for the Department of Defense, LTG (ret.) Mick Kicklighter. Ricciardone and Kicklighter head one interagency team.

Our interagency team has established a cell in Baghdad under Ambassador John Holzman. Ambassador Holzman works on transition planning and implementation in immediate consultation with CPA Administrator Bremer and CJTF-7 Commander General Sanchez.

The Secretary's involvement in our transition planning continues daily. Each evening we send the Secretary a consolidated summary of the Department's transition-related activities for the day. The notes demonstrate a broad range of interagency, bilateral and multilateral requirements, and highlight issues to solve and those resolved. We also provide the Secretary a more in-depth weekly report that highlights key challenges and the steps we are taking to address them.

And so, following the President's guidance and Secretary Powell's direction, we have developed a plan to get us to – and through – June 30.

To execute our plan, we have and continue to work closely with our interagency colleagues, and we consult regularly with Congress and Coalition partners in Baghdad, in Washington, and in capitals.

TRANSITION FROM CPA TO EMBASSY

We are proceeding in close coordination with our interagency colleagues and with CPA. This chart demonstrates our path forward.

As an early step, the transition planning team established teams in key sectors which we thought critical to ensuring a successful transition on June 30. We also sent assessment teams to Iraq to examine the situation on the ground and report their findings.

These sectors are listed on the chart behind me.

Each of these sectors is broken down into individual tasks or milestones that need to be accomplished. The sectors actually represent more than 500 milestones. Behind these milestones are individual tasks.

Responsibility for each task has been assigned to a particular agency or office, and target completion dates have been established. As you can see, there is a great deal of green in the individual tasks' matrix. This is a living, working document.

In the personnel sector, for example, there are twenty-six individual milestones that have been identified to date. All but four are “green,” indicating that they are either completed or on schedule. On the chart, however, the personnel sector is still yellow. We are going to remain conservative in our planning, recognizing that there is no room to “round up” in this exercise.

We at the State Department are glad to brief you or your staff on any of the tasks represented here. And let me offer full access to our Transition Planning Team intranet website to any of your staff willing to visit us in the Department of State and use computers with access to our intranet.

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Today, I would like to spend a few minutes going into some detail on our planning and progress in four key sectors of transition planning: people, security, buildings and money.

PEOPLE

State Department officers have been in Iraq from the beginning, alongside Jay Garner and ORHA and under Jerry Bremer and CPA. We have more than 170 people in Iraq today. These men and women have come from Washington and dozens of missions overseas, Foreign Service and Civil Service, from our newest Junior Officers to sitting Ambassadors. We are proud of their professionalism and sense of service.

How big will our new Embassy in Baghdad be?

The State Department has announced positions for 142 American employees and 155 locally engaged staff.

In addition, in January of this year, the Secretary asked his Cabinet colleagues to identify contributions their agencies might offer in Iraq. To date, 10 agencies have requested a presence in Embassy Baghdad for a total of 254 American and 280 locally hired personnel for FY 2005. Long term, we estimate a total of 350-400 permanently assigned Americans from some 12-15 agencies, other than State, will serve under the Chief of Mission in Iraq.

And a number of CPA staff will continue after July 1 in a temporary capacity under Chief of Mission authority to ensure the continuity of the transition process

and support Iraq reconstruction efforts. The transition team, working closely with CPA, is currently identifying the number of staff that will carryover.

Thanks to the eagerness of so many State Department people to volunteer for service in Iraq, we have made excellent progress in assigning them to the future Embassy. More than 200 people have requested to be assigned to the new Embassy – many of whom have already served in Iraq. Of the 142 Foreign Service positions announced to date for Embassy Baghdad, we have formally assigned 97 people. Thirty-two more assignments are pending.

We have also already begun interviewing for the local hire positions, and have hired our first employees. These first hires are undergoing training here in Washington in order to prepare to help us hire others for service in the Embassy. In the short run, however, pending the Embassy's ability to bring on all the direct-hire Iraqi personnel that we ultimately will need, the Embassy will rely on Iraqi and third country staff now under the U.S. Army's "Logcap" contract to provide many basic support services.

