

Testimony by the Coordinator for Iraq Transition
Ambassador Francis J. Ricciardone
“Status of U.S. Forces in Iraq Post June 30”
House Armed Services Committee
June 16, 2004

Mr. Chairman, I appreciate the opportunity to report to you today on the progress we are making as we meet two weeks before Iraqis take back from the Coalition Provisional Authority full authority and responsibility for the administration of their national affairs.

Let me begin by paying tribute to the men and women who are serving our country in Iraq. We are all 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.

Mr. Chairman, the State Department is working hard, with other USG agencies, with our coalition partners, with the UN, and with the Iraqi people, to carry out the direction provided by President Bush. On May 24, he outlined five steps that we must accomplish to achieve freedom and democracy in Iraq:

First, hand over authority to a sovereign Iraqi government;
Second, help establish security;
Third, continue rebuilding Iraqi infrastructure;
Forth, encourage international support; and
Fifth, move toward free national elections.

We will accomplish the first of these tasks just two weeks from now, when the Coalition Provisional Authority will hand power to the Iraqi Interim Government, led by Prime Minister Ayad al-Allawi and President Ghazi al-Yawar. On June 30, our relationship with Iraq will change fundamentally. We will quickly move to establish formal diplomatic relations and to build strong and friendly bilateral ties—two independent, sovereign nations working together toward a common goal of a peaceful and democratic Iraq. As the lead US government agency in Iraq, the State Department will be charged with carrying out the President’s five steps to ensure that this common goal is reached.

To accomplish the mission, the Department has been organizing an effective U.S. Embassy to harness and direct the expertise and resources of agencies across the U.S. government. I will report to you today on the status of our efforts to put the new Embassy in place

In January, Secretary Powell called me back to Washington to head our transition team. On my first day on the job, I went to the Pentagon to meet with my partner, the Iraq Transition Team leader for the Department of Defense, LTG (ret.) Mick Kicklighter. Together, we head one interagency transition team. General Kicklighter left a few days ago for Baghdad, where he will stay on through the historic end of the CPA and re-establishment of US-Iraqi diplomatic relations. Our strong interagency collaboration has been the cornerstone of our fine progress. I'd like to thank General Kicklighter for his leadership, wise counsel, and unstinting support in our joint mission.

Our interagency team has established an element in Baghdad under Deputy Chief of Mission-designate Jim Jeffrey, to lay the groundwork for the opening of the US Mission.

Several weeks ago, Undersecretary Marc Grossman spoke with you about our work on establishing U.S. Embassy Baghdad, and the coming historic changes within Iraq and in our relations with that country. Let me update you on our planning and progress in four key sectors of transition planning: people, security, buildings and financial outlook.

PEOPLE

Many have focused on the fact that Embassy Baghdad will be among our largest. That is true, but more importantly, under the leadership of Ambassador Negroponte and others of our most experienced and committed Foreign Service Officers and Specialists, Embassy Baghdad is taking shape as one of our very best.

Embassy Baghdad will be about number three in size of some 260 US diplomatic and consular missions around the world. Let me go into a bit more detail on the numbers of our people.

We now anticipate a total of about 900 American positions under Chief of Mission authority, and about 550 Foreign Service Nationals (FSNs) for a total Mission size of about 1,500, including two temporary organizations, the Iraq Reconstruction

Management Office (IRMO) and Program Contracting Office (PCO) that will support Iraq Relief and Reconstruction fund management and implementation. From our global experience, we expect that over time, the number of Americans will decline while the number of Iraqi employees will increase.

The State Department has established 140 permanent American positions, for which we have formally assigned 130 people. About 25 of these have already started their one-year tour, joining 32 of their State Department colleagues who are assisting in the transition. We expect the rest to start their tours over the next three months. Another 50 Department of State employees will serve on 12-month temporary assignments in locations outside Baghdad. They will represent the US and support Iraqi development programs in Iraq's provinces. We are planning to establish four regional hubs in Kirkuk, Mosul, Hillah, and Basrah. We will also plan to embed Foreign Service Officers in five military commands.

We have interviewed more than 250 Iraqi applicants for the 155 local hire State Department positions immediately needed, and we have hired our first Iraqi employees. In the short run, however, 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.

I would note here that American security rests on American diplomacy as well as our military power. And our diplomatic readiness will depend on the continued foresight and support of the President and Congress to invest in training, protecting, and supporting all our people -- Foreign Service, Civil Service, and Foreign Service Nationals. We have been able to utilize the recent increases in the Department's civil and foreign service workforce, including new positions planned in the FY 2005 budget, to meet our staffing requirements in Iraq as part of the Diplomatic Readiness Initiative (DRI), which President Bush and Secretary Powell, with Congressional support, had established to improve the training standards of our people and address emerging foreign policy priorities. The Global War on Terrorism has sharply increased the demands on our diplomatic resources.

Other US Agencies also make up the new Embassy's Country Team. As of today, 9 cabinet agencies, other than the State Department, have assigned or planned a total of 384 American and 173 locally hired personnel. They include several agencies of the Departments of Justice and Defense, plus Agriculture, Commerce, DHS, EPA, HHS, Labor, Transportation, Treasury, and USAID.

SECURITY

This is a dangerous mission. Our top priority is to keep our people safe, while enabling our diplomats to accomplish our work with the Iraqi Government and people. We are pleased to report that the security upgrade of the planned interim Embassy buildings is progressing to meet deadlines. We 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. We are also currently working with CPA to determine how many CPA vehicles will be transferred to the Embassy and its provincial teams.

To complement the security personnel already provided under the U.S. military and CPA-funded contracts, 30 Diplomatic Security (DS) staff and ten State Department contract security personnel are already in Iraq, of whom many have served there for some months. They have been defining the Mission's security requirements and have begun to meet them, even as they are helping to protect CPA officers and visitors.

BUILDINGS

We have identified a building in the Green Zone to serve as the Embassy 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 before July 1

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 purposes. We also will continue to use another building temporarily as the Ambassador's residence.

We also have identified a site for a new American Embassy facility, which would include offices, housing, and support facilities. We can build and occupy that new facility within about two years of receiving funding.

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 its initial start-up and operating expenses, as well as follow-on costs of the programs begun under CPA that must continue.

We estimate these mission costs to be in the range of \$480 million for the balance of Fiscal Year 2004.

How will we cover these costs?

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

We also expect to have available the existing 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).

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 and the Program Contracting Office (PCO).

The largest cost components of running the U.S. mission in FY 2005 are logistics and security. DoD will continue to cover logistics and security costs until needs can be assessed and any supplemental requirements can be proposed and enacted upon in 2005. We will look to Ambassador Negroponte and his team to assess those actual needs and provide an estimate that can be considered as part of any supplemental that may be requested.

We plan to meet the remaining FY 2005 traditional embassy requirements through funds requested by the Department in the FY 2005 budget and any remaining funds carried over from the fourth quarter of FY 2004. State may also have to rely on portions of its base Diplomatic and Consular Programs (D&CP) regular operating account to cash flow any interim requirements until a supplemental is requested in 2005.

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.

Thank you for your time today. I'd be happy to answer any questions you might have on the management and operational planning for the Embassy transition.