

CRS Report for Congress

Iraq: Post-Saddam Governance and Security

Updated September 6, 2007

Kenneth Katzman
Specialist in Middle Eastern Affairs
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

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Summary

Operation Iraqi Freedom overthrew Saddam Hussein's regime, but much of Iraq remains violent because of Sunni Arab resentment and a related insurgency, compounded by Sunni-Shiite sectarian violence that, in the judgment of many, constitutes a "civil war." Mounting U.S. casualties and financial costs — without dramatic improvements in levels of violence or clear movement toward national political reconciliation among Iraq's major communities — have intensified a debate within the United States over whether to reduce U.S. involvement without completely accomplishing initial U.S. goals.

President Bush announced a new strategy on January 10, 2007 ("New Way Forward") consisting of deployment of an additional 28,500 U.S. forces ("troop surge") to help stabilize Baghdad and restive Anbar Province. The strategy is intended to provide security conditions conducive to Iraqi government action on a series of key reconciliation initiatives that are viewed as "benchmarks" of political progress. The FY2007 supplemental appropriation, P.L. 110-28, linked some U.S. reconstruction aid to progress on the eighteen named benchmarks, but allows for a presidential waiver to continue the aid even if little or no progress is observed in Administration reports due July 15, 2007 and September 15, 2007. The latter will include a major assessment of the effects of the "troop surge" to date. According to the required July 15, 2007 Administration report, released on July 12, the Baghdad security plan has made progress on several military indicators and some political indicators, but progress is unsatisfactory on the most important political reconciliation indicators. The Administration report asserts that the "overall trajectory... has begun to stabilize," a finding on the security situation that is corroborated, to some extent, by an August 2007 National Intelligence Estimate. A required report by the GAO released September 4, 2007, assesses less progress on security benchmarks than does the Administration and is pessimistic, as is the NIE, on the prospects for political reconciliation.

Some in Congress — as well as the Iraq Study Group — believe that the United States should begin winding down U.S. combat involvement in Iraq. Both chambers adopted a FY2007 supplemental appropriation to fund U.S. operations in Iraq and Afghanistan (H.R. 1591) that would have set an outside deadline of March 31, 2008, for U.S. combat withdrawal if the President did not certify Iraqi progress on the "benchmarks." President Bush vetoed it on May 1, 2007, and subsequent bills mandating forms of withdrawal or combat reduction have not moved forward. Some observers say such legislation might see further action after the Administration's September 15 progress report, while others say some positive assessments of the "troop surge" might forestall immediate congressional action.

This report is updated regularly. See also CRS Report RS21968, *Iraq: Government Formation and Benchmarks*, by Kenneth Katzman; CRS Report RL31833, *Iraq: Reconstruction Assistance*, by Curt Tarnoff; CRS Report RL31701, *Iraq: U.S. Military Operations*, by Steve Bowman; and CRS Report RL33793, *Iraq: Regional Perspectives and U.S. Policy*, coordinated by Christopher Blanchard.

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Iraq: Post-Saddam Governance and Security

Iraq has not previously had experience with a democratic form of government, although parliamentary elections were held during the period of British rule under a League of Nations mandate (from 1920 until Iraq's independence in 1932), and the monarchy of the Sunni Muslim Hashemite dynasty (1921-1958). The territory that is now Iraq was formed from three provinces of the Ottoman empire after British forces defeated the Ottomans in World War I and took control of the territory in 1918. Britain had tried to take Iraq from the Ottomans earlier in World War I but were defeated at Al Kut in 1916. Britain's presence in Iraq, which relied on Sunni Muslim Iraqis (as did the Ottoman administration), ran into repeated resistance, facing a major Shiite-led revolt in 1920 and a major anti-British uprising in 1941, during World War II. Iraq's first Hashemite king was Faysal bin Hussein, son of Sharif Hussein of Mecca who, advised by British officer T.E Lawrence ("Lawrence of Arabia"), led the Arab revolt against the Ottoman Empire during World War I. Faysal ruled Iraq as King Faysal I and was succeeded by his son, Ghazi, who was killed in a car accident in 1939. Ghazi was succeeded by his son, Faysal II, who was only four years old.

A major figure under the British mandate and the monarchy was Nuri As-Said, a pro-British, pro-Hashemite Sunni Muslim who served as prime minister 14 times during 1930-1958. Faysal II, with the help of his pro-British Prime Minister Nuri al-Sa'id who had also served under his predecessors, ruled until the military coup of Abd al-Karim al-Qasim on July 14, 1958. Qasim was ousted in February 1963 by a Baath Party-military alliance. Since that same year, the Baath Party has ruled in Syria, although there was rivalry between the Syrian and Iraqi Baath regimes during Saddam's rule. The Baath Party was founded in the 1940s by Lebanese Christian philosopher Michel Aflaq as a socialist, pan-Arab movement, the aim of which was to reduce religious and sectarian schisms among Arabs.

One of the Baath Party's allies in the February 1963 coup was Abd al-Salam Arif. In November 1963, Arif purged the Baath, including Baathist Prime Minister (and military officer) Ahmad Hasan al-Bakr, and instituted direct military rule. Arif was killed in a helicopter crash in 1966 and was replaced by his elder brother, Abd al-Rahim al-Arif, who ruled until the Baath Party coup of July 1968. Following the Baath seizure, Bakr returned to government as President of Iraq and Saddam Hussein, a civilian, became the second most powerful leader as Vice Chairman of the Revolutionary Command Council. In that position, Saddam developed overlapping security services to monitor loyalty among the population and within Iraq's institutions, including the military. On July 17, 1979, the aging al-Bakr resigned at Saddam's urging, and Saddam became President of Iraq. Under Saddam Hussein, secular Shiites held high party positions, but Sunnis, mostly from Saddam's home town of Tikrit, dominated the highest party and security positions. Saddam's regime repressed Iraq's Shiites after the February 1979 Islamic revolution in neighboring

Iran partly because Iraq feared that Iraqi Shiite Islamist movements, emboldened by Iran, would try to establish an Iranian-style Islamic republic of Iraq.

Table 1. Iraq Basic Facts

Population	27.5 million
Demographics	Shiite Arab - 60%; Sunni Arab - 17-20%; Kurd - 15-20%; Christian - 3%.
Comparative Area	Slightly more than twice the size of Idaho
GDP	\$87.9 billion (purchasing power parity)
GDP per capita	\$3,000 per year
Unemployment Rate	25-30%
Inflation Rate	60%+

Source: CIA World Factbook, updated June 2007

Policy in the 1990s Emphasized Containment

Prior to the January 16, 1991, launch of Operation Desert Storm to reverse Iraq's August 1990 invasion of Kuwait, President George H.W. Bush called on the Iraqi people to overthrow Saddam. That Administration decided not to try to do so militarily because (1) the United Nations had approved only liberating Kuwait; (2) Arab states in the coalition opposed an advance to Baghdad; and (3) the Administration feared becoming bogged down in a high-casualty occupation.¹ Within days of the war's end (February 28, 1991), Shiite Muslims in southern Iraq and Kurds in northern Iraq, emboldened by the regime's defeat and the hope of U.S. support, rebelled. The Shiite revolt nearly reached Baghdad, but the mostly Sunni Muslim Republican Guard forces were pulled back into Iraq before engaging U.S. forces and were intact to suppress the rebellion. Many Iraqi Shiites blamed the United States for not intervening on their behalf. Iraq's Kurds, benefitting from a U.S.-led "no fly zone" set up in April 1991, drove Iraqi troops out of much of northern Iraq and remained autonomous thereafter.

Subsequent to the war, the thrust of U.S. policy was containment, consisting of U.N. Security Council-authorized weapons inspections, an international economic embargo, and U.S.-led enforcement of "no fly zones" over northern and southern Iraq.² However, President George H.W. Bush did pursue regime change to some

¹ Bush, George H.W., and Brent Scowcroft. *A World Transformed*. Alfred A. Knopf, Inc. 1998.

² The implementation of these policies is discussed in CRS Report RL32379, *Iraq: Former Regime Weapons Programs, Human Rights Violations, and U.S. Policy*, by Kenneth (continued...)

extent, including reportedly sending Congress an intelligence finding that the United States would try to promote a military coup. The Administration apparently believed that a coup could produce a favorable government without fragmenting Iraq. After a reported July 1992 coup failed, there was a U.S. decision to shift to supporting the Kurdish, Shiite, and other oppositionists that were coalescing into a broad movement,³ but the United States did not help them militarily.

The Clinton Administration and Major Anti-Saddam Factions

During the Clinton Administration, the United States built ties to and progressively increased support for several of the Shiite and Kurdish factions analyzed below. Some of these factions have provided major figures in post-Saddam politics, while also fielding militias that are allegedly conducting acts of sectarian reprisals in post-Saddam Iraq. Also discussed in the table are Sunni factions, almost all of which, to varying degrees, oppose the dominant Shiites and Kurds. They are discussed in greater depth later, in the analysis of post-Saddam security issues.

During 1997-1998, Iraq's obstructions of U.N. weapons of mass destruction (WMD) inspections led to growing congressional calls to overthrow Saddam, beginning with an FY1998 supplemental appropriations act (P.L. 105-174). The sentiment was expressed more strongly in the "Iraq Liberation Act" (ILA, P.L. 105-338, October 31, 1998). Signed by President Clinton despite doubts about opposition capabilities, it was viewed as an expression of congressional support for the concept of promoting an Iraqi insurgency with U.S. air power. That law, which states that it should be the policy of the United States to "support efforts" to remove the regime headed by Saddam Hussein, is often cited as evidence of a bipartisan consensus that Saddam should be toppled. Section 8 states that the act should not be construed as authorizing the use of U.S. military force to achieve regime change. The ILA did not specifically terminate after Saddam Hussein was removed from power. Section 7 provides for post-Saddam "transition assistance" to Iraqi groups with "democratic goals." The law also gave the President authority to provide up to \$97 million worth of defense articles and services, as well as \$2 million in broadcasting funds, to opposition groups designated by the Administration. In mid-November 1998, President Clinton publicly articulated that regime change was a component of U.S. policy toward Iraq.

The signing of the ILA coincided with new crises over Iraq's obstructions of U.N. weapons inspections. On December 15, 1998, U.N. inspectors were withdrawn, and a three-day U.S. and British bombing campaign against suspected Iraqi WMD facilities followed (Operation Desert Fox, December 16-19, 1998). On February 5, 1999, President Clinton made seven opposition groups eligible to receive U.S. military assistance under the ILA (P.D. 99-13): INC; INA; SICI; KDP; PUK; the

² (...continued)
Katzman.

³ Congress more than doubled the budget for covert support to the opposition groups to about \$40 million for FY1993, from previous reported levels of about \$15 million to \$20 million. Sciolino, Elaine. "Greater U.S. Effort Backed To Oust Iraqi." *New York Times*, June 2, 1992.

Islamic Movement of Iraqi Kurdistan (IMIK);⁴ and the Movement for Constitutional Monarchy (MCM). In May 1999, the Clinton Administration provided \$5 million worth of training and “non-lethal” defense articles under the ILA. About 150 oppositionists underwent Defense Department-run training at Hurlburt air base in Florida on how to administer a post-Saddam Iraq. However, the Administration judged that the opposition was not sufficiently capable to merit weapons or combat training. These trainees were not brought into Operation Iraqi Freedom or into the Free Iraqi Forces that deployed to Iraq.

Secular Groups: Iraqi National Congress (INC) and Iraq National Accord (INA). In 1992, the two main Kurdish parties and several Shiite Islamist groups coalesced into the “Iraqi National Congress (INC)” on a platform of human rights, democracy, pluralism, and “federalism” (Kurdish autonomy). However, many observers doubted its commitment to democracy, because most of its groups had authoritarian leaderships. The INC’s Executive Committee selected Ahmad Chalabi, a secular Shiite Muslim, to run the INC on a daily basis. (A table on U.S. appropriations for the Iraqi opposition, including the INC, is an appendix).⁵

Another secular group, the Iraq National Accord (INA), was founded after Iraq’s 1990 invasion of Kuwait, was supported initially by Saudi Arabia but reportedly later earned the patronage of the Central Intelligence Agency (CIA).⁶ It is led by Dr. Iyad al-Allawi. The INA enjoyed Clinton Administration support in 1996 after squabbling among other opposition groups reduced their viability,⁷ but the INA was penetrated by Iraq’s intelligence services, which arrested or executed over 100 INA activists in June 1996. In August 1996, Baghdad launched a military incursion into northern Iraq, at the invitation of the KDP, to help it capture Irbil from the PUK. The incursion enabled Baghdad to rout INC and INA agents in the north.

The Kurds.⁸ The Kurds, who are mostly Sunni Muslims but are not Arabs, are probably the most pro-U.S. of all major groups. Historically fearful of persecution by the Arab majority, the Kurds have carved out a high degree of autonomy and run their own three-province region run by a Kurdistan Regional Government (KRG).

⁴ Because of its role in the eventual formation of the radical Ansar al-Islam group, the IMIK did not receive U.S. funds after 2001, although it was not formally de-listed.

⁵ Chalabi’s father was president of the Senate in the monarchy that was overthrown in the 1958 military coup, and the family fled to Jordan. He taught math at the American University of Beirut in 1977 and, in 1978, he founded the Petra Bank in Jordan. He later ran afoul of Jordanian authorities on charges of embezzlement and he left Jordan, possibly with some help from members of Jordan’s royal family, in 1989. In April 1992, he was convicted in absentia of embezzling \$70 million from the bank and sentenced to 22 years in prison. The Jordanian government subsequently repaid depositors a total of \$400 million.

⁶ Brinkley, Joel. “Ex-CIA Aides Say Iraq Leader Helped Agency in 90’s Attacks,” *New York Times*, June 9, 2004.

⁷ An account of this shift in U.S. strategy is essayed in Hoagland, Jim. “How CIA’s Secret War On Saddam Collapsed,” *Washington Post*, June 26, 1997.

⁸ For an extended discussion, see CRS Report RS22079, *The Kurds in Post-Saddam Iraq*, by Kenneth Katzman and Alfred B. Prados.

Through legal procedures as well as population movements, the Kurds are trying to secure the mixed city of Kirkuk, which they covet as a source of oil that would ensure their autonomy or eventual independence. The Kurds achieved insertion of language in the permanent constitution requiring a vote by December 2007 on whether Kirkuk might formally join the Kurdish administered region. (The Iraq Study Group report, released December 6, 2006, in Recommendation 30 believes that this referendum should be delayed.)⁹ Both major Kurdish factions — the Patriotic Union of Kurdistan (PUK) led by Jalal Talabani, and the Kurdistan Democratic Party (KDP) led by Masud Barzani — are participating in Iraqi politics, but the PUK more so; Talabani is Iraq’s president.

Shiite Islamists: Ayatollah Sistani, SICI, Da’wa Party, and Sadr.

Shiite Islamist organizations have become dominant in post-Saddam politics; Shiites constitute about 60% of the population but were under-represented in all pre-2003 governments. Several Shiite Islamist factions cooperated with the U.S. regime change efforts of the 1990s, but others did not. The undisputed Shiite religious leader, Grand Ayatollah Ali al-Sistani, remained in Iraq, taking a low profile, during Saddam Hussein’s regime, and he was not involved in U.S.-backed regime change efforts. As the “*marja-e-taqlid*” (source of emulation) and the most senior of the four Shiite clerics that lead the Najaf-based “*Hawza al-Ilmiyah*” (a grouping of seminaries).¹⁰ About 85 years old, Sistani was born in Iran and studied in Qom, Iran, before relocating to Najaf at the age of 21. His mentor, was Ayatollah Abol Qasem Musavi-Khoi, was head of the *Hawza* until his death in 1992. Like Khoi, Sistani is a “quietist” — generally opposing a direct political role for clerics, but he believes in clerical supervision of political leaders. He wants Iraq to maintain its Islamic culture and favors modest dress for women, and curbs on sales of alcohol and Western music and entertainment.¹¹

Islamic Supreme Council of Iraq (ISCI). ISCI (in May 2007 it changed its name from the Supreme Council of the Islamic Revolution of Iraq, SCIRI), considers itself the largest party within the “United Iraqi Alliance” (UIA) of Shiite political groupings. ISCI founders were in exile in Iran after a major crackdown in 1980 by Saddam, who accused pro-Khomeini Iraqi Shiite Islamists of trying to overthrow him. During Ayatollah Khomeini’s exile in Najaf (1964-1978), he was hosted by Grand Ayatollah Muhsin al-Hakim, then head of the *Hawza*, and the father of the Hakim brothers (including current leader Abd al-Aziz) that founded ISCI. ISCI leaders say they do not seek to establish an Iranian-style Islamic republic, but ISCI reportedly receives substantial amounts of financial and other aid from Iran. Although it was a member of the INC in the early 1990s, ISCI refused to accept U.S. funds, although it did have contacts with the United States.

⁹ The report can be obtained at [<http://www.usip.org>].

¹⁰ The three other senior Hawza clerics are Ayatollah Mohammad Sa’id al-Hakim (uncle of the leader of the Supreme Council of the Islamic Revolution in Iraq, Abd al-Aziz al-Hakim); Ayatollah Mohammad Isaac Fayadh, who is of Afghan origin; and Ayatollah Bashir al-Najafi, of Pakistani origin.

¹¹ For information on Sistani’s views, see his website at [<http://www.sistani.org>].

Da'wa Party/Prime Minister Nuri al-Maliki. The Da'wa (Islamic Call) Party, which did not directly join the U.S.-led effort to overthrow Saddam Hussein during the 1990s, is both an ally and sometime rival of SCIRI. The leader of its main faction in Iraq was Ibrahim al-Jafari, a Da'wa activist since 1966 who fled to Iran in 1980 to escape Saddam's crackdown, later going to London. He was transitional Prime Minister during April 2005-April 2006. His successor as Prime Minister, Nuri al-Maliki, was named Da'wa leader in early July 2007, prompting an attempt by Jafari to agitate against Maliki. Although there is no public evidence that Jafari or Maliki were involved in any terrorist activity, the Kuwaiti branch of the Da'wa allegedly committed a May 1985 attempted assassination of the Amir of Kuwait and the December 1983 attacks on the U.S. and French embassies in Kuwait. (It was reported in February 2007 that a UIA/Da'wa parliamentarian, Jamal al-Ibrahimi, was convicted by Kuwait for the 1983 attacks.) Lebanese Hezbollah, founded by Lebanese Da'wa Party activists, attempted to link release of the Americans they held hostage in Lebanon in the 1980s to the release of 17 Da'wa prisoners held by Kuwait for those attacks in the 1980s. In post-Saddam Iraq, another faction of Da'wa — also under the UIA umbrella — is loyal to Abd al-Karim al-Anazi.

