

## The Imminent Transfer of Sovereignty in Iraq

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Testimony to the House International Relations Committee

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(As prepared)

Mr. Chairman, Congressman Lantos, Members of the Committee, I appreciate the opportunity to report to you today on the progress we are making as we meet six weeks before the June 30 transfer of sovereignty in Iraq.

Before I begin, I want to pay tribute to the men and women who are serving our country in Iraq. I know you 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 – civilian and military – for their steadfast support and sacrifices.

Thank you also for your support of the State Department.

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I will report to you today:

- That we are carrying out a plan to get to June 30 and beyond based on guidance and direction set by the President and Secretary Powell;
- That we are focused on the need to get enough resources, the right people and the right organization so that we can do the job we have been assigned, and finally;
- That we are focused on achieving a successful transition to an Iraqi Interim Government, working closely with Iraqis, our Coalition partners, and the United Nations.

### TRANSITION TO A U.S. MISSION

Mr. Chairman, allow me to review the status of our efforts to transition on June 30 from the Coalition Provisional Authority to a U.S. Mission.

Last month, Secretary Powell told some of your colleagues, "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." The Secretary has set the State Department in motion to support the President's goal of a smooth transition on June 30.

We are pleased by the Senate's prompt confirmation of Ambassador Negroponte. He will do a fantastic job as the first U.S. Ambassador to a free Iraq. He has already recruited an excellent team of senior officers to support him.

After the CPA and the Iraqi Governing Council signed the November 15 Agreement and established the June 30 transition date, the Secretary called Ambassador Frank Ricciardone back to Washington to head our transition team. In his first day on the job, Frank 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 transition team.

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

As an early step, the transition planning team established teams in key sectors critical to a successful transition on June 30. We sent interagency assessment teams to Iraq to examine the situation on the ground.

Each of these sectors has broken down their work into milestones. The sectors collectively have set more than 500 milestones. And behind these milestones are thousands of individual tasks. Responsibility for each task has been assigned to a particular agency or office, and there are target completion dates.

We at the State Department are glad to brief you or your staff on any of the tasks we have identified. 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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I would like to spend a few minutes today on our planning and progress in four key sectors of transition planning: people, security, buildings and money.

## PEOPLE

With Ambassador Negroponte's confirmation, we have filled most senior Mission positions. Ambassador Jim Jeffrey, our current ambassador to Albania, has been selected to be the Deputy Chief of Mission.

We currently anticipate a total of around 1,000 direct-hire American positions and 700 Foreign Service Nationals (FSNs) for a total Mission size of 1,700. Let me explain how we get to these numbers.

First, the State Department has announced positions for 140 American employees. More than 200 people have requested to be assigned to the new Embassy. Thanks to the eagerness of so many State Department people to volunteer for service, of the 140 positions announced, we have formally assigned 122 people.

The State Department has also announced positions for 155 locally engaged staff, interviewed more than 90 Iraqi applicants for the local hire positions, and have hired our first Iraqi 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.

Second, in addition to the State Department officers noted above, approximately 620 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 to support Iraq reconstruction efforts. These personnel will be located in either Department of State or Department of Defense offices, and will include 155 ministry liaison positions, the CPA Inspector General, the Iraqi Reconstruction Management Office and the Project and Contracting Office. We estimate that around 350 Iraqi staff will support these various offices.

Third, in January, the Secretary asked his Cabinet colleagues to identify Mission positions their agencies want in Embassy Baghdad. As of May 10, 11 agencies, other than the State Department, have requested a total of 253 American and 182 locally hired personnel for FY 2005. These numbers may increase slightly agencies provide further refinements.

We will also be represented in Iraq's provinces. The Secretary of State will determine an appropriate level of representation outside of Baghdad to ensure that we can best fulfill the mission given to us by the President.

Ambassador Negroponte will carry with him to Iraq a letter from the President – as all our Ambassadors do – that spells out his authority in Iraq. It will say that he – like our Ambassadors around the world – 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.

After June 30, U.S. forces in Iraq will report to the U.S. commander of the Multinational Force - Iraq (MNF-I) through the military chain of command. We will consult closely with the Interim Iraqi Government and, as General Myers has said, we will build a partnership with Iraqi security forces and the Iraqi Interim Government.

## SECURITY

This is a dangerous mission. Our top priority is to keep our people safe. 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 security.

We already have 51 armored vehicles in Iraq and another 90 are on order. A thorough inventory of CPA vehicle assets will determine what additional assets will transfer on July 1.

To complement the security personnel already provided the U.S. military and CPA-funded contracts, thirty-two Diplomatic Security (DS) staff and ten State Department contract security personnel are now 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.

Our people know that 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 will 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 soon.

The temporary Chancery will serve as the office of the Ambassador and a limited number of staff. 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 of Administrator Bremer.

We also 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 funds 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 are our best snapshot today.

In order to open an Embassy on July 1, we must meet basic security and communications needs, building on the use of existing CPA assets.

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.

We estimate these mission costs to be in the range of \$483 million for the balance of Fiscal Year 2004.

How will we cover these costs?

Congress has provided in FY 2004 \$97 million for an interim embassy facility and interim operations.

We expect to have available the fourth quarter portion of the operating expense budget appropriated for the CPA (\$196 million), and, pursuant to the FY 2004 Supplemental, up to 1% of the Iraq Relief and Reconstruction Fund, available for transfer (\$184 million).