We have heard questions about the role of the American ambassador, given the large military presence that will remain in Iraq after July 1.

The American ambassador, once confirmed by the Senate, will carry with him to Iraq a letter from the President – as all our Ambassadors do – that spells out clearly his authority in Iraq. It will say that he, as the Chief of Mission and personal representative of the President, reporting through the Secretary of State, will have full responsibility for the direction, coordination, and supervision of all United States Government executive branch employees in Iraq, regardless of their employment categories or location, except those under command of a U.S. area military commander or on the staff of an international organization.

Of course, the Ambassador and the military commander will have to work closely together to ensure that their respective operations are fully coordinated and best serve the interests of the United States in Iraq.

One last comment on State personnel. The response from the professional men and women in the State Department has been exemplary. Many of those who have asked to serve in the new Embassy have already served in Iraq over the past year. Without the additional personnel made possible through Congressional support for the Diplomatic Readiness Initiative, we would have been unable to provide this kind of support to CPA, or be in such good shape heading for June 30.

We look for your continued support to ensure that new requirements like Iraq are permanently funded to ensure the personnel resources remain available to respond to crises.

SECURITY

Our top priority is to keep our people safe. This is a dangerous mission. We have already begun the security upgrade of the planned interim Embassy buildings, and have selected a site for a future new embassy compound based largely on its security features. We have 51 armored vehicles in Iraq and another 98 are on order. These vehicles have already saved American and Iraqi lives.

Thirty-two Diplomatic Security (DS) staff are already in Iraq to define the Mission's security requirements and to begin to meet them -- as well as to help protect CPA officers and visitors.

There are difficult questions related to security still to be answered. The Deputy Secretary and Diplomatic Security Assistant Secretary Frank Taylor were just in Baghdad to keep trying to answer these questions.

Iraq is, and for some time will remain, a dangerous place to live and work. Protecting our people in a wartime environment is difficult and expensive, but we must continue to spare no effort or expense to meet this challenge.

BUILDINGS

Director of Overseas Building Operations Chuck Williams traveled to Baghdad in February to complete plans for interim and potential permanent mission facilities. We have identified a building in the green zone to serve as the Embassy from July 1 until a more permanent facility can be established. This building, which we refer to as the temporary Chancery, is already under renovation and will be ready for occupancy in advance of the transition.

The temporary Chancery will serve as the office of the Ambassador and a limited number of staff. In addition, until we build a new Embassy compound, we will continue to use the former Republican Palace, where CPA is currently located, for most non-public operations, and we will continue to use the current residence that is being occupied by Administrator Bremer.

Most embassy employees will be housed in trailers currently being occupied by CPA personnel. We have already contracted for an additional 75 trailer units to accommodate 150 personnel to ensure that we have adequate and appropriate space to house our staff until permanent facilities can be established.

The location of our temporary and potential permanent Embassy sites are noted on this photograph of central Baghdad. We have begun the planning process to develop a new American Embassy facility.

FINANCIAL OUTLOOK

Finally, I would like to share our current thinking on the fiscal resources needed to ensure a smooth transition to Embassy Baghdad, and the continued operation of the mission thereafter.

I need to emphasize that the costs I report to you today are only a snapshot.

In order to open an Embassy on July 1, we must meet basic security needs and must make an investment in technology and communications equipment. Congress has provided in FY 2004 \$97 million for an interim embassy facility and interim operations. In addition, we expect to have available the fourth quarter portion of the operating expense budget appropriated for the CPA (\$195.8 million), and, pursuant to the FY 2004 Supplemental, up to 1% of the Iraq Relief and Reconstruction Fund, available for transfer (\$184 million).

The State Department must be prepared to cover both its initial start-up and operating expenses, as well as follow-on costs from the CPA to assure continuity of operations. There are significant challenges in the funding demands that we are working are way through, and it is clear that we will need to make sure that all agencies cover their respective share of joint costs.