Moqtada al-Sadr Faction. Moqtada Al Sadr is emerging as a major — some believe the most powerful — figure in Iraq. After the fall of Saddam Hussein, he was viewed as a young firebrand who lacked religious and political weight, but the more established Shiite factions have since built ties to him because of his large following among poor Shiites who identify with other “oppressed Muslims” and who oppose virtually any U.S. presence in the Middle East. He is now perceived as clever and capable — at the same time participating in the political process to avoid all-out confrontation with the United States but at the same time denouncing the “U.S. occupation.” This criticism has a central feature of his activities during 2007, and his “Mahdi Army” militia forces are increasingly active against British forces in southern Iraq, against U.S. forces, and against rival Shiite factions and Iraqi security forces in the south. Pro-Sadr candidates won pluralities in some southern Iraqi provinces in the elections held in January 2005, but did not compete vigorously in other important southern provinces, such as Basra. (*In Recommendation 35, the Iraq Study Group recommended that the United States try to talk to Sadr, as well as Sistani, as well as with other parties except Al Qaeda-Iraq.*)

Table 2. Major Factions in Iraq

Major Shiite and Kurdish Factions	
Iraq National Accord (INA)/Iyad al-Allawi	The INA leads the main secular bloc (Iraqis List) in parliament. Allawi, about 61 years old (born 1946 in Baghdad), a former Baathist who helped Saddam silence Iraqi dissidents in Europe in the mid-1970s. Subsequently fell out with Saddam, became a neurologist, and presided over the Iraqi Student Union in Europe. Survived an alleged regime assassination attempt in London in 1978. He is a secular Shiite, but many INA members are Sunni ex-Baathists and ex-military officers. Allawi was interim Prime Minister (June 2004-April 2005). Won 40 seats in January 2005 election but only 25 in December 2005. Spends most of his time outside Iraq and reportedly trying to organize a non-sectarian parliamentary governing coalition to replace Maliki. Now boycotting the cabinet.
Iraqi National Congress (INC)/Ahmad Chalabi	Chalabi, who is about 67 years old, educated in the United States (Massachusetts Institute of Technology) as a mathematician. One of the rotating presidents of the Iraq Governing Council (IGC). U.S.-backed Iraqi police raided INC headquarters in Baghdad on May 20, 2004, seizing documents as part of an investigation of various allegations, including provision of U.S. intelligence to Iran. Case later dropped. Since 2004, has allied with and fallen out with Shiite Islamist factions; was one of three deputy prime ministers in the 2005 transition government. No INC seats in parliament, but Chalabi remains chair of the Higher National De-Baathification Commission and has resisted de-Baathification reform efforts. Serves as liaison between Baghdad neighborhood committees and the government in 2007 Baghdad security plan.
Kurds/KDP and PUK	Together, the main factions run Kurdistan Regional Government (KRG) with its own executive headed by “president” Masud Barzani, Prime Minister Nechirvan Barzani, and a 111 seat legislature (elected in January 30, 2005 national elections). PUK leader Talabani remains president, despite March 2007 health problems that required treatment in Jordan and the United States. Barzani has tried to secure his clan’s base in the Kurdish north and has distanced himself from national politics. Many Kurds are more supportive of outright Kurdish independence than are these leaders. Kurds field up to 100,000 <i>peshmerga</i> militia. Their joint slate won 75 seats in January 2005 national election but only 53 in December 2005. Grudgingly supported framework draft oil law sent to parliament, but strongly oppose related draft implementing law that would place 93% of Iraq’s oil fields under control of a revived Iraqi National Oil Company (INOC). Both factions intent on securing control of Kirkuk.
Grand Ayatollah Ali al-Sistani	Undisputed leading Shiite theologian in Iraq. No formal position in government but has used his broad Shiite popularity to become instrumental in major political questions. Helped forge UIA and brokered compromise over the selection of a Prime Minister nominee in April 2006. Criticized Israel’s July 2006 offensive against Lebanese Hezbollah. However, acknowledges that his influence is waning and that calls for Shiite restraint are unheeded as Shiites look to militias, such as Sadr’s, for defense in sectarian warfare. Does not meet with U.S. officials. Has network of agents (<i>wakils</i>) throughout Iraq and among Shiites outside Iraq. Treated for heart trouble in Britain in August 2004. Aide stabbed to death by unknown assailant in July 2007.

Major Shiite and Kurdish Factions	
Supreme Islamic Council of (ISCI)	Best-organized and most pro-Iranian Shiite Islamist party and generally allied with Da'wa Party in UIA. It was established in 1982 by Tehran to centralize Shiite Islamist movements in Iraq. First leader, Mohammad Baqr Al Hakim, killed by bomb in Najaf in August 2003. Current leader is his younger brother, Abd al-Aziz al-Hakim, a lower ranking Shiite cleric and a member of parliament (UIA slate), but he holds no government position. Hakim currently undergoing lung cancer treatment, instilling uncertainty in ISCI leadership. One of his top aides, Bayan Jabr, is now Finance Minister, and another, Adel Abd al-Mahdi, is a deputy president. Controls "Badr Brigades" militia. Son, Ammar al-Hakim, is a key ISCI figure as well and is said to be favored to take over ISCI should his father's condition become fatal. As part of UIA, ISCI has 29 members in parliament. Supports formation of Shiite "region" composed of nine southern provinces and dominates provincial councils on seven of those provinces. Supports draft oil law to develop the oil sector.
Da'wa (Islamic Call) Party	Oldest organized Shiite Islamist party (founded 1957), active against Saddam Hussein in early 1980s. Its founder, Mohammad Baqr al-Sadr, uncle of Moqtada Al Sadr, was ally of Iran's Ayatollah Khomeini and was hung by Saddam regime in 1980. Da'wa members tend to follow senior Lebanese Shiite cleric Mohammad Hossein Fadlallah rather than Iranian clerics, and Da'wa is not as close to Tehran as is ISCI. Has no organized militia and a lower proportion of clerics than does ISCI. Within UIA, its two factions control 25 seats in parliament. Supports draft oil law.
Moqtada Al-Sadr Faction	Young (about 32), the lone surviving son of the revered Ayatollah Mohammed Sadiq al-Sadr (killed, along with his other two sons, by regime security forces in 1999 after he began agitating against Saddam). Inherited father's political base in "Sadr City," a large (2 million population) Shiite district of Baghdad, but also strong and challenging ISCI for control of Diwaniyah, Nassiriyah, Basra, Amarah, and other major Shiite cities. Still clouded by allegations of involvement in the April 10, 2003, killing in Iraq of Abd al-Majid Khoi, the son of the late Grand Ayatollah Khoi and head of his London-based Khoi Foundation. Formed "Mahdi Army" militia in 2003. Now part of UIA, faction controls 30 seats in parliament (under UIA) and two more under the "Mission" bloc. Sadr faction, prior to its April 2007 pullout from the cabinet, held ministries of health, transportation, and agriculture and two ministry of state posts. Opposes Shiite "region" in the south, and generally opposes draft oil law as a "sellout."
Fadilah Party	Loyal to Ayatollah Mohammad Yacoubi, who was a leader of the Sadr movement after the death of Moqtada's father in 1999 but was later removed by Moqtada and subsequently broke with the Sadr faction. <i>Fadilah</i> (Virtue) won 15 seats parliament as part of the UIA but publicly left that bloc on March 6, 2007 to protest lack of a Fadilah cabinet seat. Holds seats on several provincial councils in the Shiite provinces and dominates Basra provincial council, whose governor is a party member. Also controls protection force for oil installations in Basra, and is popular among oil workers and unions in Basra. Opposes draft oil law as too favorable to foreign firms.
Hezbollah Iraq	Headed by ex-guerrilla leader Abdul Karim Muhammadawi, who was on the IGC and now in parliament. Party's power base is southern marsh areas around Amara (Maysan Province), north of Basra. Has some militiamen. Supports a less formal version of Shiite region in the south than does ISCI.
Tharallah	Led by Sayyid Yusuf al-Musawi. Small Shiite faction in southern Iraq.

Major Shiite and Kurdish Factions	
Islamic Amal	A relatively small faction, Islamic Amal (Action) Organization is headed by Ayatollah Mohammed Taqi Modarassi, a moderate cleric. Power base is in Karbala, and it conducted attacks there against Saddam regime in the 1980s. Modarassi's brother, Abd al-Hadi, headed the Islamic Front for the Liberation of Bahrain, which stirred Shiite unrest against Bahrain's regime in the 1980s and 1990s. One member in the cabinet (Minister of Civil Society Affairs).
Ayatollah Hassani Faction	Another Karbala-based faction, loyal to Ayatollah Mahmoud al-Hassani, who also was a Sadrist leader later removed by Moqtada. His armed followers clashed with local Iraqi security forces in Karbala in mid-August 2006. Hassani, along with <i>Fadilah</i> , are considered opponents of Iran because of Iran's support for ISCI and Da'wa Party.
Major Sunni Factions	
Iraqi Consensus Front (Tariq al-Hashimi and Adnan al-Dulaymi)	Often referred to by Arabic name "Tawafuq," Front is led by Iraqi Islamic Party (IIP), headed by Tariq al-Hashimi, now a deputy president. (Ousted) COR Speaker Mahmoud Mashadani, a hardliner, is a senior member; in July 2006, he called the U.S. invasion "the work of butchers." IIP withdrew from the January 2005 election but led the Sunni "Consensus Front" coalition in December 2005 elections, winning 44 seats in COR. Front, critical but accepting of U.S. presence, also includes Iraqi General People's Council of the hardline Adnan al-Dulaymi, and the National Dialogue Council (Mashadani's party). Hashimi visited the United States in December 2006 and met with President Bush. Opposes draft oil law as sellout to foreign companies and distrusts Shiite pledges to equitably share oil revenues. Pulled five cabinet ministers out of government on August 1, but Hashimi still deputy president.
Iraqi Front for National Dialogue	Head is Saleh al-Mutlak, an ex-Baathist, was chief negotiator for Sunnis on the new constitution, but was dissatisfied with the outcome and now advocates major revisions. Bloc holds 11 seats, generally aligned with Consensus Front. Opposes draft oil law on same grounds as Consensus Front.
Muslim Scholars Association (MSA)	Hardline Sunni Islamist group led by clerics Harith al-Dhari and Abd al-Salam al-Qubaysi, has boycotted all post Saddam elections. Believed to have ties to/influence over insurgent factions. Wants timetable for U.S. withdrawal from Iraq. Iraqi government issued a warrant for Dhari's arrest in November 2006 for suspected ties to the Sunni insurgency, causing Dhari to remain outside Iraq (in Jordan). Opposes draft oil law.
Sunni Tribes	Not an organized faction per se, but one group of about 20 tribes, the National Salvation Council formed by Shaykh Abd al-Sattar al-Rishawi, credited by U.S. commanders as a source of anti-Al Qaeda support that is helping calm Anbar Province. Some accounts in June 2007 say Council is splintering due to jealousy of Rishawi. Some large tribal confederations include Dulaym (Ramadi-based), Jabbari (mixed Sunni-Shiite tribe), Zobi (near Abu Ghraib), and Shammar (Salahuddin and Diyala regions). (See CRS Report RS22626, <i>Iraq: Tribal Structure, Social, and Political Activities</i> , by Hussein Hassan.)
Iraqi Insurgents	Numerous factions and no unified leadership. Some groups led by ex-Saddam regime leaders, others by Islamic extremists. Major Iraqi factions include Islamic Army of Iraq, New Baath Party, Muhammad's Army, and the 1920 Revolution Brigades; perceived as increasingly opposed to Al Qaeda-Iraq leadership of insurgency, a trend promoting stability in Anbar and Diyala.

Major Sunni Factions	
Al Qaeda in Iraq (AQ-I) / Foreign Fighters	AQ-I was led by Abu Musab al-Zarqawi, a Jordanian national, until his death in U.S. airstrike June 7, 2006. Succeeded by Abu Hamza al-Muhajir (Abu Ayyub al-Masri), an Egyptian. Estimated 3,000 in Iraq (about 10-15% of total insurgents) from many nations, including Egypt and Saudi Arabia, but increasingly subordinate to Iraqi Sunni insurgents under the banner of the “Islamic State of Iraq.” See CRS Report RL32217, <i>Iraq and Al Qaeda</i> .

Post-September 11, 2001: Regime Change and War

Several senior Bush Administration officials had long been advocates of a regime change policy toward Iraq, but the difficulty of that strategy led the Bush Administration initially to continue its predecessor’s containment policy.¹² Some accounts say that the Administration was planning, prior to September 11, to confront Iraq militarily, but President Bush has denied this. During its first year, the Administration tried to prevent an asserted erosion of containment of Iraq by achieving U.N. Security Council adoption (Resolution 1409, May 14, 2002) of a “smart sanctions” plan. The plan relaxed U.N.-imposed restrictions on exports to Iraq of purely civilian equipment¹³ in exchange for renewed international commitment to enforce the U.N. ban on exports to Iraq of militarily-useful goods.

Bush Administration policy on Iraq changed to an active regime change effort after the September 11, 2001, terrorist attacks. In President Bush’s State of the Union message on January 29, 2002, given as major combat in the U.S.-led war on the Taliban and Al Qaeda in Afghanistan was winding down, he characterized Iraq as part of an “axis of evil” (with Iran and North Korea). Some U.S. officials, particularly deputy Defense Secretary Wolfowitz, asserted that the United States needed to respond to the September 11, 2001 attacks by “ending states,” such as Iraq, that support terrorist groups. Vice President Cheney visited the Middle East in March 2002 reportedly to consult regional countries about the possibility of confronting Iraq militarily, although the Arab leaders visited urged greater U.S. attention to the Arab-Israeli dispute and opposed war with Iraq.

Some accounts, including the books *Plan of Attack* and *State of Denial* by Bob Woodward (published in April 2004 and September 2006, respectively), say that then Secretary of State Powell and others were concerned about the potential consequences of an invasion of Iraq, particularly the difficulties of building a democracy after major hostilities ended. Press reports in May 2007 indicate that warnings of such difficulties were issued by the CIA before the invasion. Other accounts include reported memoranda (the “Downing Street Memo”) by British

¹² One account of Bush Administration internal debates on the strategy is found in Hersh, Seymour. “The Debate Within,” *The New Yorker*, March 11, 2002.

¹³ For more information on this program, see CRS Report RL30472, *Iraq: Oil For Food Program, Illicit Trade, and Investigations*, by Christopher Blanchard and Kenneth Katzman.

intelligence officials (based on conversations with U.S. officials) saying that by mid-2002 the Administration had already decided to go to war against Iraq and that it sought to develop information about Iraq to support that judgment. President Bush and British Prime Minister Tony Blair deny this. (On December 20, 2001, the House passed H.J.Res. 75, by a vote of 392-12, calling Iraq's refusal to readmit U.N. weapons inspectors a "mounting threat" to the United States.)

The primary theme in the Bush Administration's public case for the need to confront Iraq was that Iraq posted a "grave and gathering" threat that should be blunted before the threat became urgent. The basis of that assertion in U.S. intelligence remains under debate.

- WMD Threat Perception.* Senior U.S. officials, including President Bush, particularly in an October 2002 speech in Cincinnati, asserted the following about Iraq's WMD: (1) that Iraq had worked to rebuild its WMD programs in the nearly four years since U.N. weapons inspectors left Iraq and had failed to comply with 16 U.N. previous resolutions that demanded complete elimination of all of Iraq's WMD programs; (2) that Iraq had used chemical weapons against its own people (the Kurds) and against Iraq's neighbors (Iran), implying that Iraq would not necessarily be deterred from using WMD against the United States; and (3) that Iraq could transfer its WMD to terrorists, particularly Al Qaeda, for use in potentially catastrophic attacks in the United States. Critics noted that, under the U.S. threat of retaliation, Iraq did not use WMD against U.S. troops in the 1991 Gulf war. A "comprehensive" September 2004 report of the Iraq Survey Group, known as the "Duelfer report,"¹⁴ found no WMD stockpiles or production but said that there was evidence that the regime retained the intention to reconstitute WMD programs in the future. The formal U.S.-led WMD search ended December 2004,¹⁵ although U.S. forces have found some chemical weapons left from the Iran-Iraq war.¹⁶ UNMOVIC's work was formally terminated by U.N. Security Council Resolution 1762 (June 29, 2007).
- Links to Al Qaeda.* Iraq was designated a state sponsor of terrorism during 1979-1982 and was again so designated after its 1990 invasion of Kuwait. Although they did not assert that Saddam Hussein's regime had a direct connection to the September 11 attacks, senior U.S. officials asserted that Saddam's regime was linked to Al Qaeda, in part because of the presence of pro-Al Qaeda militant leader Abu Musab al-Zarqawi in northern Iraq. Although this issue is still debated, the report of the 9/11 Commission found

¹⁴ Duelfer report text is at [<http://news.findlaw.com/hdocs/docs/iraq/cia93004wmdrpt.html>].

¹⁵ For analysis of the former regime's WMD and other abuses, see CRS Report RL32379, *Iraq: Former Regime Weapons Programs, Human Rights Violations, and U.S. Policy*, by Kenneth Katzman.

¹⁶ Pincus, Walter. "Munitions Found in Iraq Renew Debate." *Washington Post*, July 1, 2006.

no evidence of a “collaborative operational linkage” between Iraq and Al Qaeda.¹⁷ For more information, see CRS Report RL32217, *Iraq and Al Qaeda*, by Kenneth Katzman.

Operation Iraqi Freedom (OIF)

As major combat in Afghanistan wound down in mid-2002, the Administration began ordering a force to Kuwait (the only Gulf country that agreed to host a major U.S. ground combat force) that, by early 2003, gave the President an option to invade Iraq. In concert, the Administration tried to build up and broaden the Iraqi opposition and, according to the *Washington Post* (June 16, 2002), authorizing stepped up covert activities by the CIA and special operations forces against Saddam Hussein. In August 2002, the State and Defense Departments jointly invited six major opposition groups to Washington, D.C., and the Administration expanded its ties to several groups composed primarily of ex-military officers. The Administration also began training about 5,000 oppositionists to assist U.S. forces,¹⁸ although reportedly only about 70 completed training at Tazsar air base in Hungary, eventually serving as translators during the war. The Administration blocked a move by the major factions to declare a provisional government, believing that doing so would prevent the emergence of secular, pro-democracy groups.

In an effort to obtain U.N. backing for confronting Iraq — support that then Secretary of State Powell reportedly argued was needed — President Bush urged the United Nations General Assembly (September 12, 2002) that the U.N. Security Council should enforce its 16 existing WMD-related resolutions on Iraq. The Administration then gave Iraq a “final opportunity” to comply with all applicable Council resolutions by supporting Security Council Resolution 1441 (November 8, 2002), which gave the U.N. inspection body UNMOVIC (U.N. Monitoring, Verification, and Inspection Commission) new powers of inspection. Iraq reluctantly accepted it. In January and February 2003, UNMOVIC Director Hans Blix and International Atomic Energy Agency (IAEA) Director Mohammad al-Baradei briefed the Security Council on WMD inspections that resumed November 27, 2002. Although they were not denied access to suspect sites, they criticized Iraq for failing to actively cooperate to clear up outstanding questions, but also noted progress and said that Iraq might not have retained any WMD.

During this period, Congress debated the costs and risks of an invasion. It adopted H.J.Res. 114, authorizing the President to use military force to “defend the national security of the United States against the continuing threat posed by Iraq” and “to enforce all relevant U.N. Security Council resolutions against Iraq.” It passed the House October 11, 2002 (296-133), and the Senate the following day (77-23). It was signed October 16, 2002 (P.L. 107-243).

¹⁷ *9/11 Commission Report*, p. 66.

¹⁸ Deyoung, Karen, and Daniel Williams, “Training of Iraqi Exiles Authorized,” *Washington Post*, October 19, 2002.

In Security Council debate, opponents of war, including France, Russia, China, and Germany, said the pre-war WMD inspections showed that Iraq could be disarmed peacefully or contained indefinitely, and no U.N. resolution authorizing force was adopted. At a March 16, 2003, summit meeting with the leaders of Britain, Spain, and Bulgaria at the Azores, President Bush asserted that Iraq was not complying with Resolution 1441 because it was not pro-actively revealing information, and that diplomatic options had failed. The following day, President Bush gave Saddam Hussein and his sons, Uday and Qusay, an ultimatum to leave Iraq within 48 hours to avoid war. They refused and OIF began on March 19, 2003.

