



Iraq Status Update

18 SEP 03





Coalition Provisional Authority Vision



“Last Sunday night President George W. Bush spoke to the American people on television. In that address, President Bush made it clear that the United States is going to stay with you, the people of Iraq, until you have a sovereign, independent government and the means to sustain that government and yourselves.”

“President Bush showed just how serious he was by announcing that he was seeking more than \$20,000 million for the Coalition Provisional Authority.”

Address to the Iraqi People by L. Paul Bremer III, 12 September
2003

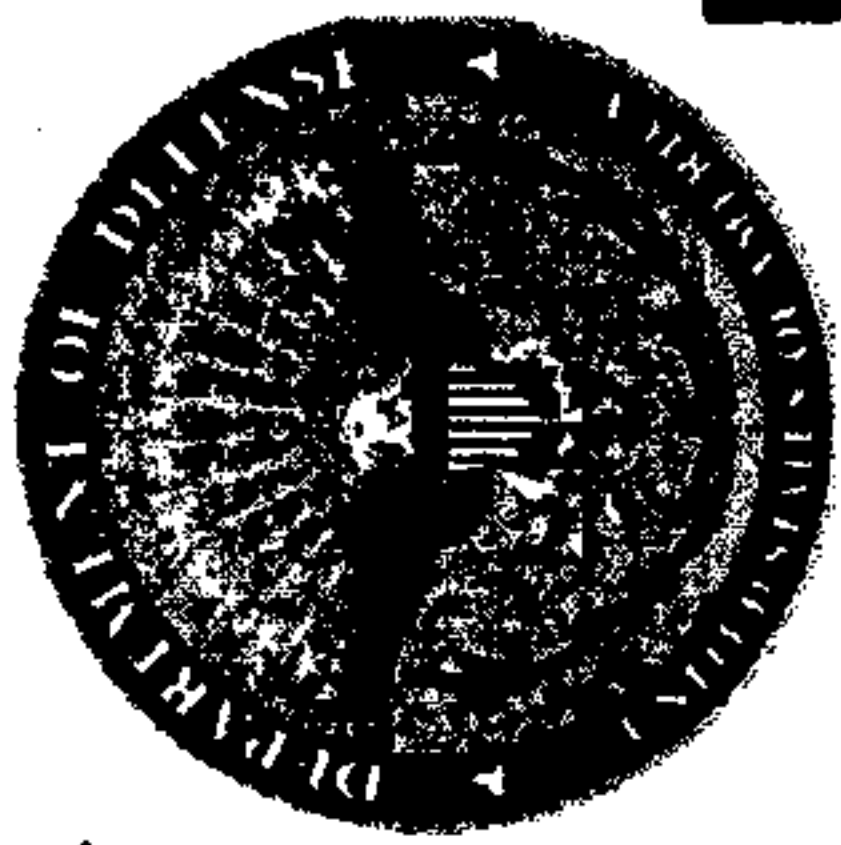


Strategic Priorities



Report organized by five principal objectives:

- **SECURITY** – establish a secure and safe environment.
- **ESSENTIAL SERVICES** – restore basic services to an acceptable standard.
- **ECONOMY** – create the conditions for economic growth.
- **GOVERNANCE** – enable the transition to a legitimate, constitutional government.
- **INTERNATIONAL PARTICIPATION** – maximize contributions from international partners and organizations.



Progress on Priorities

Security Update

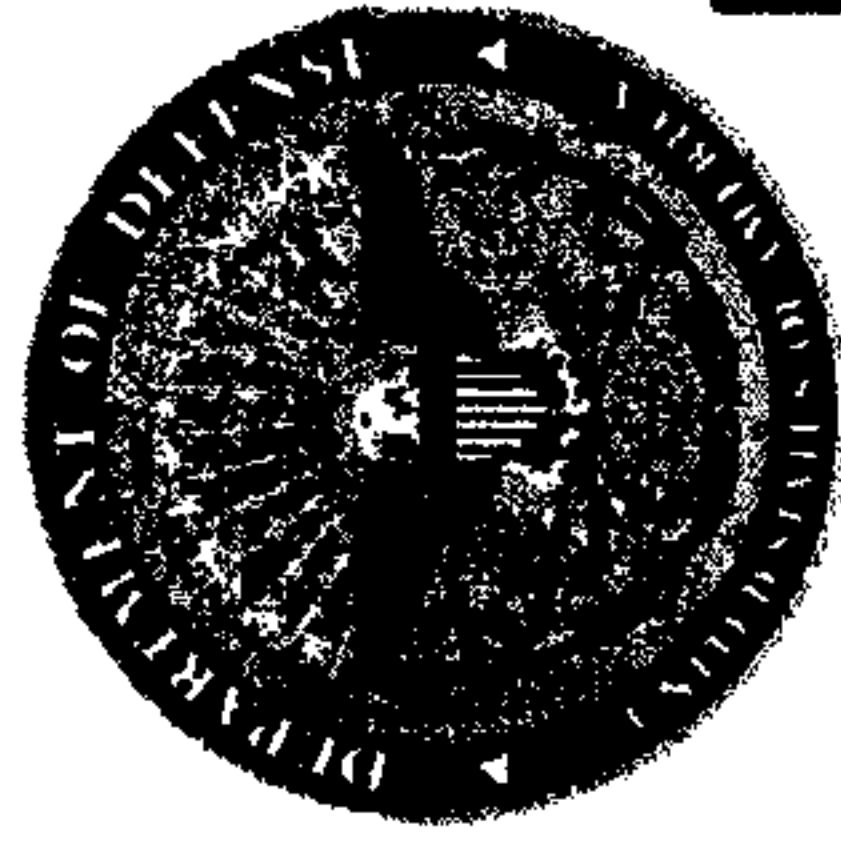


LAW ENFORCEMENT

- Progress in police recruitment and training improved this week. Approximately 46K police officers currently rehired in Iraq.