These three sources add up to \$477 million. We believe the FY 2004 balance will be covered by unobligated balances intended for CPA, cost allocations to other agencies, and charging reconstruction management costs against the IRRF.

Looking ahead to FY 2005, we estimate that the costs to operate the U.S. mission could amount to \$1 billion, excluding the cost of constructing a new Embassy facility.

We expect that we will need a supplemental appropriation next year to meet our operating costs. The timing and size of the supplemental request will be determined by the President.

The State Department will fund salaries and expenses for personnel and maintain a strategic communications capability from Diplomatic and Consular Security funds until a Supplemental is approved.

Consistent with the President's direction, the Department of Defense will continue to support both the logistics contract and security requirements for the U.S. Mission until Ambassador Negroonte and his team have time to assess actual needs and provide an estimate to be included in a future Supplemental request.

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 made final.

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## TRANSITION TO SOVEREIGNTY

The June 30 transition date is a milestone in Iraq's political development.

The plan for the assumption of full sovereignty by an Iraqi government 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 sovereignty to this interim government by June 30, 2004.

And the agreement established a timeline for national elections, the drafting and ratification of a permanent 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 has held.

## TRANSITIONAL ADMINISTRATIVE LAW

The first step was the Governing Council's unanimous agreement on the Transitional Administrative Law, or TAL, more than two months ago.

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 no later than 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

At the national level, our focus today is on forming the Iraqi Interim Government (IIG). At the invitation of the Iraqi Governing Council, and with our full support, the UN is playing a vital role in the formation of the Iraqi Interim Government by June 30 and in preparing for national elections by January 2005.

In April, Ambassador Lakhdar Brahimi conducted extensive consultations with Iraqis as part of this process. On April 27, Ambassador Brahimi briefed the UN Security Council on his

preliminary ideas for the formation of the IIG.

Based on his consultations in Iraq, Ambassador Brahimi has proposed establishing by the end of 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.

The United States has welcomed Ambassador Brahimi's proposals. The Security Council expressed strong support for Ambassador Brahimi's work.

Ambassador Brahimi is in Iraq today, with our full support, to continue his nationwide consultations with Iraqis.

The Iraqi Interim Government will be the sovereign governing authority of Iraq on June 30. But it will also be a temporary government. As Ambassador Brahimi has noted on several occasions, the priorities of this government should be the day-to-day administration of the country, the preparations of elections for the Transitional National Assembly, providing for the security and safety of the Iraqi people, and continuing economic reconstruction and development.

On June 30, Iraq will be fully sovereign. Iraqis have told us, however, of their desire to have limits on the authorities of this government -- an unelected, short-term interim government. This reflects the view among Iraqis that there are some issues best left for decision to an elected Iraqi government.

It is for Iraqis to decide what those limits might be, in the context of the consultative process led by Ambassador Brahimi. Some limitations are already described in the Transitional Administrative Law. For instance, the TAL states that the boundaries of Iraq's governorates shall remain without change during the transitional period.

In addition, the TAL calls for an Annex to describe the interim government, including its structure and authorities. The Annex has not been drafted, but will reflect the results of Ambassador Brahimi's ongoing consultations with Iraqis.

The TAL also provides for the multinational force in Iraq to continue to operate pursuant to the provisions of United Nations Security Council Resolution 1511, and any subsequent relevant United Nations Security Council resolutions, until such time as an elected government concludes appropriate security agreements.

Iraqis have told us that only a government chosen by democratic elections will be viewed within Iraq as fully legitimate. We agree. The call for national elections in early 2005 was a key part of the November 15 agreement.

The UN's involvement in helping Iraqis prepare for elections has been, and will remain vital to Iraq's political transition. The UN election team, headed by Carina Perelli, has a close,

productive working relationship with Iraqi and CPA officials. Ms. Perelli has recently reported that preparations for the establishment of an Independent Election Commission are in good shape. A nationwide nomination process, endorsed by the Governing Council, to select the commissioners is now underway. The plan is to select seven commissioners through a careful review process. As its name suggests, the Commission will be independent and nonpartisan. Even with this progress, we continue to face a very tight timeline.

## UNSCR

As President Bush and Secretary Powell have stated clearly, we are working on a new Security Council resolution on Iraq to support the June 30 transition. We have already held preliminary discussions with Council members, both in Washington and New York, to discuss elements of a resolution. We want a resolution that will reinforce Ambassador Brahimi's efforts to form the IIG.

We expect that a new resolution would: express support for a new Iraqi government; address the end of the occupation; support the political transition; structure a role for the United Nations in the new political framework, particularly in supporting the process towards elections; and address the continuing need for security to enable the Iraqi people to complete the political process.

While resolution 1511 provides a legal authority for continued multinational force operations in Iraq after June 30, we expect a new resolution would further address the role of this force.

A new resolution could also encourage other nations to get involved in both security and reconstruction activities, and could address related issues such as the future of the Development Fund for Iraq.

## JULY 1

So, as I sit before you on May 13, what do I think Iraq will look like in July? There will be an American ambassador, running a large but recognizable Embassy with representatives from a broad range of USG agencies. There will still be more than 100,000 U.S. troops on the ground helping to maintain security, and providing training assistance to the Iraqi military and police forces.

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.



Thank you.

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