

Iraq's Transition – The Way Ahead

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Mr. Chairman, Senator Biden, Members of the Committee, it is always an honor to engage with you in a dialogue about the foreign policy challenges and opportunities facing our nation. The transition to sovereignty and democracy in Iraq is the pivotal opportunity and challenge for our nation at the moment, so I especially appreciate the chance to discuss this subject with you today.

In 44 days, the Department of State takes the lead in managing and representing U.S. interests to a sovereign Iraqi government. At this point, you have confirmed Ambassador Negroponte, who is well prepared for this work. We have selected a very capable Deputy Chief of Mission in Jim Jeffrey, our current Ambassador to Albania, who already has moved to Baghdad to smooth the transition. Nearly all of the 140 State Department staff positions have been filled, and a number of Coalition Provisional Authority (CPA) staff will stay on for a period to ensure continuity of operations. We already have a number of the 155 Locally Employed Staff the State Department will hire here in Washington for training. Combined with personnel from other US Government agencies, the U.S. Mission will total up to 1,000 permanent American staff, as well as a total of approximately 500 Locally Employed Staff. Our temporary chancery will be ready by July 1st, and we have chosen a site for a permanent embassy.

Of course, the Department of Defense (DoD) will also continue to support a sizeable force in Iraq after June 30th. An Interagency Transition Planning Team, headed by Ambassador Frank Ricciardone and General Mick Kicklighter, is working out how our two agencies will work together, including how our roles, missions, resources, responsibilities, and authorities will complement and support each other. With the ongoing primacy of security concerns, this will obviously continue to be an important issue, and a top priority for Ambassador Negroponte and Lieutenant General Sanchez. Indeed, the security of our mission itself is a top priority in our transition planning; we already have 32 Diplomatic Security staff in Iraq defining and implementing measures to protect our staff. A total of 48 Diplomatic Security agents will serve in the mission as of July 1st.

As for funding the U.S. Mission, we are working with CPA and DoD to project start-up and fourth quarter operating costs, as well as to develop FY 2005 requirements. For FY 2004, the costs to stand up and operate the U.S. mission are around \$480 million. We believe these costs are covered by the funding available from CPA's fourth quarter

operating budget, the one percent transfer of Iraq Relief and Reconstruction Funds (IRRF) available under the law, and the funding directly appropriated to the Department of State from FY 2003 and FY 2004 supplemental appropriations. Our rough estimate of FY 2005 operating costs for the new mission amount to approximately \$1 billion, exclusive of capital facility costs for a new embassy compound. Of this total, State Department costs for personnel and administrative support, IT, provincial teams, and to maintain a strategic communications capability total about \$112 million. The largest cost components are logistics and security contracts that are being managed by DoD. It is our expectation that DoD will continue to cover logistics and security costs until Ambassador Negroponte and his team have time to assess the actual needs and provide an estimate we can include in a 2005 supplemental request. We plan to meet the remaining FY 2005 requirements through funds requested by the Department in the FY 2005 budget, as well as potential cost allocations to other agencies, potential carryover from FY 2004, and the IRRF for any appropriate reconstruction expenses.

Overall, this transition presents both opportunities and challenges, as I noted. We have the opportunity to help secure our long-term interests in seeing a stable, peaceful, and economically vital region. At the same time, we have the challenge of helping a country emerge from decades of tyranny, divide and rule tactics, propaganda, and opprobrium. Of course, the revelations about the terrible treatment of detainees in Iraq have complicated our challenges and our opportunities.

The diplomats of the Department of State are accustomed to telling the world about the strengths of our country, and that is usually an easy task – our strengths are manifestly obvious. It is in times of trouble, however, that the world sees the strength of our system actually tested. With all eyes transfixed on the images of American soldiers abusing Iraqi prisoners at Abu Ghraib, it is one of those times.

Americans are human beings; we are not above injustice and sin. But because we are American, we can also say that we are not above the law -- no one is above the law. We will hold every person who bears responsibility for the human rights violations in Iraq accountable. As President Bush has said, there will be justice for those who suffered. In his meetings with Iraqis, Ambassador Bremer has expressed deep remorse and the resolve to address these violations. And while accountability for individual soldiers is necessary, that alone is insufficient. As General Abizaid has noted, we are also correcting the system that accommodated such abuses in the first place.

The Department of State is also taking measures to deal with the damage these violations have brought to our country, particularly to our efforts in Iraq. We are engaging in an open dialogue with other nations and with the news media, with a focus on the Islamic world. I want to underscore, however, that our outreach goes beyond a frank discussion of Abu Ghraib. There are hundreds of thousands of Americans around the world who are engaged every day in positive and productive actions to strengthen human rights, democracy, and open economies, to give aid to people in need of help, as well as to protect the security of this country.

I believe we all have a responsibility, as official representatives of this government, to provide a balanced picture. Personally, in the course of the past week alone, I have tried to do so in interviews with a roundtable of Arabic print media, Al-Ikhbariya TV, and Lebanon's an-Nahar newspaper. In the past few days, Secretary Powell has talked to al-Arabiya and the World Economic Forum in Jordan. As for gaining the good opinion of Iraqis and the international community about our efforts in Iraq, Ambassador Bremer and his team, along with Ambassador Blackwill, are meeting with government officials, civil leaders, clerics, tribal leaders and many others from across Iraqi society to talk about American policy and intentions and to seek input.