In the war, Iraq's conventional military forces were overwhelmed by the approximately 380,000-person U.S. and British-led 30-country¹⁹ "coalition of the willing" force assembled, a substantial proportion of which remained afloat or in supporting roles. Of the invasion force, Britain contributed 45,000, and U.S. troops constituted the bulk of the remaining 335,000 forces. Some Iraqi units and irregulars ("Saddam's Fedayeen") put up stiff resistance and used unconventional tactics. Some post-major combat evaluations (for example, "Cobra Two," by Michael Gordon and Bernard Trainor, published in 2006) suggest the U.S. military should have focused more on combating the irregulars rather than bypassing them to take on armored forces. No WMD was used by Iraq, although it did fire some ballistic missiles into Kuwait; it is not clear whether those missiles were of prohibited ranges (greater than 150 km). The regime vacated Baghdad on April 9, 2003, although Saddam Hussein appeared with supporters that day in Baghdad's mostly Sunni Adhamiya district. (Saddam was captured in December 2003, and on November 5, 2006, was convicted for "willful killing" of Shiite civilians in Dujail in 1982. He was hanged on December 30, 2006.)

Post-Saddam Transition and Governance

According to statements by President Bush, U.S. goals are for an Iraq that can sustain, govern, and defend itself and is a partner in the global war on terrorism. Administration officials have, for the most part, dropped an earlier stated goal that Iraq serve as a model of democratic reform in the Middle East.

Early Transition Process

The formal political transition has advanced since the fall of Saddam Hussein, but has not achieved political reconciliation among the newly dominant Shiite Arabs, Sunni Arabs that have been displaced from their former perch at the apex of Iraqi politics, and the Kurds who have felt perennially oppressed by Iraq's Arabs.

Occupation Period/Coalition Provisional Authority (CPA). After the fall of the regime, the United States set up an occupation structure, reportedly grounded in concerns that immediate sovereignty would favor major factions and not

¹⁹ Many of the thirty countries listed in the coalition did not contribute forces to the combat. A subsequent State Department list released on March 27, 2003 listed 49 countries in the coalition of the willing. See *Washington Post*, March 27, 2003, p. A19.

produce democracy. The Administration initially tasked Lt. Gen. Jay Garner (ret.) to direct reconstruction with a staff of U.S. government personnel to administer Iraq's ministries; they deployed in April 2003. He headed the Office of Reconstruction and Humanitarian Assistance (ORHA), within the Department of Defense, created by a January 20, 2003, executive order. The Administration largely discarded the State Department's "Future of Iraq Project," that spent at least a year before the war drawing up plans for administering Iraq after the fall of Saddam.²⁰ Garner and then White House envoy Zalmay Khalilzad, tried to establish a representative successor regime by organizing a meeting in Nassiriyah (April 15, 2003) of about 100 Iraqis of varying views and ethnicities. A subsequent meeting of over 250 notables was held in Baghdad (April 26, 2003), ending in agreement to hold a broader meeting one month later to name an interim administration.

In May 2003, the Administration, reportedly preferring what they perceived as stronger leadership in Iraq, named ambassador L. Paul Bremer to replace Garner by heading a "Coalition Provisional Authority" (CPA), which subsumed ORHA. The CPA was an occupying authority recognized by U.N. Security Council Resolution 1483 (May 22, 2003). Bremer discontinued Garner's political transition process and instead appointed (July 13, 2003) a non-sovereign Iraqi advisory body: the 25-member "Iraq Governing Council" (IGC). In September 2003, the IGC selected a 25-member "cabinet" to run the ministries, with roughly the same factional and ethnic balance of the IGC (a slight majority of Shiite Muslims). Although there were some Sunni figures in the CPA-led administration, many Sunnis resented the new power structure as overturning their prior dominance. Adding to Sunni resentment were some of the CPA's most controversial decisions, including to pursue "de-Baathification" — a purge from government of about 30,000 Iraqis at four top ranks of the Baath Party (CPA Order 1) and not to recall members of the armed forces to service (CPA Order 2). Bremer and others maintain that recalling the former regime armed forces would have caused mistrust among Shiites and Kurds about the prospects for democracy in post-Saddam Iraq.

Transitional Administrative Law (TAL). The Bush Administration initially made the end of U.S. occupation contingent on the completion of a new constitution and the holding of national elections for a new government, tasks expected to be completed by late 2005. However, Ayatollah Sistani and others agitated for early Iraqi sovereignty. In November 2003, the United States announced it would return sovereignty to Iraq by June 30, 2004, and that national elections would be held by the end of 2005. That decision was incorporated into an interim constitution — the Transitional Administrative Law (TAL), drafted by the major anti-Saddam factions and signed on March 8, 2004.²¹ It provided a roadmap for political transition, including (1) elections by January 31, 2005, for a 275-seat transitional National Assembly; (2) drafting of a permanent constitution by August 15, 2005, and put to a national referendum by October 15, 2005; and (3) national elections for a

²⁰ Information on the project, including summaries of the findings of its 17 working groups, can be found at [<http://usinfo.state.gov/products/pubs/archive/dutyiraq/>]. The project cost \$5 million and had 15 working groups on major issues.

²¹ The text of the TAL can be obtained from the CPA website at [<http://cpa-iraq.org/government/TAL.html>].

permanent government, under the new constitution (if it passed), by December 15, 2005. Under the TAL, any three provinces could veto the constitution by a two-thirds majority. If that happened, a new draft would be written and voted on by October 15, 2006. The Kurds maintained their autonomous KRG and their *peshmerga* militia could still operate.

Sovereignty Handover/Interim (Allawi) Government. The TAL did not directly address the formation of the interim government that would assume sovereignty. Sistani's opposition torpedoed an initial U.S. plan to select a national assembly through nationwide "caucuses." After considering several other options, the United States tapped U.N. envoy Lakhdar Brahimi to select a government.²² Dominated by senior faction leaders, it was named and began work on June 1, 2004. The formal handover ceremony occurred on June 28, 2004, two days before the advertised June 30 date, partly to confuse insurgents. There was a president (Ghazi al-Yawar), and Iyad al-Allawi was Prime Minister, with executive power, heading a cabinet of 26 ministers. Six ministers were women, and the ethnicity mix was roughly the same as in the IGC. The defense and interior ministers were Sunnis.

U.N. Involvement/Coalition Military Mandate/Status of U.S. Forces/Permanent Basing. The Administration asserts that it has consistently sought and obtained U.N. and partner country involvement in Iraq efforts. Resolution 1483 (cited above) provided for a U.N. special representative to Iraq, and "called on" governments to contribute forces for stabilization. Resolution 1500 (August 14, 2003) established U.N. Assistance Mission for Iraq (UNAMI)²³. The size of UNAMI in Iraq, headed by former Pakistani diplomat Ashraf Jahangir Qazi, exceeds 100 in Iraq, with at least an equal number "offshore" in Jordan. It is focused on promoting political reconciliation, election assistance, and monitoring human rights practices and humanitarian affairs. U.N. Secretary General Ban Ki Moon visited Baghdad in March 2007 and later said that UNAMI would expand its presence in Iraq and perhaps take on additional duties to promote political reconciliation. A new U.N. Security Council Resolution, 1770, adopted August 10, 2007, renewed UNAMI's mandate, and with an enhanced responsibility to be lead promoter of political reconciliation in Iraq and plan a national census. (*In Recommendations 7 and 26 and several others the Iraq Study Group calls for increased U.N. participation in promoting reconciliation in Iraq.*)

In an attempt to satisfy the requirements of several nations for greater U.N. backing of the coalition force presence, the United States achieved adoption of Resolution 1511 (October 16, 2003), authorizing a "multinational force under *unified* [meaning U.S.] command." Resolution 1546 (June 8, 2004) took U.N. involvement further by endorsing the handover of sovereignty, reaffirming the responsibilities of the interim government, spelling out the duration and legal status of U.S.-led forces in Iraq, and authorizing a coalition component force to protect U.N. personnel and facilities. Resolution 1546 also:

²² Chandrasekaran, Rajiv. "Envoy Urges U.N.-Chosen Iraqi Government," *Washington Post*, April 15, 2004.

²³ Its mandate has been renewed each year since, most recently by Resolution 1700 (August 10, 2006).

- It “authorize[d]” the U.S.-led coalition to secure Iraq, a provision interpreted as giving the coalition responsibility for security. Iraqi forces are “a principal partner” in the U.S.-led coalition, and the relationship between U.S. and Iraqi forces is spelled out in an annexed exchange of letters between the United States and Iraq. The U.S.-led coalition retained the ability to take prisoners.
- It stipulated that the coalition’s mandate would be reviewed “at the request of the government of Iraq or twelve months from the date of this resolution” (or June 8, 2005); that the mandate would expire when a permanent government is sworn in at the end of 2005; and that the mandate would be terminated “if the Iraqi government so requests.” Resolution 1637 (November 11, 2005) and Resolution 1723 (November 28, 2006) each extended the coalition military mandate for an additional year (now lasting until at least December 31, 2007), unless earlier “requested by the Iraqi government.” The renewal resolutions also required review of the mandate on June 15, 2006 and June 15, 2007, respectively. In June 2007, Iraq’s parliament passed a motion, led by the Sadr faction, to require the Iraqi government to seek parliamentary approval before asking that the coalition military mandate be extended. The interim review was completed on June 14, 2007 and made no changes.
- Resolution 1546 deferred the issue of the status of foreign forces (Status of Forces Agreement, SOFA) to an elected Iraqi government. Secretary of Defense Rumsfeld said in July 2005 that U.S. military lawyers were working with the Iraqis on a SOFA, but no such agreement has been signed to date. Major facilities include Balad, Tallil, and Al Asad air bases, as well as the arms depot at Taji; all are being built up with U.S. military construction funds in various appropriations. P.L. 109-289 (FY2007 DoD appropriations) contains a provision that the Defense Department not agree to allow U.S. forces in Iraq to be subject to Iraqi law.
- On permanent basing, the Defense Appropriation for FY2007 (P.L. 109-289) and the FY2007 supplemental (P.L. 110-28) contain provisions prohibiting use of U.S. funds to establish permanent military installations or bases in Iraq. These provisions comport with Recommendation 22 of the December 2006 Iraq Study Group report, which recommends that the President should state that the United States does not seek permanent military bases in Iraq. A congressionally mandated commission on the Iraq Security Forces, led by retired General James Jones (“Jones Commission”) recommends that Iraqi flags fly over all installations in Iraq used by U.S. forces. The P.L. 110-28 law also says that the United States shall not control Iraq’s oil resources, a statement urged by Recommendation 23 of the Iraq Study Group report. Another bill, H.R. 2929, forbidding the use of appropriated funds to establish permanent bases in Iraq or control Iraq’s oil, passed the House on July 25, 2007 by a vote of 399-24.

Post-Handover U.S. Structure in Iraq. As of the June 28, 2004, handover, the state of occupation ceased, and a U.S. Ambassador (John Negroponte) established U.S.-Iraq diplomatic relations for the first time since January 1991. A U.S. embassy formally opened on June 30, 2004; it is staffed with about 1,100 U.S. personnel.²⁴ Negroponte was succeeded in July 2005 by Ambassador Zalmay Khalilzad, and he was succeeded in April 2007 by Ryan Crocker, formerly Ambassador to Pakistan. The large new embassy complex, with 21 buildings on 104 acres, is under construction.²⁵ A reported May 2007 memo by Ambassador Crocker asking for experienced State Department personnel to be assigned to Iraq was perhaps foreshadowed by the December 2006 Iraq Study Group report. In Recommendations 73-76, the Iraq Study Group report lays out several initiatives that could be taken “to ensure that [the United States] has personnel with the right skills serving in Iraq.” In conjunction with the handover:

- Iraq gained control over its oil revenues and the Development Fund for Iraq (DFI), subject to monitoring for at least one year (until June 2005) by the U.N.-mandated International Advisory and Monitoring Board (IAMB). (Resolution 1723 of November 28, 2006, extends the IAMB monitoring of the DFI until December 31, 2007, subject to review by June 15, 2007. That review made no changes.) Resolution 1546 also gave Iraq responsibility for close-out of the “oil-for-food program;”²⁶ Resolution 1483 ended that program as of November 21, 2003.
- Reconstruction management and advising of Iraq’s ministries were taken over by a State Department component called the “Iraq Reconstruction and Management Office” (IRMO). With the expiration of that unit’s authority in April 2007, it was renamed the “Iraq Transition Assistance Office,” ITAO, headed since June 2007 by Mark Tokola. ITAO is intended to promote the efficiency of Iraq’s ministries and Iraq’s takeover of management of the projects built with U.S. reconstruction funds, although Iraq reportedly has been unable or unwilling to take control of a large percentage of completed projects, according to press reports in July 2007. The authority has also expired for a separate DoD “Project Contracting Office (PCO),” headed by Brig. Gen. William McCoy (under the Persian Gulf division of the Army Corps of Engineers). It funded large infrastructure projects such as roads, power plants, and school renovations.

²⁴ See CRS Report RS21867, *U.S. Embassy in Iraq*, by Susan B. Epstein.

²⁵ A FY2005 supplemental appropriations, P.L. 109-13, provided \$592 million of \$658 million requested to construct a new embassy in Baghdad; an FY2006 supplemental appropriation (P.L. 109-234) provided \$1.327 billion for U.S. embassy operations and security.

²⁶ For information on that program, see CRS Report RL30472, *Iraq: Oil-for-Food Program, Illicit Trade, and Investigations*, by Christopher Blanchard and Kenneth Katzman.

Elections in 2005

After the handover of sovereignty, the United States and Iraq focused on three national votes held in 2005. On January 30, 2005, elections were held for a transitional National Assembly, 18 provincial councils, and the Kurdish regional assembly. Sunnis, still resentful of the U.S. invasion, mostly boycotted, and no major Sunni slates were offered, enabling the UIA to win a slim majority (140 of the 275 seats) and to ally with the Kurds (75 seats) to dominate the national governments formed subsequently (as well as the provincial councils). PUK leader Jalal Talabani was named president; Ibrahim al-Jafari became Prime Minister. Although it had a Sunni Arab as Assembly speaker; deputy president; deputy prime minister; Defense Minister; and five other ministers, it did not draw Sunni popular support. (See CRS Report RS21968, *Iraq: Government Formation and Performance*, by Kenneth Katzman.)

Permanent Constitution. Over Sunni opposition, the constitution drafted by a committee appointed by the elected transition government was approved on October 15, 2005. Sunni opponents achieved a two-thirds “no” vote in two provinces, but not in the three needed to defeat the constitution. The crux of Sunni opposition was the provision for a weak central government (“federalism”): it allows groups of provinces to band together to form autonomous “regions” with their own regional governments, internal security forces, and a large role in controlling revenues from any new energy discoveries. The Sunnis oppose this concept because their region, unlike those dominated by the Kurds and the Shiites, has thus far lacks significant proven oil reserves and they depend on the central government for revenues, although some new substantial oil and gas fields have recently been reported to lie in Anbar Province. It contained an article (137) that promises a special constitutional review, within a set deadline, intended to mollify Sunnis on key contentious points.

December 15, 2005, Election. In this election, some harder line Sunnis, seeking to strengthen their position to amend the constitution, put together electoral slates — the “Consensus Front” and the Iraqi Front for National Dialogue. With the UIA alone well short of the two-thirds majority needed to unilaterally form a government, Sunnis, the Sadr faction, secular groupings, and the Kurds demanded Jafari be replaced; they subsequently accepted Nuri al-Maliki as Prime Minister (April 22, 2006). Talabani was selected to continue as president, with two deputies Adel Abd al-Mahdi of ISCI and Tariq al-Hashimi of the Consensus Front. (The former has lost one and the latter has lost three siblings to sectarian violence in 2006; Abd al-Mahdi was nearly assassinated in a March 2007 bombing.)

Amid U.S. and other congratulations, Maliki named and won approval of a 36-member cabinet (including two deputy prime ministers) on May 20, 2006. Among his permanent selections were Kurdish official Barham Salih and Consensus Front member Salam al-Zubaie as deputy prime ministers. (Zubaie was seriously wounded in an assassination attempt purportedly orchestrated by one of his aides on March 22, 2007; he has now recovered.) Four ministers (environment, human rights, housing, and women’s affairs) are women. Of the 34 permanent ministerial posts named, a total of seven are Sunnis; seven are Kurds; nineteen are Shiites; and one is Christian (minister of human rights, Ms. Wijdan Mikha’il, of Allawi’s bloc). Maliki did not immediately name permanent figures for the major posts of Interior, Defense, and

Ministry of State for National Security because major factions could not agree on nominees. But, on June 8, 2006, he achieved COR confirmation of compromise candidates for those posts.

Prime Minister Nuri Kamal al-Maliki

Born in 1950 in Karbala, has belonged to Da'wa Party since 1968. Fled Iraq in 1980 after Saddam banned the party, initially to Iran, but then to Syria when he refused Iran's orders that he join Shiite militia groups fighting Iraq during the Iran-Iraq war. Headed Da'wa offices in Syria and Lebanon and edited Da'wa Party newspaper. Reputed advocate of aggressive purge of ex-Baathists as member of the Higher National De-Baathification Commission after Saddam's fall. Elected to National Assembly (UIA list) in January 2005 and chaired its "security committee." Publicly supported Hezbollah (which shares a background with his Da'wa Party) during July-August 2006 Israel-Hezbollah conflict, prompting congressional criticism during July 2006 visit to Washington DC. Believed sympathetic to Kurds' efforts to incorporate Kirkuk into the Kurdish region. Has tense relations with ISCI, whose activists accuse him of surrounding himself with Da'wa members. Prior to 2007, repeatedly shielded Sadr's Mahdi Army militia from U.S. military sweeps. In October 2006, said he is a U.S. ally but "not America's man in Iraq." Following Bush-Maliki meeting in Jordan (November 30, 2006), President Bush reiterated that Maliki is "the right guy for Iraq" and President Bush reportedly maintains regular direct contact with him by video-conference. In August 2007, President Bush, other senior officials, and Members of Congress increasingly criticize him for sectarianism.

Maliki Government, Political Reconciliation, and "Benchmarks"

Some observers believe that the "troop surge" announced on January 10, 2007 and discussed further below will be judged by whether or not it facilitates political reconciliation. The FY2007 Supplemental Appropriation Act (P.L. 110-28) conditions the release of some funds for Iraq operations upon achievement of eighteen stated benchmarks, and the Administration is required to report on progress by July 15 and September 15, 2007. A presidential waiver to permit the flow of funds is provided for and was exercised by the Administration following the July 15 report, which was released on July 12, 2007.

By all accounts, including those of top U.S. commander in Iraq General David Petraeus and U.S. Ambassador Ryan Crocker, and discussed in the July 12, 2007 report as well as the September 4, 2007 congressionally mandated GAO report, progress on the most significant political reconciliation efforts has been unsatisfactory to date. That view is also expressed in the unclassified key judgments of an August 2007 National Intelligence Estimate (NIE). Iraqi factions are continuing to negotiate – with only minor progress – outstanding issues, even though the COR has passed over 50 laws since it was established in early 2006, including a law adopted in July 2007 to regulate the running of Iraq's oil refineries. Senior Administration officials, including Vice President Cheney (May 9, 2007), deputy Secretary of State John Negroponte (June 13-14, 2007), Secretary of Defense Robert Gates (June 15, 2007), and President Bush (September 2, 2007) have visited Iraq recently and expressed to Iraqi leaders U.S. disappointment at the relative lack of

progress to date and to urge accelerated efforts. (*This type of high level contact is suggested by Recommendation 19 of the Iraq Study Group report.*)

The dates below indicate the benchmarks — and deadlines — to have been completed — *as pledged by the Iraqis in August 2006* — although U.S. officials say that, for the required reports, particularly the July 12, 2007 report, they were looking for concrete signs of progress and not necessarily completion. The GAO report, according to P.L. 110-28, was directed to measure whether or not a benchmark was completed or not, a criteria that the Administration has criticized as failing to account for nuances that constitute progress.