We are now working to determine those joint mission costs which may be in the range of \$500-\$600 million for the balance of FY 2004 and how those costs will be allocated among agencies. In addition, we estimate that the costs in FY 2005 to operate the U.S. mission could exceed \$1 billion. We are working closely with CPA, DOD, and OMB to refine these estimates and will provide you as much accurate information as quickly as we can. We will consult with you and your colleagues before anything is finalized.

IRAQ'S TRANSITION TO SOVEREIGNTY

Let me speak briefly about the political process in Iraq, and the restoration of Iraqi self-government on June 30th.

Here, too, our guidance and direction is clear. The President, on the night he announced the start of Operation Iraqi Freedom, March 19, 2003 said: "We come to Iraq with respect for its citizens, for their great civilization and for the religious faiths they practice. We have no ambition in Iraq, except to remove a threat and restore control of that country to its own people."

The plan for restoring Iraqi sovereignty is laid out in the November 15 agreement. That agreement, signed by CPA and the Iraqi Governing Council, called for a Transitional Administrative Law, encompassing a basic bill of rights for all Iraqis. The agreement called for the selection of an interim Iraqi government to oversee the preparation of national elections, and the transfer of governing authority to the interim government by June 30, 2004. And the agreement established a timeline for national elections, the drafting and ratification of a new constitution and the election of a government under that constitution by December 31, 2005.

There have been changes since November 15. But the basic framework and timeline still holds.

TRANSITIONAL ADMINISTRATIVE LAW

The first step was the Governing Council's unanimous agreement on the Transitional Administrative Law, or TAL, nearly two months ago. This marked an important achievement. As Secretary Powell said on March 8, "Just imagine the impact that this document is going to have, not only in Iraq but in that part of the world. The rights of all citizens, to include women, committing this Arab nation to democracy; a free and independent judiciary; the military firmly under civilian controls."

The TAL provides for equal rights for all Iraqis, without regard to gender, sect, opinion, belief, nationality, religion or origin. It confirms Iraq as a single state with federal structures, affirms civilian control of the Iraqi security services and the independence of the judiciary. Finally, the TAL establishes the general framework for national elections by January 31, 2005, the drafting of a permanent constitution by August 15, 2005 and the transition to a constitutionally-based post-transition Iraqi government by December 31, 2005.

THE IRAQI INTERIM GOVERNMENT

Following the UN Secretary General's February 23 report and the signing of the TAL on March 8, the Governing Council on March 17 asked the UN to return to Iraq to advise and assist on forming the Iraqi Interim Government and preparing for elections for the Transitional National Assembly. On April 5, Ambassador Brahimi returned to Iraq to resume intensive consultations with Iraqis for this purpose.

As President Bush said last Friday, " We welcome the proposals presented by the U.N. Special Envoy Brahimi. He's identified a way forward to establishing an interim government that is broadly acceptable to the Iraqi people... We thank the U.N. and Secretary General Annan for helping Iraqis secure a future of freedom. We're grateful that Mr. Brahimi will soon return to Iraq to continue his important work."

In our consultations with the UN and Iraqis, we have made clear that while Ambassador Brahimi and Iraqis will chose the specific formula for the interim government, there are fundamental criteria that must be met.

First, the interim government should represent the diversity of Iraq.

Second, it should not have a law-making body. The structure of the government should be effective, simple and, in order to avoid deadlock in the interim period, should not be overly large.

Third, the process of selecting the government should be as simple as possible.

And fourth, the interim government should have the necessary authorities to lead Iraq into the community of nations, undertake agreements to push forward economic reconstruction, and prepare the country for elections.

We were pleased by the sketch Ambassador Brahimi provided of his proposed way forward and believe his idea fits well with our vision.

Ambassador Brahimi envisions establishing by mid-May an interim government led by a Prime Minister that also includes a President and two deputy presidents. A council of ministers would report to the Prime Minister. An Advisory Body,

selected in July by a National Conference, would serve alongside the Executive but have no legislative authority.

