APPENDIX B

(Passed to INR Front Office, February 3, 2003; a final version was delivered to S staff.)

() The draft we saw today at CIA is vastly improved over Friday's draft, and many or most of the incorrect or dubious claims have been removed. Earlier today, we flagged for the drafters some remaining problems that were relatively important; the drafters subsequently fixed most, but not all, of these.

() What follows are the remaining points (in order of appearance) we find most problematic:

- -- <u>Numerous references to humint as fact</u>. (E.g., "We know that...) We have been told that some are being adjusted, but we gather some others--such as information involving multiple-corroboration--will stay (e.g., page 7, third full para). In the Iraq context, "multiple corroboration" hardly guarantees authenticity of information.
- -- Page 2, missile intercept transcript: We learned that for source/methods reasons, the officials associated with the hidden, "modified vehicle" are no longer identified as personnel, and are linked to the elite Republican Guard.

We are somewhat uncomfortable because this new, redacted text leans further toward longer-range missile equipment, whereas the actual evidence points more toward SAM equipment--even though the al-Kindi establishment, to which the vehicle is linked, has at least historically been engaged in longer-range missile work.

- -- Page 4, last bullet, re key files being driven around in cars to avoid inspectors. This claim is highly questionable and promises to be targeted by critics and possibly UN inspection officials as well.
- -- Page 5, first para, claim re missile brigade dispersing rocket launchers and BW warheads. This claim too is highly questionable and might be subjected to criticism by UN inspection officials.
- -- Page 15, top, re nuclear acquisition timeline. We understand that the first sentence-about a UN assessment that Iraq "could have produced a nuclear bomb by 1993" had the Gulf War not intervened—is being changed to reflect that this was a US, not UN assessment. We do not object to the proposed new version, as long as it is understood that this involved a "Crash Program" scenario in which Iraq diverted IAEA-safeguarded, foreign-supplied highly enriched uranium, or HEU.

understands that the 1993 timeline involves diverted, foreign-supplied HEU. After all, the USG's own assessed Iraqi timeline for *indigenous* bomb development was "five to seven years," and that the Crash Program scenario is no longer viable, as all highly enriched uranium has been removed from Iraq.

-- <u>Page 6, aluminum-tube discussion</u>. The good news is we believe the text is far better than the "Friday version." Our key remaining concern is the claim that the tubes are manufactured to a tolerance that "far exceeds US requirements for comparable rockets." In fact, the most comparable US system is a tactical rocket--the US Mark 66 air-launched 70mm rocket--that uses the same, high-grade (7075-T6) aluminum, and that has specifications with similar tolerances. Note that the Mk 66 specifications are unclassified, and the Department is planning to share them with the IAEA.

We understand CIA now argues that a comparable US system is an Astros multiple-launcher rocket, said to have much looser tolerances. We believe this system is less comparable, for at least two reasons: 1) The Astros does not involve high-strength aluminum; and 2) the *Iraqi* rocket in question, the Nasser 81 MLR, was reverseengineered from an Italian *air-launched* rocket, not an MLR system.

That said, it would not be inaccurate to suggest that the Nasser 81's tolerances are suspiciously tight.

-- <u>Page 17</u>, bottom: "We know that Iraq has produced large-diameter ." We have sigint information that is highly suggestive, but not necessarily conclusive. (Even a key WINPAC missile analyst agrees.) INR could live with something along the lines of, "We are quite certain that…"

Finally, one unsolicited suggestion for your consideration: After the description of Blix's remarks, one could transition into the discussion of recent activities by saying something like: "We *know* Iraq is still lying on these outstanding issues, so why should we trust Iraq's claims about lack of recent prohibited activity?"