(1) *By September 2006, formation of a committee to review the constitution under the special amendment process (Article 137); approval of a law to implement formation of regions; approval of an investment law; and approval of a law establishing the Independent High Electoral Commission (IHEC).* The July 12, 2007 reports assessed progress on P.L. 110-28 benchmark # 1 (constitutional review process) as satisfactory. The constitution review committee was appointed in November 2006 and made partial recommendations in late May 2007, but it did not meet a new deadline of July 2007 (beyond the May 15 deadline) to finish its draft and no referendum on amendments is scheduled. Major decisions on presidential powers, powers of individual regions, and on the status of Kirkuk (which the Kurds want to affiliate with their region) await compromise by major factions. An investment law (not one of the P.L. 110-28 benchmarks) was adopted in October 2006. The regions law (P.L. 110-28 benchmark # 4) was adopted October 12, 2006, although, to mollify Sunni opposition, major factions agreed to delay the formation of new regions for 18 months. The IHEC law (the first of three parts of benchmark # 5) was passed on January 23, 2007, and the nine commissioners were appointed.

(2) *By October 2006, approval of a provincial election law; and approval of a new oil law.* The drafting of a provincial election law is at an early stage; it is considered key to easing Sunni resentment because the current councils, which expire in January 2009, have few Sunnis on them. (The Sunnis boycotted the January 2005 elections that formed the councils.) A draft law stipulating the powers of the provinces has received two readings in parliament, although differences remain on the powers of the provincial governors and related issues. (These are the remaining two of the three parts of benchmark # 5, and progress is assessed as unsatisfactory.)

The oil law is benchmark # 3; progress is assessed as unsatisfactory because the Iraqis did not meet their revised deadline of May 31, 2007 for all related oil laws. On February 26, 2007, Iraq's cabinet passed a draft framework oil law that would set up a Federal Oil and Gas Council with broad powers to review exploration contracts signed with foreign energy companies, including those signed by Iraq's regions. Of the three implementing laws that need to be adopted simultaneously, two have been drafted, including a law on sharing oil revenues among Iraq's communities, and a law regulating the dealings with foreign energy firms. The logjam on the draft revenue sharing law was broken in June 2007 when the Kurds reportedly agreed to a 17% share of oil revenues collected, to be deposited in a separate account at the Central Bank. Another law delineating how Iraq's energy industry will run ("INOC law" - Iraq National Oil Company) has not been drafted; the Kurds vigorously opposed an early draft INOC law because it puts 93% of Iraq's oil fields under state control. None of the oil law components are yet before the COR. Poorer Shiites and many Sunnis opposed fear foreign domination of the key sector and oppose a provision of the draft gives seats on the Federal Oil and Gas Council to foreign energy firms.

(3) *By November 2006, approval of a new de-Baathification law and approval of a flag and national anthem law.* Maliki said on September 3, 2007 that a draft De-Baathification

reform law (benchmark # 2) has been presented to the COR. The draft would allow all but members of the three highest Baath Party levels to return to their jobs or obtain pensions. This announcement suggests that Maliki, in line with an agreement reached with the main Sunni and Kurdish representatives on August 26, 2007, has overcome opposition to the draft by members of the Supreme National De-Baathification Commission, claiming support from revered Shiite leader Ayatollah Ali al-Sistani. On April 7, 2007, Maliki ordered pensions be given to senior officers in the Saddam-era military and permission for return to service of lower ranking soldiers.

(4) *By December 2006, approval of laws to curb militias and to offer amnesty to insurgent supporters (benchmarks # 6 and 7).* The July 12, 2007 progress report says that the prerequisites for these laws are not in place, given the security environment. Iraq's factions, concerned about the general lack of security, are unwilling to disarm. The Shiite-led government reportedly fears that Sunnis are plotting to return to power and that offering amnesty to Sunni insurgent supporters would only accelerate that process. U.S. officials say Maliki has verbally committed to a militia demobilization program, and an executive director of the program was named on May 12, 2007, but committee members have not yet been appointed and a demobilization work plan is not drafted.

(6) *By February 2007, the formation of independent commissions to oversee governance.* (Not one of the P.L. 110-28 benchmarks.) No progress is evident to date.

(8) *By April 2007, Iraqi assumption of control of its military.* Six of the ten Iraqi Army divisions are now under Iraqi control. The P.L. 110-28 benchmarks do not include this milestone, but instead require progress creating units capable of operating independently (benchmark # 15). Progress on that was judged unsatisfactory in the July 12 report.

(10) *By September 2007, Iraqi security control of all 18 provinces.* (Not a P.L. 110-28 benchmark.) Iraq Security Forces now have security control for the provinces of Muthanna, Dhi Qar, Najaf, Maysan, Irbil, Sulaymaniyah, and Dohuk - the latter three are Kurdish (turned over May 30, 2007). Britain apparently will turn over Basra Province soon.

(11) *By December 2007, Iraqi security self-reliance.* (Not a P.L. 110-28 benchmark.)

Several other security related benchmarks required by P.L. 110-28 — and on which the July 12 report finds Iraqi performance generally satisfactory — center around assisting the Baghdad security plan/“U.S. troop surge” — for example by providing three Iraqi brigades to Baghdad (benchmark # 9); setting up joint security stations (benchmark # 14); making available over \$10 billion in reconstruction funds (benchmark # 17); and on ensuring that the Baghdad security plan does not provide safe haven for any outlaw, regardless of sectarian affiliation (benchmark # 12). The GAO report finds Iraq's achievement of three of the four benchmarks as mixed, and joint security stations benchmark as achieved. The July 12, 2007, report and the GAO report give Iraq an unfavorable assessment on the politically-relevant benchmark of ensuring even handed law enforcement by the security forces (benchmark # 11). The assessment of benchmark # 13 is mixed according to the Administration, and unmet according to the GAO; Iraq has reduced sectarian violence but it has not eliminated militia control of local security. The August 2007 NIE assesses overall violence as high, but with some measurable improvement from the “troop surge.”

Political Fragmentation. Amid increasing Administration and congressional criticism of Maliki and the failure to achieve significant reconciliation,

splits within the power structure, both between the Shiite and other blocs, and even within the Shiite bloc, have widened to the point where some predict governmental collapse. The fragmentation began in March 2007 when the Fadilah Party left the UIA on the grounds that it is not represented in the cabinet. Subsequently, in April, five Sadr faction cabinet members (Health, Transportation, and Agriculture; as well as two ministers of state) resigned. Sadr - formerly a strong ally of Maliki - instructed his bloc to boycott parliament from the June 13, 2007 second bombing of the Grand Mosque in Samarra (the first was in February 2006) until mid-July 2007.

On August 1, 2007, the Sunni Consensus Front implemented a week-old threat to pull out its six cabinet members, who already had not attended cabinet meetings for one month, asserting that Maliki is not committed to political reconciliation. The Front did not withdraw its 44 members from parliament; they had just returned to parliament in mid-July after a month long boycott over the COR's June 12, 2007 vote to require Mashhadani's resignation as COR speaker for alleged intimidation of parliamentarians. Adding to Sunni distrust was the June 2007 arrest warrant issued for Culture Minister Asad al-Hashimi, a Sunni. Perhaps sensing Maliki's vulnerability, in August 2007, former Prime Minister Allawi directed three of the five cabinet ministers from his bloc to resign. This means that at least 15 cabinet seats are now vacant, including all affiliated Sunnis. On the other hand, Deputy President Tariq al-Hashimi is still in the government, as is unaffiliated Sunni Abd-al Qadir Jasim al-Mifraji, the Defense Minister.

In an effort to rebuild what appears to be a collapsing government, in August 2007, Maliki held meetings with other major leaders ("crisis summit") intended to reach factional compromise on major issues and presumably end cabinet boycotts. Attending the meetings are Maliki, Talabani and his two deputy presidents (Tariq al-Hashimi and Adel Abd al-Mahdi), and Masud Barzani. Hardline Consensus Front leader Adnan al-Dulaymi also attended some of the related meetings, just days after he issued a public appeal for the Sunni Arab governments to come to the aid of Iraq's Sunnis against the Shiites Dulaymi says are oppressing them. On August 26, 2007 Maliki, Talabani, Tariq al-Hashimi, deputy President Adel Abd al-Mahdi (ISCI) and Kurdish regional president Masoud Barzani unveiled a "consensus agreement" - to work to pass the de-Baathification law and the oil laws, and for the release of some detainees, mostly Sunnis.

The Kurds are fully engaged in the political structure in Baghdad. No Kurds are boycotting either the cabinet or the parliament at this time. However, potential troubles loom as the oil laws (discussed above) reach crucial decisions on final adoption and passage and many of the Kurds' objections and reservations remain unresolved. An even greater concern is the promised referendum on whether Tamim (Kirkuk) Province will affiliate formally with the Kurdistan Regional Government, a vote that, under Article 140 of the constitution, is to take place by December 31, 2007. The Kurds are insisting - to the point of threatening "civil war" - that the referendum proceed as planned but the other major communities, Shiite and Sunni Arabs, backed by the United States, are said to be trying to persuade the Kurds to accept a delay in the referendum until the broader sectarian conflicts in Iraq ease. There is speculation among observers that the Kurds might accept a delay in the referendum in exchange for favorable provisions in the oil laws under consideration. Suggesting the possibility of a postponement, the Kurds did not meet a July 31, 2007

deadline to furnish voter rolls for this planned referendum. At the same time, Kurdish participation in government might also unravel if the United States fails to persuade Turkish military leaders not to launch military incursions in the Kurdish north in pursuit of PKK guerrillas that Turkey says have safehaven there.

To date, Administration officials have maintained that the United States continues to fully support Maliki and his government. However, as noted previously, there is increasing Administration and congressional criticism of his failure to achieve substantial reconciliation. U.S. frustration was reflected in President Bush's September 2, 2007 visit to Iraq, in which he visited only Anbar Province, not Baghdad, and requested that Maliki and other Iraqi leaders meet him there. Some observers say that U.S. backing could erode completely if his government continues to fracture or if the Baghdad security plan — in the September 15, 2007 progress report — is judged a failure.

Regional and International Diplomatic Efforts to Promote Iraq Stability. The Iraqi government has received diplomatic support, even though most of its neighbors, except Iran, resent the Shiite and Kurdish domination of the regime. There are about 50 foreign missions in Iraq, including most European and Arab countries. Jordan has appointed an ambassador and Kuwait has pledged to do so. Iran upgraded its representation to Ambassador in May 2006. On the other hand, some countries, such as Portugal in March 2007, have closed their embassies because of security concerns. There were attacks on diplomats from Bahrain, Egypt, Algeria, Morocco, and Russia in 2005 and 2006. Saudi Arabia, which considers the Shiite dominated government in Baghdad an affront to what it sees as rightful Sunni pre-eminence, told visiting Secretary of State Rice in August 2007 that the Kingdom will consider opening an embassy in Iraq.

Iraq continued its appeal for regional support at the Iraq-sponsored regional conference of its neighbors and major regional and outside powers (the United States, the Gulf monarchy states, Egypt, the permanent members of the United Nations Security Council) in Baghdad on March 10, 2007. Iran and Syria attended, as did the United States. A follow-on meeting in Egypt was held May 3 and 4, 2007, resulting in some additional pledges of aid for Iraq (“International Compact for Iraq”, and agreement to establish regional working groups on Iraq's security, fuel supplies, and Iraqi refugees. U.S.-Iran meetings on Iraq are discussed later.

Democracy and Local Governance. The United States and its coalition partners have tried to build civil society and democracy at the local level, and U.S. Ambassador to Iraq Ryan Crocker said in July 2007 that local political reconciliation might, in some cases, be a better indicator of overall progress than the national legislative “benchmarks” discussed above. In July 2007, U.S. officials and some outside observers reported evidence of such local reconciliation in some areas of Iraq, including U.S.-brokered meetings between Sunni and Shiite tribal leaders.

The State Department's report on human rights for 2006, released March 6, 2007, appears to place the blame for much of the human suffering in Iraq on the overall security environment and not on the Maliki government's performance or intentions. It says that “widespread violence seriously compromised the government's ability to protect human rights.” U.S. officials say Iraqis are freer than

at any time in the past 30 years, with a free press and the ability to organize politically. A State Department report to Congress details how the FY2004 supplemental appropriation (P.L. 108-106) “Iraq Relief and Reconstruction Fund” (IRRF) is being spent (“2207 Report”):

- About \$1.014 billion for “Democracy Building;”
- About \$71 million for related “Rule of Law” programs;
- About \$159 million to build and secure courts and train legal personnel;
- About \$128 million for “Investigations of Crimes Against Humanity,” primarily former regime abuses;
- \$10 million for U.S. Institute of Peace democracy/civil society/conflict resolution activities;
- \$10 million for the Iraqi Property Claims Commission (which is evaluating Kurdish claims to property taken from Kurds, mainly in Kirkuk, during Saddam’s regime); and
- \$15 million to promote human rights and human rights education centers.

Run by the State Department Bureau of International Narcotics and Law Enforcement Affairs (State/INL), USAID, and State Department Bureau of Democracy, Human Rights, and Labor (DRL), some of the democracy and rule of law building activities conducted with these funds, aside from assistance for the various elections in Iraq in 2005, include the following:

- Several projects that attempt to increase the transparency of the justice system, computerize Iraqi legal documents, train judges and lawyers, develop various aspects of law, such as commercial laws, promote legal reform, and support the drafting of the permanent constitution.
- Activities to empower local governments, policies that are receiving increasing U.S. attention and additional funding allocations from the IRRF. These programs include (1) the “Community Action Program” (CAP) through which local reconstruction projects are voted on by village and town representatives. About 1,800 community associations have been established thus far. The conference report on an FY2006 supplemental appropriation (P.L. 109-234) designated \$50 million in ESF for Iraq to be used to keep the CAP operating. That level of aid is expected in FY2007 under provisions of a continuing resolution (P.L. 109-383); (2) Provincial Reconstruction Development Committees (PRDCs) to empower local governments to decide on reconstruction priorities; and (3) Provincial Reconstruction Teams (PRTs), local enclaves to provide secure conditions for reconstruction, as discussed in the section on security, below.
- Programs to empower women and promote their involvement in Iraqi politics, as well as programs to promote independent media.

- Some funds have been used for easing tensions in cities that have seen substantial U.S.-led anti-insurgency combat, including Fallujah, Ramadi, Sadr City district of Baghdad, and Mosul. In August 2006, another \$130 million in U.S. funds (and \$500 million in Iraqi funds) were allocated to assist Baghdad neighborhoods swept by U.S. and Iraqi forces in “Operation Together Forward.”
- As noted above, according to Iraq’s national timetable, a law on elections for provincial councils was to be drafted by the end of October 2006 and provincial elections to be held by June 2007, although it this timetable has not been met.

In addition to what is already allocated:

- The FY2006 regular foreign aid appropriations (conference report on P.L. 109-102) incorporated a Senate amendment (S.Amdt. 1299) providing \$28 million each to the International Republican Institute and the National Democratic Institute for Iraq democracy promotion.
- The FY2006 supplemental appropriation (P.L. 109-234) provided another \$50 million in ESF for Iraq democracy promotion, allocated to various organizations performing democracy work there (U.S. Institute of Peace, National Democratic Institute, International Republican Institute, National Endowment for Democracy, and others).
- The FY2007 supplemental appropriation (P.L. 110-28) provides \$250 million in “democracy funding.”

Economic Reconstruction and U.S. Assistance

The Administration asserts that economic reconstruction will contribute to stability, although some aspects of that effort appear to be faltering. As discussed in reports by the Special Inspector General for Iraq Reconstruction (SIGIR), the difficult security environment has slowed reconstruction.²⁷ (*In Recommendation 64, the Iraq Study Group says that U.S. economic assistance to Iraq should be increased to \$5 billion per year rather than be “permitted to decline.” Recommendation 67 calls on the President to appoint a Senior Advisor for Economic Reconstruction in Iraq, a recommendation that was largely fulfilled with the February 2007 appointment of Timothy Carney as Coordinator for Economic Transition in Iraq.*) For more detail, see CRS Report RL31833, *Iraq: Recent Developments in Reconstruction Assistance*, by Curt Tarnoff.

²⁷ The defense authorization bill for FY2007 (P.L. 109-364) set October 1, 2007, for termination of oversight by the SIGIR. However, P.L. 109-440 extends that term until 10 months after 80% of the IRRF have been expended but includes FY2006 reconstruction funds for Iraq in the definition of the IRRF. The SIGIR’s mandate is therefore expected to extend until some time in 2008.

A total of about \$34 billion has been appropriated for reconstruction funding (including security forces), of which \$20.917 billion has been appropriated for the “Iraq Relief and Reconstruction Fund” (IRRF) in two supplemental appropriations: FY2003 supplemental, P.L. 108-11, which appropriated about \$2.5 billion; and the FY2004 supplemental appropriations, P.L. 108-106, which provided about \$18.42 billion. Of the IRRF funds, about \$19.925 billion has been obligated, and, of that, about \$18.233 billion has been disbursed. According to State Department reports, the sector allocations for the IRRF are as follows:

- \$5.03 billion for Security and Law Enforcement;
- \$1.315 billion for Justice, Public Safety, Infrastructure, and Civil Society;
- \$1.014 billion for Democracy;
- \$4.22 billion for Electricity Sector;
- \$1.724 billion for Oil Infrastructure;
- \$2.131 billion for Water Resources and Sanitation;
- \$469 million for Transportation and Communications;
- \$333.7 million for Roads, Bridges, and Construction;
- \$746 million for Health Care;
- \$805 million for Private Sector Development (includes \$352 million for debt relief for Iraq);
- \$410 million for Education, Refugees, Human Rights, Democracy, and Governance (includes \$99 million for education); and
- \$213 million for USAID administrative expenses.

FY2006 Supplemental/FY2007/FY2008. In reconstruction funding beyond the IRRF:

— The FY2006 supplemental appropriation (P.L. 109-234) provided \$1.485 billion for Iraq reconstruction.

— The regular FY2007 appropriation (P.L. 109-383, as amended) provided approximately: \$182 million in ESF for Iraq reconstruction, and \$20 million for counter-narcotics. The FY2007 supplemental, P.L. 110-28 provides: \$3.842 billion for the security forces; \$1.574 billion in ESF; \$50 million in a DoD “Iraq Freedom Fund”; \$250 million in a “democracy fund;” \$150 million for counter-narcotics; and \$456.4 million in CERP funds (includes for Afghanistan as well). These are close to requested amounts. The July 12, 2007 progress report indicates that the President will exercise waiver authority to provide FY2007 ESF even though progress on some of the “benchmarks” was judged unsatisfactory.

— The FY2007 Defense Appropriation (P.L. 109-289) provided another \$1.7 billion for the Iraqi security forces (discussed further below) and \$500 million in additional funds for the Commanders Emergency Response Program (CERP) under which U.S. military can expend funds for small construction projects intended to build good will with the Iraqi population.

— For FY2008 (regular), the Administration requested: \$2 billion for the security forces; and \$456 million for operations and reconstruction. The House version (H.R. 2764) of the FY2008 regular foreign aid appropriation does not provide the requested

amount for operations and reconstruction. For FY2008 (supplemental), the Administration requested about \$2.8 billion for operations and reconstruction. The FY2008 request asks for \$1 billion in CERP funds (DOD funds).

Iraq provides some additional funds for reconstruction. In 2006 the Iraqi government allocated \$2 billion in Iraqi revenues for development activities. Iraq's 2007 budget, adopted February 8, 2007, allocates \$10.5 billion in unspent funds for reconstruction under President Bush's January 10, 2007 plan, discussed below.