We look forward to further discussions with Iraqis and in New York with the Secretary General as we consider the way forward. We also look forward to Ambassador Brahimi's return to Iraq in the weeks ahead to continue consultations with Iraqis countrywide.

I would also highlight Ambassador Brahimi's statement regarding the central importance of elections. We agree. In fact, the call for national elections in early 2005 was a key part of the November 15 agreement.

In this regard, we are grateful for the continued work of the UN election team, headed by Carina Perelli. The team has been in Baghdad since late March and is working closely with our officials and experts to accelerate election preparations. As Ms. Perelli has said, the timeline for elections by January 2005 is very tight. A top priority remains establishing an independent Election Commission as soon as possible. We look forward to further discussions with the UN on the way ahead.

UNSCR

President Bush and Secretary Powell have both discussed a new UN Security Council resolution on Iraq. We are considering what kind of resolution might be appropriate and are looking at possible elements that would be in the resolution. For example, a new resolution could extend a hand to a new Iraqi government. It could deal with reconstruction activities, including the future of the Development Fund for Iraq and with the continuing need for security to enable the Iraqi people to complete the political process. It could encourage other nations to get involved on both the security and reconstruction efforts. And a new resolution could structure a role for the United Nations in the new political framework, particularly in supporting the process towards elections.

JULY 1

So, as I sit before you on April 20, what do I think Iraq will look like on July 1? There will be an American ambassador, running a large but recognizable Embassy. His highly experienced deputy chief of mission and country team will include representatives from a broad range of USG agencies. There will still be more than 100,000 U.S. troops on the ground, helping provide security and train Iraqi army

and police forces. And when the Ambassador drives off to call on Iraqis, he will be meeting with the Prime Minister and the President of a sovereign Iraq.

But our work will not be complete. Iraq will still be in transition; elections will need to be held; a permanent constitution will need to be drafted; economic reconstruction will remain unfinished. The United States is committed until we reach our objective – a democratic, prosperous Iraq governed by a duly-elected, representative government, at peace with itself and its neighbors.

We have guidance; we have direction; we have a plan. And we are already executing that plan.

AFGHANISTAN

I would also like to take a moment to address your questions regarding the political developments in Afghanistan and the threat posed by increased levels of poppy cultivation and narcotics trafficking.

On the occasion of President Karzai's visit to Washington in February 2003, President Bush joined President Karzai in reaffirming their common vision for an Afghanistan that is prosperous, democratic, respectful of human rights, and at peace. And the two Presidents pledged to work together to ensure that Afghanistan is never again a haven for terrorists.

The Secretary of State has worked closely with others in the Cabinet – and with support from Congress – in making the President's vision a reality. When he was in Kabul last month, the Secretary repeated our long-standing commitment to rebuild Afghanistan and help establish a democracy that the international community and every Afghan can be proud of.

With guidance from the President and direction from the Secretary of State, we have developed a three-fold, integrated plan for Afghanistan. Carried out under the guidance of Ambassador Zalmay Khalilzad in Kabul, our strategy focuses on security, reconstruction and good governance.

- Improved security will create conditions for accelerated reconstruction and stronger government;

- Reconstruction and economic growth will boost stability and confidence in the government by giving Afghans a stake in a peaceful future and evidence that their leaders can deliver on their promises; and
- The growth of constitutional, democratic and effective government will create a political arena for the resolution of differences and discredits those who would return Afghanistan to the violence of the past.

While the challenges in Afghanistan remain daunting, we have made real progress on all three tracks of this strategy.

On the security track, the Afghan National Army is already deploying to regional hotspots, reasserting the role of the central government, and the Afghans are well on the way to fielding 20,000 newly trained police officers. And we and our friends in NATO will continue to contribute on the security front. Just last month in Brussels, NATO reiterated that Afghanistan would remain its number one priority.

On the reconstruction track, we are continuing to focus on rebuilding the road network linking major cities as well as on building schools, clinics and irrigation systems, and creating the environment for investment, job creation and economic growth.