Ultimately, however, our overall strategy for success in Iraq will be the most persuasive proof of our good intentions. That strategy is entirely sound, even in light of shifting events on the ground: we must succeed in helping Iraq to become a stable and successful independent state with a democratic, representative government and the seeds of a strong economy. That will require progress on the political, economic, and security fronts, so allow me to turn now to the "way ahead".

The United States and coalition countries have spent the last year preparing Iraq to assume sovereignty by building up the political system, from the ground up and the top down. First, we have provided the training, advice, equipment, and facilities to help construct local, regional, and national governing structures. Indeed, as of our last count, there are 18 governorate councils, 90 district councils, 194 city councils, and 445 neighborhood councils. At the national level, there are 11 Ministries already under direct Iraqi control; and more will be transferred in the coming weeks leading up to June 30. We will, however, continue to provide some 155 liaison officers to these Ministries after the transition. We also supported Iraqis as they drafted and adopted clearly defined principles and targets for the national government in the Transitional Administrative Law (TAL), which will be in effect as of July 1st and will stay in effect until a constitutionally-based, elected government takes office.

The Interim Iraqi Government is taking shape. At the invitation of the Iraqi Governing Council and with full U.S. support, the United Nations has played a leading role in advising and assisting Iraqis in forming this interim government and preparing for elections. Ambassador Lakhdar Brahimi, who successfully helped steer the Bonn process and political transition in Afghanistan, is continuing his broad consultations with Iraqi leaders across the country. We welcome his proposal to establish by early June an interim government led by a Prime Minister, along with 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 with no legislative authority. We have full confidence in Ambassador Brahimi, and not just because of his demonstrated competency in this area. We also have confidence because we are working in cooperation for the same ends.

The Iraqi Interim Government (IIG) will have full sovereignty, but as spelled out in the TAL, it will serve for a limited term. The main focus of this interim government will be to take the country to an elected government in early 2005. The IIG will also take charge of

the daily administration of the country, including the security and safety of the Iraqi people and continued progress in the economic recovery.

As for the economy, the Coalition Provisional Authority reports important progress. Electric power production has exceeded pre-war levels, and more to the point, is now being distributed more widely and equitably across the country. Under the previous regime, much of the distribution had been concentrated on the Baghdad and Tikrit areas. Less than half of the population had access to potable water before the war; now two-thirds has access. Wheat production in the fertile Central-South region is up by 60 percent. Oil production has surpassed prewar levels. More than 5 million children are back in school, many of them vaccinated for the first time. The port and airport are fully functional for the first time in years and the Central Bank is fully operational. Of particular significance in a country where unemployment and underemployment together may be as high as 50 percent, the CPA has helped create nearly half a million jobs. The foundation for a healthy economy is in place and our efforts will continue. The Secretary of State, through the Chief of Mission, will assume ultimate authority for all of the projects and contracts as of 1 July.

As we saw yesterday with the assassination of Iraqi Governing Council President Izzedin Saleem, security will continue to be the seminal challenge for a sovereign Iraqi government. For that reason, the TAL spells out an Iraqi desire to keep the Multi-National Force (MNF) in place, with an Iraqi security force at its core. Both the TAL and UN Security Council Resolution 1511 provide the legal framework for that ongoing presence. In addition, the TAL gives the elected transitional government the authority to conclude additional, binding international agreements relevant to the MNF. We have already begun consultations on a new UN Security Council resolution, as well, but want to be careful not to get ahead of the political process within Iraq.

We will continue to recruit and train Iraqi forces to eventually take responsibility for security, and all security assistance will continue to be under DOD authority after June 30th, with the policy guidance of the Chief of Mission. I would like to express our high level of confidence in Major General David Petraeus, who will be leading the effort to train and equip the Iraqi military. He has already demonstrated, in his command of the 101st Airborne, a high degree of success and skill in this environment, and we look forward to working with him.

In addition, Ambassador Bremer, Ambassador Blackwill and their colleagues, as well as Mr. Brahimi, are also consulting widely with Iraqis on security issues, a pattern that Ambassador Negroponte and the coalition military commanders in theater will strengthen and deepen. Indeed, dialogue and cooperation with Iraqi leaders about the situations in Fallujah and Najaf has been essential in moving toward resolution in both places. In both situations, a sovereign Iraqi government would stand to inherit the same security challenges with which we are now confronted. Antipathy to the occupation may have generated some popular sympathy, but I believe most Iraqi citizens recognize that these lawless, violent groups do not represent their interests.

The antipathy is understandable. Iraqis are a proud people who have endured a great deal of hardship. They have wanted their freedom for many years, and now they want their sovereignty. The sacrifice of brave Iraqis, such as Izzedin Saleem, is testament to the will of so many Iraqis to secure a better future. So while I recognize that there are still details to be worked out over the course of six short weeks, I believe our ability to see progress in our overall strategy for Iraq hinges on sovereignty.

I am confident that on July 1st, Ambassador Negroponte will take the reins of a large Embassy, with a highly experienced Deputy Chief of Mission and an eager country team. There will be more than 100,000 U.S. forces in the country, working alongside the forces of at least 32 other nations, including Iraq. When the Ambassador calls on the Iraqi leadership, he will meet with the Prime Minister and President of a sovereign nation.

There will be much to accomplish, of course. The country will still be immersed in all the confusion of a dramatic transition: elections will need to be held; a constitution will need to be drafted; and economic reconstruction will need to continue. The U.S. commitment to a strategy of success also will continue unabated, and we will continue to define success as a democratic and prosperous Iraq, at peace within itself and with its neighbors. I appreciate the support this Committee already has given the Department of State in reaching for that success, and I look forward to discussing our strategy with you today.

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