Oil Revenues. The oil industry is the driver of Iraq's economy, and rebuilding this industry has received substantial U.S. and Iraqi attention, as encapsulated in the U.S. push for the Iraqi political structure to pass the draft oil law and annexes to be considered by the COR (see above under Maliki government).²⁸

Before the war, it was widely asserted by Administration officials that Iraq's vast oil reserves, believed second only to those of Saudi Arabia, would fund much, if not all, reconstruction costs. The oil industry infrastructure suffered little damage during the U.S.-led invasion (only about nine oil wells were set on fire), but it has become a target of insurgents and smugglers. Insurgents have focused their attacks on pipelines in northern Iraq that feed the Iraq-Turkey oil pipeline that is loaded at Turkey's Mediterranean port of Ceyhan. (Iraq's total pipeline system is over 4,300 miles long.) The U.S. military reports in the June 2007 Measuring Stability report that elements of the protection forces for the oil sector (Strategic Infrastructure Battalions and Facilities Protection Service for the Oil Ministry) are suspected of complicity for smuggling as much as 70% of the output of the Baiji refinery, cost Iraq as much as \$2 billion in revenue per year. The northern export route is operating, although it is only exporting about 300,000 barrels per day, about half its pre-war capacity. On the other hand, high world oil prices have, to some extent, compensated for the output shortfall. The Iraqi government needs to import refined gasoline because it lacks sufficient refining capacity. A GAO report released August 2, 2007 said that inadequate metering, re-injection, corruption, theft, and sabotage, says that Iraq's oil production might be 100,000 - 300,000 lower than the figures shown below, taken from State Department report. (*Steps to correct some of these deficiencies in the oil sector are suggested in Recommendations 62 of the Iraq Study Group report.*)

A related issue is long-term development of Iraq's oil industry and which foreign energy firms, if any, might receive preference for contracts to explore Iraq's vast reserves. Some are concerned that the draft oil law, when implemented, will favor U.S. firms because the draft does not give preference to development contracts signed during the Saddam era, such as those signed with Russian and Chinese firms. Even before the hydrocarbons law has been enacted, some investors began entering Iraq's energy market, primarily in the Kurdish north. South Korea and Iraq signed a preliminary agreement on April 12, 2007, to invest in Iraq's industrial reconstruction and, potentially, its energy sector as well. Poland reportedly is negotiating with Iraq for possible investments in Iraq's energy sector. Several small companies, such as

²⁸ For further information, see CRS Report RL34064, *Iraq: Oil and Gas Legislation, Revenue Sharing, and U.S. Policy*, by Christopher Blanchard.

Norway's DNO, Turkey's Genel; Canada's Western Zagros; Turkish-American PetPrime; and Turkey/U.S.'s A and T Energy have already contracted with the Kurdistan Regional Government to explore for oil (potential output of 100,000 barrels per day) near the northern city of Zakhō. The Kurds' position is that these deals will go forward even though they were signed before a formal hydrocarbons law has been enacted. (*In Recommendation 63, the Iraq Study Group says the United States should encourage investment in Iraq's oil sector and assist in eliminating contracting corruption in that sector.*)

Table 3. Selected Key Indicators

Oil						
Oil Production (weekly avg.)	Oil Production (pre-war)	Oil Exports	Oil Exports (pre-war)	Oil Revenue (2005)	Oil Revenue (2006)	Oil Revenue (2007 to date)
1.15 million barrels per day (mbd)	2.5 mbd	1.67 mbd	2.2 mbd	\$23.5 billion	\$31.3 billion	\$20.8 billion
Electricity						
Pre-War Load Served (MWh)	Current Load Served	Baghdad (hrs. per day)	National Average (hrs. per day)			
102,000	110,000	6.4	10.9			
Power shortage has caused lack of water in several Baghdad districts in early August 2007 due to lack of pumping and purification capability.						
Other Economic Indicators						
GDP Growth Rate (2006 estimate by IMF)				10.6%		
GDP	\$18.9 billion (2002)		\$33.1 billion (2005)			
New Businesses Begun Since 2003				30,000		
U.S. oil imports from Iraq				approx. 660,000 bpd		

Note: Figures in the table are provided by the State Department "Iraq Weekly Status Report" dated August 29, 2007. Oil export revenue is net of a 5% deduction for reparations to the victims of the 1990 Iraqi invasion and occupation of Kuwait, as provided for in U.N. Security Council Resolution 1483 (May 22, 2003). That 5% deduction is paid into a U.N. escrow account controlled by the U.N. Compensation Commission to pay judgments awarded.

Lifting U.S. Sanctions. In an effort to encourage private U.S. investment in Iraq, the Bush Administration has lifted nearly all U.S. sanctions on Iraq, beginning with Presidential Determinations issued under authorities provided by P.L. 108-7 (appropriations for FY2003) and P.L. 108-11 (FY2003 supplemental). As a result, there are almost no restrictions on U.S. trade with and investment in Iraq.

- On July 30, 2004, President Bush issued an executive order ending a trade and investment ban imposed on Iraq by Executive Order 12722 (August 2, 1990) and 12724 (August 9, 1990), and reinforced

by the Iraq Sanctions Act of 1990 (Section 586 of P.L. 101-513, November 5, 1990 (following the August 2, 1990 invasion of Kuwait.) The order did not unblock Iraqi assets frozen at that time.

- On September 8, 2004, the President designated Iraq a beneficiary of the Generalized System of Preferences (GSP), enabling Iraqi products to be imported to the United States duty-free.
- On September 24, 2004, Iraq was removed from the U.S. list of state sponsors of terrorism under Section 6(j) of the Export Administration Act (P.L. 96-72). Iraq is thus no longer barred from receiving U.S. foreign assistance, U.S. votes in favor of international loans, and sales of arms and related equipment and services. Exports of dual use items (items that can have military applications) are no longer subject to strict licensing procedures.²⁹
- The FY2005 supplemental (P.L. 109-13) removed Iraq from a named list of countries for which the United States is required to withhold a proportionate share of its voluntary contributions to international organizations for programs in those countries.

Debt Relief/WTO Membership. The Administration is attempting to persuade other countries to forgive Iraq's debt, built up during Saddam's regime, with mixed success. The debt is estimated to total about \$116 billion, not including reparations dating to the first Persian Gulf war. In 2004, the "Paris Club" of 19 industrialized nations agreed to cancel about 80% of the \$39 billion Iraq owes them. The Persian Gulf states that supported Iraq during the Iran-Iraq war have resisted writing off Iraq's approximately \$50 billion in debt to those countries (Saudi Arabia, Kuwait, United Arab Emirates, and Qatar). In mid-April 2007, Saudi Arabia agreed to write off 80% of the \$15 billion Iraq owes it, but no new debt relief commitments by the UAE (\$4 billion in Iraq debt) or Kuwait (\$15 billion) were reported at the May 3-4, 2007, meetings on Iraq in Egypt. On December 17, 2004, the United States signed an agreement with Iraq writing off 100% of Iraq's \$4.1 billion debt to the United States; that debt consisted of principal and interest from about \$2 billion in defaults on Iraqi agricultural credits from the 1980s.³⁰ On December 13, 2004, the World Trade Organization (WTO) agreed to begin accession talks with Iraq.

²⁹ A May 7, 2003, executive order left in place the provisions of the Iran-Iraq Arms Non-Proliferation Act (P.L. 102-484); that act imposes sanctions on persons or governments that export technology that would contribute to any Iraqi advanced conventional arms capability or weapons of mass destruction programs.

³⁰ For more information, see CRS Report RL33376, *Iraq's Debt Relief: Procedure and Potential Implications for International Debt Relief*, by Martin A. Weiss.

Security Challenges, Responses, and Options

Since the fall of Saddam Hussein, the United States has employed a multi-faceted approach to stabilizing Iraq, but the effort was clearly faltering as of the end of 2006. The Iraq Study Group said in its December 6, 2006, report that the “situation in Iraq is grave and deteriorating.”³¹ President Bush, in his January 10, 2007, speech on Iraq, said, “The situation in Iraq is unacceptable to the American people and it is unacceptable to me.” The deterioration was, at least partly, the result of continuing sectarian violence superimposed on a tenacious Sunni-led insurgency, and prompted the revision of U.S. strategy that was announced in January 2007.

Sunni Arab-Led Insurgency

The duration and intensity of a Sunni Arab-led insurgency has defied many expectations, probably because, in the view of many experts, it is supported by a large segment of the Iraqi Sunni population who feel humiliated at being ruled by the Shiites and their Kurdish partners. Some Sunni insurgents want to return the Baath Party to power, while others would accept a larger Sunni political role without the Baath. Still others are pro-Al Qaeda fighters, either foreign or Iraqi, that want to defeat the United States and spread radical Islam throughout the region. The insurgent groups are believed to be loosely coordinated within cities and provinces.

The insurgency failed to derail the political transition,³² but it has caused high levels of sectarian violence and debate in the United States over the continuing U.S. commitment in Iraq. Sunni insurgent groups have conducted numerous complex and coordinated attacks on police stations and other fixed positions, suicide attacks on markets frequented by Shiites, and occasional mass kidnappings, most recently of the deputy oil minister on August 14, 2007. One attack in April 2007 in Diyala Province was directed at a U.S. base and killed nine U.S. soldiers. Since January 2007, insurgent groups have, on about ten occasions, exploded chlorine trucks to cause widespread civilian injury or panic. Targets of insurgent grenades, IEDs (improvised explosive devices), mortars, and direct weapons fire are U.S. forces and Iraqi officials and security forces, as well as Iraqi civilians of rival sects, Iraqis working for U.S. authorities, foreign contractors and aid workers, oil export and gasoline distribution facilities, and water, power, and other facilities. A growing trend in 2007 has been attacks on bridges, particularly those connecting regions of differing sectarian domination, most recently destroying the rest of a major bridge at Taji on August 14, 2007. A major suicide bombing in August 2007 killed over 500 members of the Yazidi (Kurdish speaking, pre-Islamic) sect in northern Iraq - the most lethal attack of the war to date. A *New York Times* report of December 19, 2006, said that Sunni insurgents had succeeded in destroying many of the power

³¹ See p. xiii of the Executive Summary of the Iraq Study Group Report. December 6, 2006.

³² For further information, see Baram, Amatzia. “*Who Are the Insurgents?*” U.S. Institute of Peace, Special Report 134, April 2005; and Eisenstadt, Michael and Jeffrey White. “*Assessing Iraq’s Sunni Arab Insurgency.*” Washington Institute for Near East Policy, Policy Focus No. 50, December 2005.

stations that feed electricity to Baghdad, and some insurgents have been able to choke off power supplies to starve rival communities of power. An April 12, 2007, bombing of the Iraqi parliament, coming amid increasing mortar attacks on the heavily fortified International Zone, demonstrate the ability of the insurgency to operate in Baghdad.

Prior to 2007, whole Sunni-dominated neighborhoods of Baghdad, including Amiriyah, Adhamiyah, Fadhil, Jihad, Amal, and Dora (once a mostly Christian neighborhood) were serving as Sunni insurgent bases. Sunni insurgents also made substantial inroads into the mixed province of Diyala, pushing out Shiite inhabitants.

The U.N. Security Council has adopted the U.S. interpretation of the insurgency in Resolution 1618 (August 4, 2005), condemning the “terrorist attacks that have taken place in Iraq,” including attacks on Iraqi election workers and foreign diplomats in Iraq. The FY2006 supplemental (P.L. 109-234) provides \$1.3 million in Treasury Department funds to disrupt insurgent financing.

Al Qaeda in Iraq (AQ-I).³³ A numerically small but politically significant component of the insurgency is non-Iraqi, mostly in a faction called Al Qaeda-Iraq (AQ-I). Increasingly in 2007, U.S. commanders have seemed to equate AQ-I with the insurgency, even though most of the daily attacks are carried out by Iraqi Sunni insurgents. AQ-I was founded by Abu Musab al-Zarqawi, who was killed in a June 7, 2006, U.S. airstrike. AQ-I has been a U.S. focus from very early on in the war because, according to U.S. commanders in April 2007, it is responsible for about 90% of the suicide bombings against both combatant and civilian targets. AQ-I is discussed in detail in CRS Report RL32217, *Iraq and Al Qaeda*, by Kenneth Katzman.

In large parts of Anbar Province and now increasingly in parts of other Sunni provinces, Sunni tribes are trying to limit Al Qaeda’s influence, which they believe is detrimental to their own interests, by cooperating with U.S. counter-insurgency efforts. In other cases, there have been clashes between AQ-I and Iraqi insurgent groups, such as in June 2007 in the Amiriyah neighborhood of Baghdad, apparently representing differences over targets and AQ-I’s reported abuses of Iraqis who do not fully cooperate with AQ-I. U.S. commanders say they are trying to enlarge this wedge between Sunni insurgents and AQ-I by selectively cooperating with Sunni insurgents - a strategy that is controversial because of the potential of the Sunni Iraqis to later resume fighting U.S. forces and Iraqi Shiites. The strategy is reported to have led to increased tensions between Maliki and the lead U.S. commander in Iraq, Gen. David Petraeus.

Outside Support for Sunni Insurgents. Numerous accounts have said that Sunni insurgents are receiving help from neighboring states (money and weapons),³⁴ although others believe that outside support for the insurgency is not decisive. Largely because of this outside support, the first 17 recommendations of the Iraq

³³ See CRS Report RL32217, *Iraq and Al Qaeda*, by Kenneth Katzman.

³⁴ Blanford, Nicholas. “Sealing Syria’s Desolate Border,” *Christian Science Monitor*, December 21, 2004.

Study Group report call for intensified regional diplomacy, including multi-lateral diplomacy with Syria and Iran, in an effort to persuade outside parties not to stoke the violence in Iraq by aiding protege factions in Iraq.

In September 2005, then-U.S. ambassador Khalilzad publicly accused Syria of allowing training camps in Syria for Iraqi insurgents to gather and train before going into Iraq. These reports led to U.S. warnings, imposition of additional U.S. sanctions against Syria, and U.S. Treasury Department's blocking of assets of some suspected insurgent financiers. Syria tried to deflect the criticism by moves such as the February 2005 turnover of Saddam Hussein's half-brother Sabawi to Iraqi authorities. The latest DOD "Measuring Stability" report says that Syria provides help to Sunni insurgents, mainly Baathist factions, and remains a foreign fighter gateway into Iraq. However, some U.S. commanders said in May 2007 that they had recently observed some Syrian tightening of the border.

Other assessments say the Sunni insurgents, both Iraqi and non-Iraqi, receive funding from wealthy donors in neighboring countries such as Saudi Arabia,³⁵ where a number of clerics have publicly called on Saudis to support the Iraqi insurgency. Press reports say that Saudi officials told visiting Vice President Cheney in November 2006 that the Saudis might be compelled to assist Iraq's Sunnis if the United States withdraws from Iraq. As noted above, the Saudi leadership has been notably cool to the Maliki government publicly - even to the point of refusing visits by him — which likely means that the Saudi leadership is at least tolerating aid to Sunni insurgents privately.

³⁵ Krane, Jim. "U.S. Officials: Iraq Insurgency Bigger." Associated Press report published in the *Philadelphia Inquirer*. July 9, 2004; Schmitt, Eric, and Thom Shanker. "Estimates By U.S. See More Rebels With More Funds," *New York Times*, October 22, 2004.

Table 4. Key Security/Violence Indicators

Indicator	Current Level
Number of U.S. forces in Iraq	About 160,000 includes all of “surge” of 28,500 U.S. forces (17,500 combat soldiers, 4,000 Marines, and 7,000 support personnel) in place. Almost all 10,000 extra ISF are in place in Baghdad, bringing total to about 90,000 U.S. and Iraqi forces in the city. Roughly the same U.S. level as most of 2005 during election periods.
U.S./Other Casualties	3,742 U.S. forces; 3,065 by hostile action. 3,596 since end to “major combat operations” declared May 1, 2003. About 260 coalition (including 160 British). 1,000+ contractors.
U.S. Casualties by “Explosively-Forced Projectiles”	about 200
Partner forces in Iraq	11,685 from 25 other countries. Down from 28,000 in 2005
Number of Iraqi Insurgents	25,000 U.S. estimates; Iraqi estimates run to 40,000, plus 150,000 supporters
AQ-I fighters	1,300 - 3,500
Number of Iranian Qods Forces in Iraq	150+
Number of all Attacks/day	About 120/day, about the level of mid-2006, but apparently decreasing from 200/day in early 2007 due to “troop surge.” Of these, about 15-20 per day are sectarian murders, down from 33 per day pre-surge. Substantial debate exists over what incidents are counted or constitute “sectarian” violence; DoD does not count Shiite-Shiite violence, for example. Some sectarian murders now outside Baghdad, in Kirkuk, Mosul, Kut, and other cities.
Iraqi Police Killed since 2004	12,000 +
Number of Shiite militiamen	80,000 (60,000 Mahdi, 15,000 Badr, 5,000 other); up from 20,000 (2003)
Iraqis Leaving Iraq or Displaced since fall of Saddam	2 million left, incl. 700,000 to Jordan, 1 million to Syria; another 2 million internally displaced or relocated.
Iraq Civilian Deaths	About 60/day in August 2007, including sectarian murders, but subject to large fluctuations depending on presence or absence of large car/suicide bombings such as August 2007 bombing of Yazidi villages, killing 500. Possible reduction since troop surge began.
Iraqi Army and Police Battalions in operations	128; up from 104 in November 2006
Total ISF Equipped and Trained	359,700, with new reported goal of 395,000
Iraqi Army Battalions in the Lead or Fully Independent	98; up from 57 in May 2006, of which as many as 7 can operate independently.
National Police Battalions in the Lead	6; same as level in May 2006
Number of Provinces Under ISF Control	7: Muthanna, Dhi Qar, Najaf, Maysan, Irbil, Dahuk, and Sulaymaniyah (latter three in May 2007). All turned over since 2005.

Sources: Information provided by a variety of sources, including U.S. government reports on Iraq, Iraqi statements, the Iraq Study Group report, DoD Measuring Stability report, and press reports. See **Tables 5 and 6** for additional figures on total numbers of Iraqi security forces, by force component.

Sectarian Violence and Shiite Militias/Civil War?

The security environment in Iraq became more complex since 2006 as Sunni-Shiite sectarian violence increased. Top U.S. officials said in late 2006 that sectarian-motivated violence — manifestations of an all-out struggle for political and economic power in Iraq — had displaced the Sunni-led insurgency as the primary security challenge. According to a January 2007 National Intelligence Estimate, “... the term ‘civil war’ does not adequately capture the complexity of the conflict in Iraq, [but] the term ‘civil war’ accurately describes key elements of the Iraqi conflict...” *In assessing benchmark # 13, the July 12, 2007 progress report says that there has been satisfactory progress reducing sectarian violence but unsatisfactory progress towards eliminating militia control of local security, and the report generally gives the Iraqis poor reviews for reducing sectarianism. The August 2007 NIE says “sectarian groups remain unreconciled” and the September 4, 2007 GAO report is more pessimistic on the reduction of sectarian violence than was the Administration report, saying benchmark #13 was “unmet.”*

U.S. officials date the escalation of sectarian violence to the February 22, 2006, Al Qaeda-Iraq bombing of the Askariya Shiite mosque in Samarra. The attack set off a wave of purported Shiite militia attacks on Sunni mosques and civilians in the first days after the mosque bombing. Since then, Shiite militias have retaliated through attacks on Sunni insurgents and Sunni civilians, intended in part to drive Sunnis out of mixed neighborhoods. Press accounts say the attacks have largely converting mixed Sunni-Shiite districts of Baghdad, such as Hurriya, into predominantly Shiite districts and that the Sunnis have largely “lost” the “battle for Baghdad.” Some accounts say that Baghdad was about 35% Sunni Arab during Saddam’s rule but they have now been reduced to about 20%. Many victims of sectarian violence turn up bound and gagged, dumped in about nine reported sites around Baghdad, including in strainer devices in the Tigris River, although murdered bodies are also now turning up in cities in the north, such as Mosul and in Diyala Province. Sunnis are accusing the Shiites of using their preponderant presence in the emerging security forces, as well as their party-based militias, to commit the atrocities, but many Shiites, for their part, blame Sunni insurgents for the instigation. The Samarra mosque was bombed again on June 13, 2007 and there were reprisal attacks on Sunni mosques in Basra and elsewhere, although the attack did not spark the large wave of reprisals that the original attack did, possibly because the political elite appealed for calm after this second attack.