With respect to democratic governance, I am happy to report that Afghanistan's regional leaders are beginning to focus less on their militias and more on how to compete in a democratic political process.

Let me now briefly turn to two specific areas that the committee noted in your letter of invitation: elections and counter-narcotics.

ELECTIONS

Last month President Karzai announced that elections for the presidency and the lower house of parliament would take place in September. This announcement is consistent with Afghanistan's new constitution, which calls for "best efforts" to ensure that Parliamentary and Presidential elections are concurrent.

Afghanistan has already passed three major milestones on the road to constitutional democracy:

- The Bonn Agreement of December 2001 set an agreed framework for political reconstruction.
- The Emergency Loya Jirga of June 2002 inaugurated a representative government, with President Hamid Karzai as President and all major ethnic groups represented.
- The Constitutional Loya Jirga, on January 4, 2004, approved Afghanistan's first nationally mandated constitution in 40 years – a constitution that Afghans can be proud of and that can provide a solid foundation on which to build the functioning elements of a stable democracy.

Elections are now the fourth major milestone, and we are committed to working with the Afghans to ensure that they too are successful.

The UN reports that 1.8 million Afghans have registered to vote as of last week, with the registration effort focused on urban centers. The number will rise significantly in coming months with the onset of Phase 2 registration where registration teams fan out into every district – to reach men and women of every ethnic group of Afghanistan. UN data show that many Afghans are traveling significant distances to register – a sign of the people's enthusiasm for democracy.

About 29 percent of registered voters are women, and that percentage is steadily rising as the registration process continues. Over the last two weeks, women have represented 39 percent of those registering.

Meanwhile, efforts are underway to register political parties, pass an elections law, and put in place the necessary logistics and security to carry out the elections in September. A massive voter education effort is also moving forward.

Some 350,000 Afghan men and women have participated in civic education meetings and millions of posters and leaflets have been distributed. In coming months, over 1200 civic education workers will be in all provinces working side by side with partners in the NGO community.

Most Afghans have never voted and have had no direct exposure to democracy, so this will be a learning experience for the country. It is essential that the election not only perform the function of selecting leaders, but that it set the stage for future elections by giving Afghans an authentic experience of democracy. Equally as

important is providing a credible electoral process that the world can point to as an unqualified success. This requires dedication and resources.

The UN estimates that \$224 million will be needed in all, of which approximately \$160 million has been provided or pledged to date. The United States accounts for over \$50 million – almost one third – of what has been contributed to date.

COUNTER-NARCOTICS

Narcotics production and trafficking is probably the single most serious threat to our common mission in Afghanistan. All indicators point toward a significant increase in poppy cultivation since last year.

We continue to work closely with President Karzai and members of his government, and they are firmly committed to fighting the drug industry in their country. Two weeks ago President Karzai called for a “jihad” against drug trafficking. He views drugs as a key factor in supporting corruption, the warlord militias and other key challenges facing Afghanistan. As he said at the recent donors conference in Berlin, “the fight against drugs is the fight for Afghanistan.”

We are working closely with the United Kingdom, which has the lead on counter-narcotics initiatives in Afghanistan. We have a comprehensive strategy that includes integrating eradication, building law enforcement and interdiction capacity, and alternative development. Crop eradication initiatives supported by the United Kingdom are underway in coordination with provincial governors.

Next month the United States will begin implementing a nearly \$40 million central Government-led eradication program, using a 150-member eradication team that will manually destroy poppy crops. An additional three 150-member teams will be trained and deployed by mid-June. Combined with the eradication conducted by provincial governors, we are striving for a goal of destroying 25 percent of the crop this year.

In Afghanistan, too, we have guidance and direction from the President and Secretary of State. We have developed a plan in cooperation with our many allies on the ground to help build an Afghanistan that is prosperous, democratic, respectful of human rights, and at peace. And we will stay the course to ensure that Afghanistan is never again a haven for terrorists.

With that I will be pleased to take your questions. Thank you.