Iraqi Christians and their churches and church leaders have become major targets of Shiite and Sunni armed factions, viewing them as allies of the United States. Since the fall of Saddam Hussein, as many as 100,000 Christians might have left Iraq, leaving the current size of the community in Iraq at about 600,000 - 800,000. The two most prominent Christian sects in Iraq are the Chaldean Catholics and the Assyrian Christians. The attack on the Yazidis in August 2007, noted above, also appeared to reflect the precarious situation for Iraqi minorities.

Discussed below are the three major organized militias in Iraq: the Kurdish Peshmerga, the Badr Brigades, and the Mahdi Army.

- *Kurdish Peshmerga*. Together, the KDP and PUK may have as many as 100,000 *peshmergas* (fighters), most of which are providing security in the Kurdish regional area (Dahuk, Sulaymaniyah, and Irbil Provinces). Some are in the Iraqi Security Forces (ISF) and deployed in such cities as Mosul, Tal Affar, and Baghdad (as part of the 2007 Baghdad security plan). Peshmerga units have sometimes fought each other; in May 1994, the KDP and the PUK clashed with each other over territory, customs revenues, and control over the Kurdish regional government in Irbil. *Peshmerga* do not appear to be involved in the Sunni Arab-Shiite Arab sectarian violence gripping Iraq.
- *Badr Brigades*. This militia is led by Hadi al-Amiri (a member of parliament). The Badr Brigades were recruited, trained, and equipped by Iran's Revolutionary Guard, aligned with Iran's hardliners, during the Iran-Iraq war, during which Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials. Most Badr fighters were recruited from the ranks of Iraqi prisoners of war held in Iran. However, many Iraqi Shiites viewed ISCI as an Iranian puppet and Badr operations in southern Iraq during the 1980s and 1990s did not shake Saddam's grip on power. The Badr "Organization" is under the UIA as a separate political entity, in addition to its ISCI parent. Many Badr militiamen have now folded into the ISF, as discussed further later in this paper.
- *Mahdi Army (Jaysh al-Mahdi, JAM)*. Recent "Measuring Stability" reports say this militia "has replaced Al Qaeda in Iraq as the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq." It is purportedly the main perpetrator of the killings of Sunni civilians. This U.S. assessment softened after the JAM largely ceased patrolling after the U.S. "troop surge" began in mid-February 2007.

Iranian Support. U.S. officials, most specifically in a February 11, 2007, U.S. defense briefing in Baghdad, have repeatedly accused Iran of aiding Shiite militias. More specifically, they assert that the Qods (Jerusalem) Force of Iran's Revolutionary Guard is providing armed Iraqi Shiite factions (most likely Sadr's Mahdi forces) with explosives and weapons, including the highly lethal "explosively forced projectiles" (EFPs). A new development came on April 11, 2007, when U.S. military officials said they had found evidence that Iran might also be supplying Sunni insurgent factions, presumably in an attempt to cause U.S. casualties and promote the view that U.S. policy in Iraq is failing. In July 2007, U.S. commanders asserted that Iran was using its protegee, Lebanese Hezbollah, to train and arm Iraqi Shiite militias, based on information from Hezbollah operatives captured in Iraq.

Iran's support for Shiite militias contributed to a U.S. decision to conduct direct talks with Iran on the issue of stabilizing Iraq. The December 2006 Iraq Study Group (*Recommendations 9, 10, and 11*) said that the United States should engage Iran multilaterally to enlist its assistance on Iraq. The Administration initially rejected that recommendation — the President's January 10, 2007, Baghdad security initiative

included announcement of an additional aircraft carrier group and additional Patriot anti-missile systems to the Gulf, moves clearly directed against Iran. He also said that U.S. forces would work to dismantle Iranian (and Syrian) networks that are aiding armed elements in Iraq, and a *Washington Post* report of January 26, 2007, said that the Administration has altered its policy to allow for U.S. forces to combat Iranian agents in Iraq directly if they are observed actively assisting Iraqi armed factions. Also in December 2006 and January 2007, U.S. forces arrested alleged Iranian Revolutionary Guard Qods Forces agents — two at a ISCI compound in Baghdad and five more at a compound in Irbil. The Iraqi government compelled the release of the first two; the others are still held and their incarceration will be reviewed in October 2007.

However, in an apparent shift, the Administration supported and participated in the March 10, 2007, regional conference in Baghdad and the follow-up regional conference held in Egypt on May 3 and 4, 2007. Subsequently, the two sides announced and then held high profile direct talks, at the Ambassador level, on May 28, 2007. The two sides said they shared similar visions for Iraq, but the U.S. side said it would judge the potential to continue the dialogue on Iran's performance "on the ground" — restraint in arming Iraqi militias. Another meeting was held on July 24, 2007, with little agreement apparent at the meeting but with a decision to form a U.S.-Iran working group to develop proposals for both sides to help ease Iraq's security difficulties. The working group met for the first time on August 6. (For more information, see CRS Report RS22323, *Iran's Influence in Iraq*, and CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, both by Kenneth Katzman.)

Iraq's Northern Border

At the same time, security on Iraq's northern border appears to be increasingly fragile. Turkey is complaining that Iraq's Kurds are harboring the anti-Turkey PKK guerrilla group in northern Iraq, and Turkey's top military leader called on April 12, 2007, for a military operation into northern Iraq to quash the group. That call came several days after Barzani, in comments to journalists, claimed that Iraqi Kurds were capable of stirring unrest among Turkish Kurds if Turkey interferes in northern Iraq. Previously, less direct threats by Turkey had prompted the U.S. naming of an envoy to Turkey on this issue in August 2006 (Gen. Joseph Ralston (ret.), former Vice Chairman of the Joint Chiefs of Staff). On February 8, 2007, Turkish Foreign Minister warned against proceeding with the December 31, 2007, referendum on Kirkuk's affiliation with the Kurdish region, reflecting broader concerns that the referendum could set off additional sectarian violence and pave the way for Kurdish independence. The most serious crisis to date occurred on June 6, 2007 when Turkish military sources said that several thousand Turkish troops had crossed into Iraq to conduct "hot pursuit" of PKK guerrillas, although Iraqi and U.S. officials denied there had been any Turkish incursion. In July 2007, Iraq asserted that Turkey has massed 140,000 forces on the northern border amid reports that Turkish political and civilian leaders have agreed on criteria under which Turkish troops might stage incursions into Iraq.

U.S. Stabilization Strategy and “Troop Surge”

For the nearly four years since the fall of Saddam Hussein, the Administration has tried to refine its stabilization strategy, with increasing focus on curbing sectarian violence. The Administration position is that the U.S. stabilization mission requires continued combat operations. U.S. military headquarters in Baghdad (Combined Joint Task Force-7, CJTF-7) is a multi-national headquarters “Multinational Force-Iraq, MNF-I,” headed by Gen. David Petraeus, who previously led U.S. troops in the Mosul area and the training and equipping program for the Iraqi Security Forces (ISF). The head of Multinational Corps-Iraq is Lt. Gen. Ray Odierno.

In prior years, a major focus of U.S. counter-insurgent combat was Anbar Province, which includes the cities of Fallujah and Ramadi (provincial capital), the latter of which was the most restive of all Iraqi cities and in which the provincial governor’s office was shelled or attacked nearly daily. In the run-up to the December 15, 2005, elections, U.S. (and Iraqi) forces conducted several major operations (for example Operations Matador, Dagger, Spear, Lightning, Sword, Hunter, Steel Curtain, and Ram) to clear contingents of foreign fighters and other insurgents from Sunni cities in Anbar, along the Euphrates River. None of these operations succeeded, causing the Administration to examine other options.

“Clear, Hold, and Build” Strategy/Provincial Reconstruction Teams.

In its November 2005 “National Strategy for Victory in Iraq,” the Administration publicly articulated a strategy called “clear, hold, and build,” intended to create and expand stable enclaves by positioning Iraqi forces and U.S. civilian reconstruction experts in areas cleared of insurgents. The strategy, based partly on an idea advanced by Andrew Krepinevich in the September/October 2005 issue of *Foreign Affairs*,³⁶ stipulates that the United States should devote substantial resources to preventing insurgent re-infiltration and promoting reconstruction in selected areas, cultivating these areas as a model that could eventually expand throughout Iraq. The strategy formed the basis of Operation Together Forward (I and II) as well as the President’s January 10, 2007, Baghdad security plan.

In conjunction with the U.S. strategy, the Administration began forming Provincial Reconstruction Teams (PRTs), a concept used extensively in Afghanistan. Each PRT in Iraq is civilian led, to be composed of about 100 U.S. State Department and USAID officials and contract personnel, to assist local Iraqi governing institutions, such as the provincial councils, representatives of the Iraqi provincial governors, and local ministry representatives. The concept ran into some U.S. military objections to taking on expanded missions, but the debate was resolved with an agreement by DOD to provide security to the U.S.-run PRTs. Initially, ten PRTs were inaugurated, of which seven are run by the United States: Mosul, Kirkuk, Hilla, Baghdad, Anbar Province, two in Salah ad-Din Province, and Baquba. Of the partner-run PRTs, Britain has formed a PRT in Basra, Italy has formed one in Dhi Qar province, and South Korea runs one in Irbil. In conjunction with the President’s new strategy announced January 10, 2007, discussed below, another fifteen PRTs have been opened (bringing the total to 25), including six more in Baghdad and three

³⁶ Krepinevich, Andrew. “How to Win in Iraq,” *Foreign Affairs*, September/October 2005.

more in Anbar. This necessitated adding 400 diplomats and contractors to staff the new PRTs, although about half of these new positions are filled with military personnel at least temporarily. Observers who have visited Iraq say that some PRTs are poorly staffed and therefore ineffective, while others, such as in Mosul, are well staffed and highly effective in generating employment and establishing reconstruction priorities.

PRT Funding. An FY2006 supplemental request asked for \$400 million for operational costs for the PRTs, of which the enacted version, P.L. 109-234, provides \$229 million. The requested \$675 million for development grants to be distributed by the PRTs is fully funded through the ESF appropriation for Iraq in this law. The FY2007 supplemental (P.L. 110-28) provides about \$700 million (ESF) for PRT security, operations, and PRT-funded reconstruction projects.

Baghdad Security Plan/“Fardh Qanoon”/“Troop Surge.”

Acknowledging that the initiatives above had not brought security or stability, the President’s January 10, 2007, “New Way Forward” — Baghdad security initiative (referred to in Iraq as *Fardh Qanoon*, Arabic for “Imposing Law”) is intended primarily to bring security to Baghdad and create conditions under which Iraq’s communities and political leaders can reconcile. The plan, which in many ways reflects recommendations in a January 2007 report by the American Enterprise Institute entitled “Choosing Victory: A Plan for Success in Iraq,”³⁷ was announced as formally under way on February 14, 2007, and includes the following components:

- The deployment of an additional 28,500 U.S. forces to Iraq — 17,500 combat troops (five brigades) to Baghdad; 4,000 Marines to Anbar Province; and the remainder are support troops and military police. The plan envisioned that these forces, along with additional Iraqi forces, would secure and hold neighborhoods and areas cleared of insurgents and thereby cause the population not to depend on militias or other armed elements for security. The plan envisions that these forces, along with additional Iraqi forces, will be able to secure and hold neighborhoods and areas cleared of insurgents and thereby cause the population not to depend on militias or other armed elements for security. The forces are being based, along with Iraqi soldiers, in 100 fixed locations (both smaller Combat Outposts and the larger “Joint Security Stations”). Only one such outpost is near Sadr City. *The July 12, 2007 progress reports says that establishment of the Joint Security Stations has been satisfactory. The GAO report concurred.*
- Cooperation from the Iraqi government, such as progress on the reconciliation steps discussed earlier, the provision of \$10 billion in new capital spending on reconstruction (benchmark 17), and the commitment of the Iraqi forces discussed previously 3 brigades (about 6,000 soldiers), plus about 4,000 police commandos and

³⁷ The two principal authors of the report are Frederick W. Kagan and Jack Keane (General, U.S. Army, ret.).

regular police (benchmark 9). *The July 12, 2007 progress report indicates satisfactory Iraqi performance on these measures. The GAO report gives both benchmarks a “mixed” evaluation, saying that some of the Iraqi forces are of limited effectiveness, and saying that the \$10 billion is unlikely to actually be spent.*

- Provision of at least \$1.2 billion in new U.S. aid, including funds for job creation and CERP projects, in part to revive long-dormant state-owned factories.
- In an apparent attempt to demonstrate cooperation with President Bush’s security plan, Maliki reportedly communicated to Sadr that Maliki would not stand in the way of operations against the Mahdi forces. *Application of the surge to all factions comprised two of the benchmarks under P.L. 110-28 (benchmarks 10 and 12). The July 12, 2007 report indicates satisfactory progress on benchmark 12 (not allowing safehaven for any outlaw of any sect), but unsatisfactory progress on benchmark 10 (refraining from political interference over ISF efforts to pursue militants of all sects.) Benchmark 11, even handed ISF enforcement of the law, another very closely related indicator, is also rated as unsatisfactory. The GAO report says benchmark 10 is unmet, and benchmark 12 is “mixed.” It is not clear why there are, in both assessments, different grades for these closely related benchmarks. In 2006, U.S. commanders expressed frustration with Maliki for forcing them to release suspected Mahdi militia commanders and to dismantle U.S. checkpoints in Sadr City, set up to try to prevent Shiite sectarian militiamen from operating. U.S. officers blamed these restrictions, in part, for the failure of “Operation Together Forward I and II,” Baghdad security operations. Contributing to the previous failures were Iraq’s deployment of only two out of the six Iraqi battalions committed to the operation (1,500 soldiers out of 4,000 pledged).*

Perhaps suggesting new ability to operate against Shiite elements, U.S. forces arrested the deputy Health Minister on February 8, 2007, for allegedly funneling money to Mahdi Army forces engaged in sectarian killings. As the Baghdad security plan began to operate, U.S. forces began to pressure Mahdi forces and to patrol at least the outskirts of Sadr City, and the Mahdi Army largely ceased active patrolling. Sadr himself fled, or at least visited, Iran as the U.S.-Iraqi plan began, perhaps fearing that he would be a U.S. target, even though he is based in Kufa (near Najaf), not Baghdad; he returned in late May 2007.

Growing Shiite on Shiite Violence. On the other hand, as noted above, despite the troop surge, the JAM is reviving somewhat in concert with Sadr’s May 2007 call for the ISF and militias to join hands to combat U.S. “occupation” forces (but not Iraqis). JAM assertiveness is evident in southern Iraq as Britain has reduced its forces during 2007. At least 50 British soldiers have died in suspected JAM attacks in southern Iraq since mid-2006; JAM forces also shelled a British base near Amarah in August 2006, contributing to a British decision to leave the base, and killed 11 British soldiers in southern Iraq in April 2007 alone. The JAM took over

Amarah briefly for a few days in late October 2006, and violence there resumed in June 2007. Some fighting between the U.S., partner, and Iraqi forces and the Mahdi Army have taken place since April 2007 in Diwaniyah, Nassiriyah, Basra, Amarah and parts of Sadr City as Shiite groups struggle for pre-eminence in the south. As an outgrowth of this infighting, the governor of Qadisiyah province (Diwaniyah is the capital) — an ISCI loyalist — was killed in a roadside bombing on August 11, 2007. Similarly, the ISCI-linked governor of Muthanna Province was killed about a week later. Also, U.S. officials say that Shiite militias, presumably the JAM, are directing increasingly accurate mortar fire from areas near Sadr City in northeast Baghdad into the “Green Zone.” (Sunni insurgents are firing on the zone from the south.) After major clashes between the JAM and the Badr-dominated Iraqi forces in Karbala spoiled an August 2007 Shiite celebration there and necessitated the fleeing of the Shiite celebrants, Sadr said he was suspending JAM operations for six months to “reorganize.” Some experts, citing independent-minded JAM commanders such as one named Abu Deraa, believe Sadr is trying to regain full control of his armed following.

Surge Assessments. P.L. 110-28 mandated the July 15, 2007 and September 15, 2007 progress reports on the troop surge, as well as a GAO report due September 1, 2007 and an outside commission report (“Jones Commission”) on the Iraqi security forces. Previously, Congress has mandated two major periodic Administration reports on progress in stabilizing Iraq. A Defense Department quarterly report, which DOD has titled “Measuring Stability and Security in Iraq,” was required by an FY2005 supplemental appropriation (P.L. 109-13), and renewed by the FY2007 Defense Appropriation (P.L. 109-289). Another report (“1227 Report”), is required by Section 1227 of the Defense Authorization Act for FY2006 (P.L. 109-163).

The July 12, 2007 progress report gives preliminary assessments of the surge, although the report is primarily focused on performance against the political and security benchmarks. In briefings and comments, General Petraeus, Secretary of Defense Gates, Lt. Gen. Douglas Lute (named in May 2007 to be the new White House aide to coordinate policy toward Iraq and Afghanistan), as well as outside observers,³⁸ have given preliminary but mostly positive assessments of the surge, while noting that the last of the five combat brigades only arrived in June 2007. These assessments have prompted U.S. commanders to suggest that the “surge” be continued beyond the fall of 2007, and that ending the surge prematurely would squander the progress they note. On the other hand, officials and observers express disappointment (as expressed by Secretary Gates on August 2, 2007) on political reconciliation. The GAO report did not specifically require an assessment of the surge, although, as noted above, some of the benchmarks assessed are related to the surge. U.S. official and outside observer accounts of results of the surge to date include:

- An apparent reduction in the number of sectarian murders per day from about 33 per day to below 20 per day.

³⁸ One such assessment includes, O’Hanlon, Michael and Kenneth Pollack. “A War We Might Just Win.” *New York Times* op-ed. July 30, 2007.

- Substantial progress in calming approximately half - two thirds of Baghdad, including the reopening of markets and near normal life in some districts. There has been return of some displaced families to their Baghdad homes;
- A possible Iraq-wide decrease in civilian deaths per day, from about 100 per day before the surge to about 60 per day in August 2007, although there are differences in how statistics are compiled and counted.
- Continuing setbacks to progress produced by AQ-I and other car and suicide bombs that cause mass casualties, such as the simultaneous bombings that killed the 500+ Yazidis near Sinjar on August 15.
- Substantial progress in Anbar Province that Gen. Petraeus has called “breathtaking,” including a substantial reduction of violence to as few as one incident per day from a high in 2006 of nearly 100 incidents per day. Press reports note the restart of long-stalled reconstruction projects in the province.
- Decreasing concern about violence in Diyala Province and in the towns in “belts” around Baghdad where insurgents have moved to in order to regroup and try to thwart the “surge.” On August 2, 2007, the commander of Multi-National Division-North, Benjamin Mixon, said Baqubah (capital of Diyala) is transitioning to the “hold” phase of “clear, hold, and build.” He had deployed 3,000 additional U.S. forces to Diyala in recent months, and launched “Operation Arrowhead Ripper” on June 18, 2007, involving about 10,000 U.S. soldiers, to try to capture AQ-I fighters in Diyala. Gen. Mixon is reported to be considering the northern province of Nineveh (Mosul, capital) for transition to Iraqi security control because of progress there.
- Gen. Petraeus was quoted in early September 2007 as saying he might propose a reduction of U.S. forces in early 2008 from areas where the surge has seen the most progress, such as Anbar Province.

Building Iraqi Security Forces (ISF)³⁹

A major pillar of U.S. policy had been to equip and train Iraqi security forces (ISF) that could secure Iraq by themselves, although the 2007 Baghdad security plan moves away from reliance on this strategy. President Bush stated in a June 28, 2005 speech, “Our strategy can be summed up this way: As the Iraqis stand up, we will

³⁹ For additional information, see CRS Report RS22093, *Iraq’s New Security Forces: The Challenge of Sectarian and Ethnic Influences*, by Jeremy Sharp.

stand down.”⁴⁰ However, the Baghdad security plan relies more heavily on combat by U.S. forces than on transferring security responsibilities to the ISF, and a former senior leader of training the Iraqis (Brig. Gen. Dana Pittard) said in July 2007 that training the ISF had slowed since the “troop surge” began. The commander of the ISF training mission, the Multinational Transition Security Command-Iraq (MNSTC-I), is Lt. Gen. James Dubik, who in June 2007 replaced Gen. Martin Dempsey. There are about 5,000 U.S. forces embedded with or mentoring the ISF. The degrees to which the Iraqi government has assumed operational ISF control, and of ISF security control over territory, are shown in the security indicators table. A map showing areas under Iraqi control and ISF lead can be found in the Iraq Weekly Status Report of the State Department, available online at [<http://www.state.gov/p/nea/ci/c3212.htm>]. *(Recommendations 42, 43 and 44 of the Iraq Study Group report advised an increase in training the ISF, and completion of the training by early 2008, but the “troop surge” strategy appears to represent a move away from that recommendation.)*

The mandated “Jones Commission” report, released September 5, 2007, clearly says the ISF will not be ready, in 12-18 months, to take over security in Iraq, even though the total ISF goal of 395,000 trained and equipped has nearly been reached. The Jones Commission report has some praise for the Iraqi Army, while recommending that the Shiite-dominated National Police commando force be scrapped entirely and reorganized. Some observers go so far as to say that the ISF is part of the security problem in Iraq, not the solution, because of incidents of involvement in sectarian involvement or even possible anti-U.S. activity. Lt. Gen. Dubik said in July 2008 that it is still difficult to find ISF leaders free of sectarian loyalties.

The July 12, 2007 progress report assesses the ISF and political leadership of it in: the ability of the ISF to operate independently, which is assessed as unsatisfactory (benchmark # 15). Enforcing the law even-handedly, which the report says is generally unsatisfactory (benchmark # 11), although some improvement is being noted. Ensuring that the political authorities are not making false accusations against or undermining the ISF (benchmark 18), is assessed as unsatisfactory. Preventing political interference in ISF operations in conjunction with the troop surge (benchmarks 10), is assessed as unsatisfactory. Enforcing the law even-handedly (benchmark 11), is assessed as unsatisfactory. Ensuring the Baghdad security plan does not allow safehaven for outlaws of any sect (benchmark 12), is assessed as satisfactory. The GAO assessment concurs with all of these assessments except benchmark 12, which GAO assesses as “mixed.”

In addition, the Jones Commission report and the most recent DOD “Measuring Stability” report reiterate previously reported criticisms of the ISF, including

- That the ISF continue to lack an effective command structure or independent initiative, and that there continues to be a culture of corruption throughout the ISF structure.

⁴⁰ Speech by President Bush can be found at [<http://www.whitehouse.gov/news/releases/2005/06/20050628-7.html>].

- As much as one-third of ISF members are absent-without-leave or might have deserted at any given time, significantly reducing the actual fielded forces.
- As noted above, that the ISF, particularly the police, are unbalanced ethnically and by sect, penetrated by militias or even insurgents, and involved in sectarian violence, particularly among the police forces. Widely reported is that many ISF members view themselves as loyal to their former militias or party leaders, and not to a national force. In late 2005, U.S. forces uncovered militia-run detention facilities (“Site 4”) and arrested those (Badr Brigade and related Iraqi police) running them.
- Press reports in June 2007 said that some roadside bombs intended for U.S. forces were being planted near police stations, presumably by Iraqi police.
- Most of the ISF, particularly the police, are Shiites, with Kurdish units mainly deployed in the north, and many Sunnis distrust the ISF as instruments of repression and responsible for sectarian killings.
- One controversial element of the Baghdad security plan is its apparent reliance on several mostly Kurdish brigades, a deployment reportedly resented by both Shiite and Sunni Arabs in the capital.
- That the 144,000 members of the “Facilities Protection Force,” (FPS), which are security guards attached to individual ministries, are involved in sectarian violence. U.S. and Iraq began trying to rein in the force in May 2006 by placing it under some Ministry of Interior guidance, including issuing badges and supervising what types of weapons it uses. (*In Recommendation 54, the Iraq Study Group says the Ministry of Interior should identify, register, and otherwise control FPS.*)

On the other hand, while reports continue to point to sectarianism in the Interior Ministry, U.S. officials have praised Interior Minister Jawad Bolani for trying to remove militiamen and death squad participants from the ISF; in October 2006, he fired 3,000 Ministry employees for alleged sectarian links, along with two commanders of National Police components. That same month, an entire brigade of National Police were taken out of duty status for retraining for alleged toleration of sectarian killings in Baghdad.

Another positive trend noted by U.S. officials, even before the troop surge, is what they say is increasing tribal cooperation in Anbar Province, particularly from the National Salvation Council of an anti-Al Qaeda tribal leader, Abd al Sattar al-Rishawi. According to press reports, his coalition has persuaded 13,000 men (almost all Sunni) to join police forces in the province, and these forces are participating in securing the border with Syria as well as helping secure Ramadi and other parts of Anbar, particularly against AQ-I. U.S. commanders are reported to be attempting a similar strategy to try to stabilize Diyala, Salahuddin, and Nineveh provinces.

The Iraq Study Group (Recommendations 50-61) contain several suggestions for reforming and improving the police. Among the recommendations are: assigning the lead role in advising and training the anti-crime portions of the police forces to the U.S. Department of Justice; and transferring those police forces that are involved in anti-insurgency operations to the Ministry of Defense from their current organizational structure under the Ministry of Interior.

Weaponry. Most observers say the ISF are severely underequipped, dependent primarily on donations of surplus equipment by coalition members. The Iraqi Army is using mostly East bloc equipment, including 77 T-72 tanks donated by Poland, but has now received about 2,500 up-armored Humvees from the United States. The October 2006 report of the SIGIR [<http://www.sigir.mil/reports/quarterlyreports/default.aspx>] notes problems with tracking Iraqi weapons; of the approximately 370,000 weapons turned over to Iraq by the United States since Saddam's fall, only 12,000 serial numbers were properly recorded. Some fear that some of these weapons might have fallen into the hands of insurgents or sectarian militias, although it is also possible the weapons are still in Defense and Interior Ministry stocks but are not catalogued. In August 2007, the GAO reported that the Defense Department cannot fully account for the total of \$19.2 billion worth of equipment provided to the ISF by the United States and partner forces. A New York Times report in August 2007 said some of the ISF weapons might have ended up in the hands of anti-Turkish PKK guerrillas. (In Recommendation 45, the Iraq Study Group said the United States should encourage the Iraqi government to accelerate its Foreign Military Sales requests for U.S. arms and that departing U.S. combat units should leave behind some of their equipment for use by the ISF.)

ISF Funding. The accelerated training and equipping of the Iraqis is a key part of U.S. policy. The Administration has been shifting much U.S. funding into this training and equipping mission:

- According to the State Department, a total of \$5.036 billion in IRRF funds has been allocated to build (train, equip, provide facilities for, and in some cases provide pay for) the ISF. Of those funds, as of June 4, 2007, about \$4.975 billion has been obligated and \$4.797 billion of that has been disbursed.
- An FY2005 supplemental appropriation (P.L. 109-13) provided an additional \$5.7 billion to equip and train the ISF, funds to be controlled by the Department of Defense and provided to MNSTC-I. Of that amount, about \$4.7 billion has been obligated.
- The FY2006 supplemental (P.L. 109-234) provided another \$3 billion for the ISF.
- The FY2007 Defense appropriations law (P.L. 109-289) provides an additional \$1.7 billion to train and equip the ISF.
- The FY2007 supplemental (P.L. 110-28) provides the requested \$3.84 billion for this purpose. The FY2008 request is for \$2 billion.

Table 5. Ministry of Defense Forces

Force	Size/Strength	IRRF Funds Allocated
Iraqi Army	157,500 total. Forces in units are in 129 battalions (about 90,000 personnel), with new goal of 132 battalions. Remainder not in formed units. Trained for eight weeks, paid \$60/month.	\$1.097 billion for facilities; \$707 million for equipment; \$656 million for training, personnel, and operations
Special Operations Forces	About 1,600 divided between Iraqi Counter-Terrorist Force (ICTF) and a Commando Battalion. Trained for 12 weeks, mostly in Jordan.	
Strategic Infrastructure Battalions	About 2,900 personnel in seven battalions to protect oil pipelines, electricity infrastructure. The goal is 11 battalions.	
Mechanized Police Brigade	About 1,500. Recently transferred from Ministry of Interior control.	
Air Force	About 900, its target size. Has 9 helicopters, 3 C-130s; 14 observation aircraft. Trained for six months. UAE and Jordan to provide other aircraft and helos.	\$28 million allocated for air fields (from funds for Iraqi Army, above)
Navy	About 1,100, the target size. Has a Patrol Boat Squadron and a Coastal Defense Regiment. Fields about 35 patrol boats for anti-smuggling and anti-infiltration. Controls naval base at Umm Qasra, Basra port, and Khor al-Amaya oil terminals. Some training by Australian Navy.	
Totals	165,500	
U.S./Other Trainers	U.S. training, including embedding with Iraqi units (10 per battalion), involves about 4,000 U.S. forces (increasing to 10,000), run by Multinational Security Transition Command - Iraq (MNSTC-I). Training at Taji, north of Baghdad; Kirkush, near Iranian border; and Numaniya, south of Baghdad. All 26 NATO nations at NATO Training Mission - Iraq (NTM-I) at Rustamiyah (300 trainers). Others trained at NATO bases in Norway and Italy. Jordan, Germany, and Egypt also have done training.	

Table 6. Ministry of Interior Forces

Force/Entity	Size/Strength	IRRF Funds Allocated
Ministry of Interior	Total size unknown. 3,000 employees dismissed in October for corruption/sectarianism.	
Iraqi Police Service (IPS)	135,000, including 1,300 person Highway Patrol. (About the target size.) Gets eight weeks of training, paid \$60 per month. Not organized as battalions.	\$ 1.806 billion
Dignitary Protection	About 500 personnel	
National Police	About 26,300. Comprises "Police Commandos," Public Order Police," and "Mechanized Police." Organized into 28 battalions. Overwhelmingly Shiite. Gets four weeks of counter-insurgency training. Iraq Study Group (Recommendation 50) proposes transfer to MOD control.	
Emergency Response Unit	About 300, able to lead operations. Hostage rescue.	
Border Enforcement Department	32,000. Controls 258 border forts built or under construction. Has Riverine Police component to secure water crossings. Iraq Study Group (Recommendation 51) proposes transfer to MOD control.	\$437 million (incl. \$3 million for stipends to 150 former WMD workers).
Totals (all forces)	194,200	
Training	Training by 2,000 U.S. personnel (DOD-lead) as embeds and partners. Pre-operational training mostly at Jordan International Police Training Center; Baghdad Police College and seven academies around Iraq; and in UAE. Iraq Study Group (Recommendation 57) proposes U.S. training at local police station level. Countries doing training aside from U.S.: Canada, Britain, Australia, Sweden, Poland, UAE, Denmark, Austria, Finland, Czech Republic, Germany (now suspended), Hungary, Slovenia, Slovakia, Singapore, Belgium, and Egypt.	
Facilities Protection Service (FPS)	Accounted for separately, they number about 145,000, attached to individual ministries.	\$53 million allocated for this service thus far.

Coalition-Building and Maintenance⁴¹

Some believe that the Bush Administration did not exert sufficient efforts to enlist greater international participation in peacekeeping originally and that the U.S. mission in Iraq is being complicated by diminishing foreign military contributions. The Administration view is that partner drawdowns reflect a stabilizing security environment in the areas those forces are serving. A list of contributing countries, although not force levels, can be found in the Department of State's "Iraq Weekly Status Report" referenced earlier. Britain continues to lead a multinational division in southern Iraq, based in Basra, but, in line with plans announced by then Prime Minister Tony Blair on February 21, 2007, British forces have been reduced from 7,100 to about 5,500 currently, and will be reduced further to below 5,000 by the end of 2007. New Prime Minister Gordon Brown did not alter these plans in his meetings with President Bush in late July 2007, but he added that Basra Province is on track to be turned over to ISF control. That process began in early September 2007 with the withdrawal of about 550 British soldiers from Basra Palace to the Basra airport where the rest of the British force is based. A Poland-led force (Polish forces number 900, down from a high of 2,600 in 2005) has been based near Diwaniyah and includes forces from the following foreign countries: Armenia, Slovakia, Denmark, El Salvador, Ukraine, Romania, Lithuania, Latvia, Mongolia, and Kazakhstan. Poland said in July 2007 that it has not decided whether to extend the mission beyond the end of 2007.

The coalition shrinkage began with Spain's May 2004 withdrawal of its 1,300 troops. Spain made that decision following the March 11, 2004, Madrid bombings and subsequent defeat of the former Spanish government that had supported the war effort. Honduras, the Dominican Republic, and Nicaragua followed Spain's withdrawal (900 total personnel), and the Philippines withdrew in July 2004 after one of its citizens was taken hostage. On the other hand, many nations are replacing their contingents with trainers for the ISF or financial contributions or other assistance to Iraq. Among other changes are the following.

- Ukraine, which lost eight soldiers in a January 2005 insurgent attack, withdrew most of its 1,500 forces after the December 2005 elections.
- Bulgaria pulled out its 360-member unit after the December 2005 elections. However, in March 2006 it sent in a 150-person force to take over guard duties of Camp Ashraf, a base in eastern Iraq where Iranian oppositionists are located.
- South Korea withdrew 270 of its almost 3,600 troops in June 2005, and, in line with a November 2005 decision, withdrew another 1,000 in May 2006, bringing its troop level to about 2,200 (based in Irbil in Kurdish-controlled Iraq). The deployment has been extended until

⁴¹ For additional information on international contributions to Iraq peacekeeping and reconstruction, see CRS Report RL32105, *Post-War Iraq: Foreign Contributions to Training, Peacekeeping, and Reconstruction*, by Jeremy Sharp and Christopher Blanchard.

the end of 2007, and the government and parliament are discussing further extensions.

- Japan completed its withdrawal of its 600-person military reconstruction contingent in Samawah on July 12, 2006, but it continues to provide air transport (and in June 2007 its parliament voted to continue that for another two years). The Australian forces protecting the Japanese contingent (450 out of the total Australian deployment in Iraq of 1,350) moved to other areas, and security in Muthanna was handed over to ISF control.
- Italy completed its withdrawal in December 2006 after turning over Dhi Qar Province over to ISF control.
- Romanian leaders are debating whether to withdraw or reduce their 890 forces.
- In line with a February 21, 2007 announcement, Denmark is in the process of withdrawing its 460 troops from the Basra area, and Denmark reportedly is also evacuating about 200 Iraqis who helped that contingent, in regard for their safety.
- Lithuania said in early 2007 that it is “seriously considering” withdrawing its 53 troops from Iraq.
- On the other hand, Georgia is increasing its Iraq force to 2,000 (from 850) to assist the policing the Iran-Iraq border, a move that Georgian officials said was linked to its efforts to obtain NATO membership. Australian Prime Minister John Howard said in early September 2007 that he was not considering a drawdown of Australian forces in Iraq.

NATO/EU/Other Civilian Training. As noted above, all NATO countries have now agreed to train the ISF through the NTM-I, as well as to contribute funds or equipment. Several NATO countries and others are offering to also train civilian personnel. In addition to the security training offers discussed above, European Union (EU) leaders have offered to help train Iraqi police, administrators, and judges outside Iraq. At the June 22, 2005 Brussels conference discussed above, the EU pledged a \$130 million package to help Iraq write its permanent constitution and reform government ministries. The FY2005 supplemental appropriations (P.L. 109-13) provided \$99 million to set up a regional counter-terrorism center in Jordan to train Iraqi security personnel and civil servants.

Reaction to “Troop Surge,” Iraq Study Group Report, Legislative Proposals, and Other Options

In formulating the new strategy announced on January 10, 2007, President Bush said he weighed the December 6, 2006, report of the Iraq Study Group, as well as

input from several other reviews, including one directed by the Joint Chiefs of Staff and another under direction of the National Security Council. In the time surrounding the speech, a number of senior personnel shifts were announced: U.S. Ambassador Khalilzad's replacement by Ambassador to Pakistan Ryan Crocker, Gen. Abizaid's replacement by CENTCOM Commander by Admiral William Fallon; Gen. Casey's replacement as head of MNF-I by General David Petraeus. Robert Gates replaced Donald Rumsfeld as Defense Secretary in December 2006. In May 2007, the White House named Lt. Gen Douglas Lute, as a new aide to focus on promoting rapid and effective inter-agency cooperation on the combat and policy in Iraq and Afghanistan. In June 2007, Joint Chiefs Chairman Gen. Pace was not put forward for another term as Joint Chiefs Chairman; he is being replaced by Admiral Michael Mullen.

Iraq Study Group Report

The President's "New Way Forward" plan appeared to deviate from many aspects of the Iraq Study Group report, although the differences have narrowed since January. The Administration has noted that the Iraq Study Group said it might support a temporary surge along the lines proposed by the President. The Iraq Study Group itself was launched in March 2006; chosen by mutual agreement among its congressional organizers to co-chair were former Secretary of State James Baker and former Chairman of the House International Relations Committee Lee Hamilton. The eight other members of the Group are from both parties and have held high positions in government. The group was funded by the conference report on P.L. 109-234, FY2006 supplemental, which provided \$1 million to the U.S. Institute of Peace for operations of the group.⁴² Some of the specific recommendations have been discussed throughout this paper and, among the major themes of the 79 recommendations, along with comparable or contrasting features of the President's plan, are the following.

- Foremost, transition from U.S.-led combat to Iraqi security self-reliance by early 2008 (Recommendations 40-45), with continued U.S. combat against AQ-I and force protection, in addition to training and equipping the ISF. The Administration has rejected any timetable for winding down U.S. combat.
- Heightened regional and international diplomacy, including with Iran and Syria, and including the holding of a major international conference in Baghdad (Recommendations 1-12). As noted above, the Administration, after appearing to reject this recommendation, has backed the series of regional conferences on Iraq.
- As part of an international approach, renewed commitment to Arab-Israeli peace (Recommendations 13-17). This was not a major feature of the President's plan, although he has authorized stepped up U.S. diplomacy by Secretary of State Rice on this issue.

⁴² Full text at [<http://www.usip.org>].

- Additional economic, political, and military support for the stabilization of Afghanistan (Recommendation 18). This was not specified in the President's January 10 plan, although, separately, there have been increases in U.S. troops and aid for Afghanistan.
- Setting benchmarks for the Iraqi government to achieve political reconciliation, security, and governance, including possibly withholding some U.S. support if the Iraqi government refuses or fails to do so (Recommendations 19-37). The President opposes reducing support for the Iraqi government if it fails to uphold its commitments, but he signed P.L. 110-28 which does link U.S. economic aid to progress on the benchmarks, although he has waived any holdup of aid.
- Giving greater control over police and police commando units to the Iraqi Ministry of Defense, which is considered less sectarian than the Ministry of Interior that now controls some of these forces, and reforming the Ministry of Interior (Recommendations 50-58). The President's plan, according to a White House fact sheet released on January 10, requires reform of the Ministry of Interior.
- Securing and expanding Iraq's oil sector (Recommendations 62-63). The President's plan expects Iraq to pass the pending oil laws, which would, in part, encourage foreign investment in Iraq's energy sector.
- Increasing economic aid to Iraq and enlisting more international donations of assistance (Recommendations 64-67). The President's plan includes increases in aid, as discussed above.

In the 110th Congress, an amendment to H.R. 2764, the FY2008 foreign aid bill, would revive the Iraq Study Group (providing \$1 million for its operations) to help assess future policy after the "troop surge." The amendment passed 355-69, but press reports say the Administration does not support reviving the Group's work. In the Senate, some Senators from both parties in June 2007 proposed legislation (S. 1545) to adopt the recommendations of the Group as U.S. policy.

Congressional Reaction to Troop Surge

Judging from legislative action, congressional reaction to the President's Baghdad security plan was somewhat negative. In House action, on February 16, 2007, the House passed (246-182) a non-binding resolution (H.Con.Res. 63) expressing opposition to the sending of additional forces to Iraq. However, on February 17, 2007, the Senate did not vote to close off debate on a version of that resolution (S. 574). Earlier, a Senate resolution opposing the troop increase (S.Con.Res. 2) was reported out of the Senate Foreign Relations Committee on January 24 (12-9 vote). A cloture motion failed on February 1, 2007.

The sections below discuss options that have been under discussion even before the report of the Iraq Study Group or the troop surge, and some of these options are being more actively debated in light of the upcoming September 15, 2007 progress

report by Gen. Petraeus and Ambassador Crocker, and the failure of the Iraqi political structure to achieve political reconciliation. Some of the ideas discussed may be similar to some of the recommendations of the Study Group as well as the President's plan.

Further Options: Altering Troop Levels or Mission

Insisting that the "troop surge" is producing positive military results, President Bush continues to publicly oppose major reductions in troop levels, stating that the United States must uphold its "commitment" to the Iraqi government and maintaining that the Iraqi government would collapse upon an immediate pullout. However, during his early September 2007 visit to Iraq, possibly reflecting the views of some senior military leaders who believe the troop surge is straining U.S. military capabilities, he indicated that current security improvements might be sustainable with lower troop levels at some point soon. Consequences of a more substantial pullout, according to the Administration, would be full-scale civil war, safehaven for AQ-I and emboldening of Al Qaeda more generally, and increased involvement of regional powers in the fighting in Iraq. Supporters of the Administration position say that Al Qaeda terrorists might "follow us home" — conduct attacks in the United States — if the United States were to withdraw.

Further Troop Increase. Some argue that the "surge" was too small — limited only to Baghdad and Anbar — and that the United States should consider increasing troops levels in Iraq even further to tamp down sectarian violence and prevent Sunni insurgents from re-infiltrating areas cleared by U.S. operations. In comments in July 2007, Gen. Petraeus says he does not rule out recommending augmenting the troop surge when he has a full assessment of the results some time later in 2007. However, this option appears increasingly unlikely in light of trends in public and congressional support for the overall Iraq effort.

Immediate and Complete Withdrawal. Some Members argue that the United States should begin to withdraw immediately and nearly completely, maintaining that the decision to invade Iraq was a mistake in light of the failure to locate WMD, that the large U.S. presence in Iraq is inflaming the insurgency, and that remaining in Iraq will result in additional U.S. casualties without securing U.S. national interests. Other Members argue that U.S. forces are now policing a civil war rather than fighting an insurgency. Based on the arguments discussed above, the Administration has largely ruled out this option.

Those who support a withdrawal include most of the approximately 70 Members of the "Out of Iraq Congressional Caucus," formed in June 2005. In the 110th Congress, some have introduced legislation (H.R. 508 and H.R. 413) that would repeal the original authorization for the Iraq war. A similar measure might be considered in the Senate.

In the 109th Congress, Representative John Murtha, ranking member (now chairman) of the Defense Appropriations Subcommittee, introduced a resolution (H.J.Res. 73) calling for a U.S. withdrawal "at the earliest practicable date" and the maintenance of an "over the horizon" U.S. presence, mostly in Kuwait (some say U.S. troops could be based in the Kurdish north) from which U.S. forces could

continue to battle AQ-I. A related resolution, H.Res. 571 (written by Representative Duncan Hunter, chairman of the House Armed Services Committee), expressed the sense “that the deployment of U.S. forces in Iraq be terminated immediately;” it failed 403-3 on November 18, 2005. Representative Murtha has introduced a similar bill in the 110th Congress (H.J.Res. 18); a Senate bill (S. 121) as well as a few other House bills (H.R. 663, H.R. 455, and H.R. 645) contain similar provisions.

Withdrawal Timetable. The Administration has opposed legislation mandating a withdrawal timetable on the grounds that doing so would allow insurgents to “wait out” a U.S. withdrawal. The Iraq Study Group suggests a winding down of the U.S. combat mission by early 2008 but does not recommend a firm timetable.

The House leadership inserted a binding provision of FY2007 supplemental appropriations legislation (H.R. 1591) that would require the president, as a condition of maintaining U.S. forces in Iraq, to certify (by July 1, 2007) that Iraq had made progress toward several political reconciliation benchmarks, and by October 1, 2007 that the benchmarks have been met. Even if the requirements were met, the amendment would require the start of a redeployment from Iraq by March 1, 2008, to be completed by September 1, 2008. The whole bill passed the House on March 23, 2007. In the Senate-passed version of H.R. 1591, a provision would set a non-binding goal for U.S. withdrawal of March 1, 2008, in line with S.J.Res. 9 cited above. The conference report adopted elements of both bills, retaining the benchmark certification requirement and the same dates for the start of a withdrawal but making the completion of any withdrawal (by March 31, 2008, not September 1, 2008) a goal rather than a firm deadline. President Bush vetoed the conference report on May 1, 2007, and the veto was sustained. The revised provision in the FY2007 supplemental (H.R. 2206, P.L. 110-28) was discussed previously.

Some Members, such as Senate majority leader Harry Reid and Representative John Murtha say they will continue to try to enact such legislation in such bills as the FY2008 Defense authorization (H.R. 1585) and the FY2008 defense appropriation. One proposed amendment (S.Amdt. 2087) to H.R. 1585 would begin a withdrawal within 120 days and complete it (down to a limited presence) by April 1, 2008. A similar House bill, (H.R. 2956), was adopted on July 12, 2007 by a vote of 223-201. A Senate bill (S. 433), would set a deadline for withdrawing combat troops by March 31, 2008. Press reports in early September 2007 said that the congressional leadership might alter its proposals somewhat to require a start date, but not a completion date, for a withdrawal, as an effort to forge bi-partisan compromise.

In the 109th Congress, the timetable issue was debated extensively. In November 2005, Senator Levin, who takes the view that the United States needs to force internal compromise in Iraq by threatening to withdraw, introduced an amendment to S. 1042 (FY2006 defense authorization bill) to compel the Administration to work on a timetable for withdrawal during 2006. Reportedly, on November 10, 2005, Chairman of the Senate Armed Services Committee John Warner reworked the Levin proposal into an amendment that stopped short of setting a timetable for withdrawal but requires an Administration report on a “schedule for meeting conditions” that could permit a U.S. withdrawal. That measure, which also states in its preamble that “2006 should be a period of significant transition to full Iraqi sovereignty,” achieved bi-

partisan support, passing 79-19. It was incorporated, with only slight modifications by House conferees, in the conference report on the bill (H.Rept. 109-360, P.L. 109-163). On June 22, 2006, the Senate debated two Iraq-related amendments to an FY2007 defense authorization bill (S. 2766). One, offered by Senator Kerry, setting a July 1, 2007, deadline for U.S. redeployment from Iraq, was defeated 86-13. Another amendment, sponsored by Senator Levin, called on the Administration to begin redeployment out of Iraq by the end of 2006, but with no deadline for full withdrawal. It was defeated 60-39.

Troop Reduction/Mission Change. Some argue for a U.S. force reduction to fulfill a scaled-back U.S. mission that would involve: (1) operations against AQ-I; (2) an end to active patrolling of Iraqi streets; (3) force protection; and (4) training the ISF. The rationale for such an option would be to maintain a U.S. presence, possibly long term, to assist the Iraqi government and protect core U.S. interests but without incurring large U.S. casualties. A press report in June 2007 (*Washington Post*, June 10, 2007) said that, if this were the new mission of U.S. forces, fulfilling the mission might require retaining about 50,000 - 60,000 U.S. forces. Of these forces, about 20,000 would be assigned to guaranteeing the security of the Iraqi government or assist the ISF if it is having difficulty in battle. A reduced U.S. mission similar to those described are stipulated in H.R. 2451, which might be taken up in September 2007.

In the past, U.S. commanders presented to President Bush options for a substantial drawdown of U.S. forces in Iraq, dependent on security progress, to about 120,000. The plans faded when the security situation did not calm. A change of mission similar to that described — and without a deadline for withdrawal — has been proposed by several Senators for consideration of the FY2008 defense authorization (H.R. 1585).

Planning for Withdrawal. Administration officials say they will not publicly discuss whether or not there is planning for a substantial withdrawal because doing so would undermine the ongoing troop surge and other efforts. However, Secretary Gates toured facilities in Kuwait in August 2007 in what was reported as an effort to become familiar with the capabilities of the U.S. military to carry out a redeployment, if ordered. Some Members want the Administration to plan for a substantial U.S. redeployment from Iraq and to inform Congress accordingly. A bill, introduced in July 2007 by Representative Tanner (H.R. 3087) and reported out by the House Armed Services Committee on July 31, 2007, would require the Administration to give Congress a plan for redeployment from Iraq. Senator Hillary Clinton reportedly was briefed on August 2, 2007 by Defense Department officials on the status of planning for a withdrawal, if one is decided, and she and several others introduced legislation on August 2, 2007 (S. 1950), to require contingency planning for redeployment from Iraq.

International and Regional Diplomacy

As noted above, many of the Iraq Study Group recommendations propose increased regional, multi-lateral, and international diplomacy. One idea, included in the Study Group report, is to form a “contact group” of major countries and Iraqi neighbors to prevail on Iraq’s factions to compromise. The Administration has taken

significant steps in this direction, including a bilateral meeting with Syria at the May 3-4, 2007 meeting on Iraq in Egypt, and the bilateral meeting with Iran in Baghdad on May 28, 2007. In the 110th Congress, a few bills (H.R. 744, H.Con.Res. 43, and H.Con.Res. 45) support the Iraq Study Group recommendation for an international conference on Iraq. In the 109th Congress, these ideas were included in several resolutions, including S.J.Res. 36, S.Res. 470, S.J.Res. 33, and S. 1993, although several of these bills also include provisions for timetables for a U.S. withdrawal.

Other ideas involve recruitment of new force donors. In July 2004, then-Secretary of State Powell said the United States would consider a Saudi proposal for a contingent of troops from Muslim countries to perform peacekeeping in Iraq, reportedly under separate command. Some Iraqi leaders believed that such peacekeepers would come from Sunni Muslim states and would inevitably favor Sunni factions within Iraq. On the other hand, several experts believe that the lack of progress in stabilizing Iraq is caused by internal Iraqi disputes and processes and that new regional or international steps would yield minimal results. For more information, see CRS Report RL33793, *Iraq: Regional Perspectives and U.S. Policy*, coordinated by Christopher Blanchard.

Another idea is to identify a high-level international mediator to negotiate with Iraq's major factions. Some Members of Congress wrote to President Bush in November 2006 asking that he name a special envoy to Iraq to follow up on some of the Administration's efforts to promote political reconciliation in Iraq.

Political Reconciliation and Reorganization

Many proposals focus on the need for a "political solution," a requirement acknowledged by Gen. Petraeus and almost all senior U.S. officials. These proposals involve differing methods for altering Iraq's power structure so that no major community feels excluded or has incentive to back violence.

Reorganize the Power Structure. Some experts believe that adjusting U.S. troop levels would not address the underlying causes of violence in Iraq. Those who want to build a unified and strong central government, including the Bush Administration, have identified the need to assuage Sunni Arab grievances, and several of the benchmarks required of the Iraqi government are intended to achieve that objective. Others believe that more sweeping political reconciliation efforts are needed, but there is little agreement on what additional or alternative package of incentives, if any, would persuade most Sunnis leaders — and their constituents — to support the government. Some believe that Sunnis might be satisfied by a wholesale cabinet/governmental reshuffle that gives several leading positions, such as that of President, to a Sunni Arab, although many Kurds might resent such a move because a Kurd now holds that post. Others oppose major governmental change because doing so might necessitate the voiding of the 2005 elections, a move that would appear un-democratic.

Support the Dominant Factions. Another view expressed by some is that the United States should place all its political, military, and economic support on the Shiite and Kurdish factions that have supported the U.S.-led political transition process and now dominate Iraq's government. According to this view, which some

refer to as the “80% solution” (Shiites and Kurds are about 80% of the population),⁴³ the Sunni Arabs will never accept the new order in Iraq and the United States should cease trying to pressure the Shiites and Arabs to try to satisfy them. The Sunni Arabs might begin supporting the new order if they perceive that the United States might, at some point, cease trying to accommodate their concerns. Others say that the recent U.S. outreach to Sunni insurgent groups has angered the Shiites and Kurds, and further risks all-out civil war if the United States were to draw down its forces.

Opponents of this strategy say that Iraq’s Sunni neighbors will not accept a complete U.S. tilt toward the Shiites and Kurds, which would likely result in even further repression of the Sunni Arab minority. Still others say that a further U.S. shift in favor of the Shiites and Kurds would contradict the U.S. commitment to the protection of Iraq’s minorities.

Decentralization and Break-Up Options. Some commentators maintain that Iraq cannot be stabilized as one country and should be broken up into three separate countries: one Kurdish, one Sunni Arab, and one Shiite Arab. Another version of this idea, propounded by Senator Biden and Council on Foreign Relations expert Leslie Gelb (May 1, 2006, *New York Times* op-ed) is to form three autonomous regions, dominated by each of the major communities. A former U.S. Ambassador and an adviser to the Kurds, Peter Galbraith, also advocates this option. According to this view, decentralizing Iraq into autonomous zones would ensure that Iraq’s territorial integrity is preserved while ensuring that these communities do not enter all-out civil war with each other. Some believe that, to alleviate Iraqi concerns about equitable distribution of oil revenues, an international organization should be tapped to distribute Iraq’s oil revenues. S.Con.Res. 37, with several co-sponsors from both parties, expresses the sense of the Senate that the United States should support a political settlement in Iraq that creates a federal system of government and allows for the creation of federal regions.

Critics of both forms of this idea believe that any segregation of Iraq, legal or de-facto, would cause parts of Iraq to fall firmly under the sway of Iraq’s powerful neighbors. Others believe that the act of dividing Iraq’s communities in any way would cause widespread violence, particularly in areas of mixed ethnicity, as each community struggles to maximize its territory and its financial prospects. This recommendation was rejected by the Iraq Study Group as potentially too violent.

Negotiating With Insurgents. Another idea is to negotiate with insurgents. The Iraq Study Group report welcomes contact with almost all parties in Iraq, with the exception of AQ-I (*Recommendations 34-35*). The Administration — and the Iraqi government — appears to have adopted this recommendation to some extent. Gen. Odierno, in June 2007, discussed with reporters a new U.S. tactic of reaching local ceasefires with Iraqi insurgent groups and, as discussed above, some U.S. commanders have gone even further by cooperating with Sunni insurgents willing to fight against AQ-I. In an interview before leaving Iraq, outgoing Ambassador Khalilzad said in late March 2007 that he had had talks with some insurgents in Jordan who are believed open to reconciliation.

⁴³ Krauthammer, Charles. “The 20 Percent Solution.” *Washington Post* op-ed, July 20, 2007.

“Coup” or “Strongman” Option. As discussed above, another option began receiving discussion in October 2006 as Iraqi elites began to sense a growing rift between the Administration and Maliki. Some Iraqis believe the United States might try to use its influence among Iraqis to force Maliki to resign and replace him with a military strongman or some other figure who would crack down on sectarian militias. Some say former Prime Minister Allawi might be trying to position himself as such an alternative figure. However, experts in the United States see no concrete signs that such an option might be under consideration by the Administration, and other accounts say that Iraqi leaders are divided over who would replace Maliki, thus ensuring deadlock and his continuation in office. Using U.S. influence to force out Maliki would, in the view of many, conflict with the U.S. goal of promoting democracy and rule of law in Iraq.

Economic Measures

Some believe that the key to calming Iraq is to accelerate economic reconstruction, and they see the draft oil law as drawing in the foreign investment to Iraq’s key energy sector that is needed to drive economic development. Accelerated reconstruction will drain support for insurgents by creating employment, improving public services, and creating confidence in the government. This idea, propounded by DoD reconstruction official Paul Brinkley (Deputy Undersecretary of Defense for Business Transformation in Iraq), was incorporated into the President’s January 10 initiative, in part by attempting to revive state-owned factories that can employ substantial numbers of Iraqis. Prior to that, the concept of using economic reconstruction to drive political accommodation was reflected in the decision to form PRTs, as discussed above. Others doubt that economic improvement alone will produce major political results because the differences among Iraq’s major communities are fundamental and resistant to economic solutions.

Another idea has been to set up an Iraqi fund, or trust, that would ensure that all Iraqis share equitably in Iraq’s oil wealth. In an op-ed in the *Wall Street Journal* (December 18, 2006) Senator Hillary Rodham Clinton and Senator John Ensign supported the idea of an “Iraq Oil Trust” modeled on the Alaska Permanent Fund.

Table 7. U.S. Aid (ESF) to Iraq's Opposition
(Amounts in millions of U.S. \$)

	INC	War crimes	Broadcasting	Unspecified opposition activities	Total
FY1998 (P.L. 105-174)	—	2.0	5.0 (RFE/RL for "Radio Free Iraq")	3.0	10.0
FY1999 (P.L. 105-277)	3.0	3.0	—	2.0	8.0
FY2000 (P.L. 106-113)	—	2.0	—	8.0	10.0
FY2001 (P.L. 106-429)	12.0 (aid in Iraq)	2.0	6.0 (INC radio)	5.0	25.0
FY2002 (P.L. 107-115)	—	—	—	25.0	25.0
FY2003 (no earmark)	3.1	—	—	6.9	10.0
Total, FY1998- FY2003	18.1	9.0	11.0	49.9 (about 14.5 million of this went to INC)	88.0
FY2004 (request)	—	—	—	0	0

Notes: According to the U.S. Government Accountability Office (April 2004), the INC's Iraqi National Congress Support Foundation (INCSF) received \$32.65 million in U.S. Economic Support Funds (ESF) in five agreements with the State Department during 2000-2003. Most of the funds — separate from drawdowns of U.S. military equipment and training under the "Iraq Liberation Act" — were for the INC to run its offices in Washington, London, Tehran, Damascus, Prague, and Cairo, and to operate its *Al Mutamar* (the "Conference") newspaper and its "Liberty TV," which began in August 2001, from London. The station was funded by FY2001 ESF, with start-up costs of \$1 million and an estimated additional \$2.7 million per year in operating costs. Liberty TV was sporadic due to funding disruptions resulting from the INC's refusal to accept some State Department decisions on how U.S. funds were to be used. In August 2002, the State Department and Defense Department agreed that the Defense Department would take over funding (\$335,000 per month) for the INC's "Information Collection Program" to collect intelligence on Iraq; the State Department wanted to end its funding of that program because of questions about the INC's credibility and the propriety of its use of U.S. funds. The INC continued to receive these funds even after Saddam Hussein was overthrown, but was halted after the June 2004 return of sovereignty to Iraq. The figures above do not include covert aid provided — the amounts are not known from open sources. Much of the "war crimes" funding was used to translate and publicize documents retrieved from northern Iraq on Iraqi human rights; the translations were placed on 176 CD-Rom disks. During FY2001 and FY2002, the Administration donated \$4 million to a "U.N. War Crimes Commission" fund, to be used if a war crimes tribunal is formed. Those funds were drawn from U.S. contributions to U.N. programs. See General Accounting Office Report GAO-04-559, *State Department: Issues Affecting Funding of Iraqi National Congress Support Foundation*, April 2004.

Figure 1. Map of Iraq



Source: Map Resources. Adapted by CRS. (K.Yancey 7/21/04)