NEW IRAQI ARMY

- First battalion, 750 strong, will graduate training on October 4, 2003.
- Goal is to have a 40K force by September 2004.
- Units reflect Iraq's religious and ethnic mix. The first battalion will consist of about 60% Shiite, 25% Sunni, 10% ethnic Kurd and 5% from other minority groups.
- U.S. officials will select officers from among the recruits.
- About 60% of the current recruits have some sort of military background.



Progress on Priorities

Essential Services



Food

- Preparations continue in the three northern governorates of Arbil, Dahuk & As Sulaymaniyah for the handover of the Public Distribution System (PDS) to Kurdish authorities.
- Total distributions since the beginning of operations have exceeded 1.8 million MT.
- WFP operations continue to bring food mainly through Turkey, Syria, Jordan, Kuwait, and increasingly from Umm Qasr.

Education

- 35,000 Iraqis from 64 Iraqi subcontractors are working on an accelerated program to rehabilitate 1,000 schools by 30 September.

Health & Medical

- More than 9,000 tons of pharmaceuticals delivered since May.



Progress on Priorities

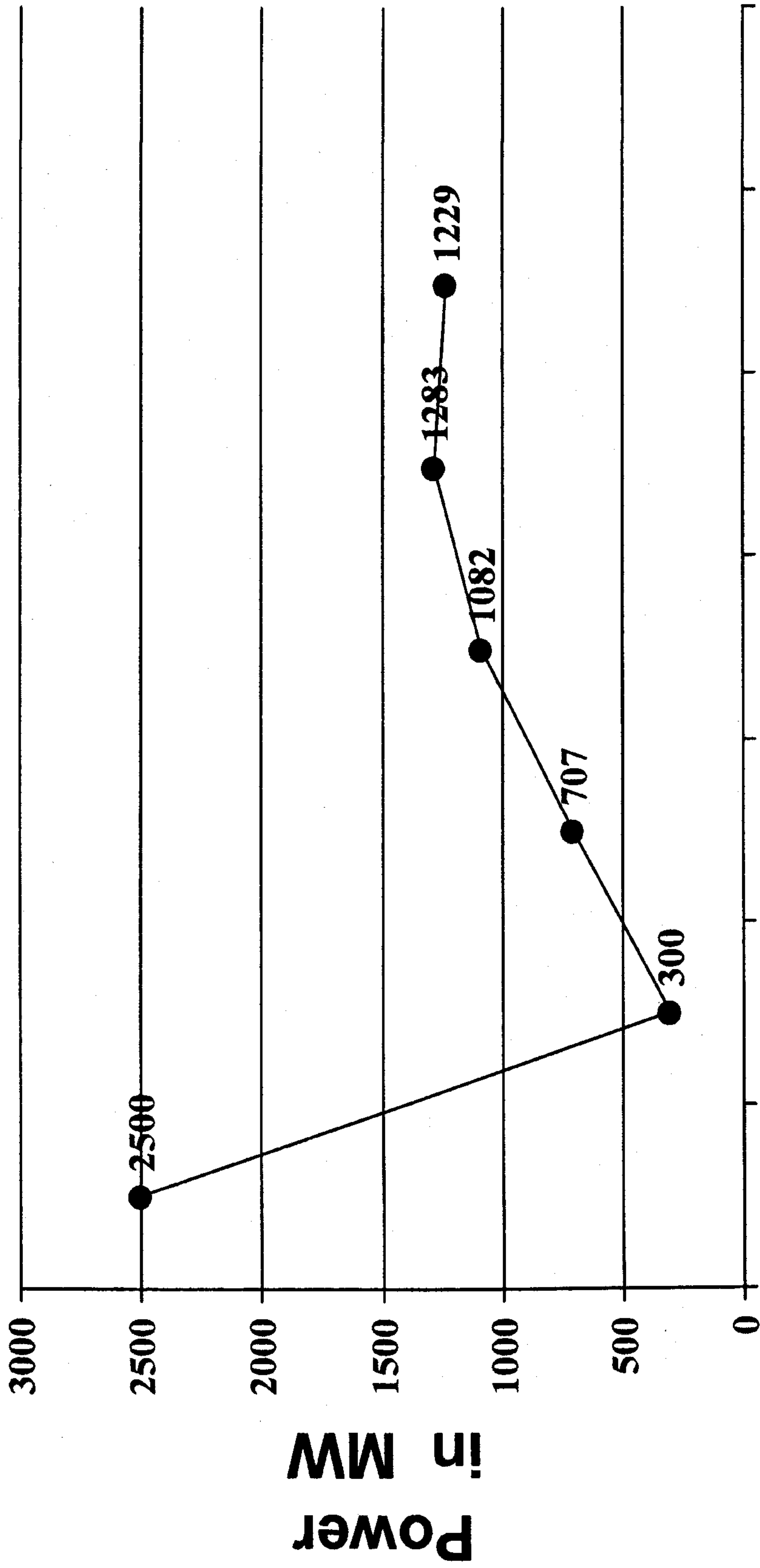
National Power Update



- Electricity generation reached its highest point on 29 August was 3,734 MW; 7-day average of 3,488 MW.
- CPA is making immediate repairs to power stations and transmission lines as part of the plan to increase power to 4,400 MW by 30 Sep 2003.
- The Oil-Power Fuel Task Force is working to ensure adequate fuel is available for increased generation. Shortage of diesel is a limiting factor and other fuel sources are being sought.
- Signed agreement with Turkey to import 50 MW, growing to a potential of 100 MW in exchange for dollars & #6 fuel oil.



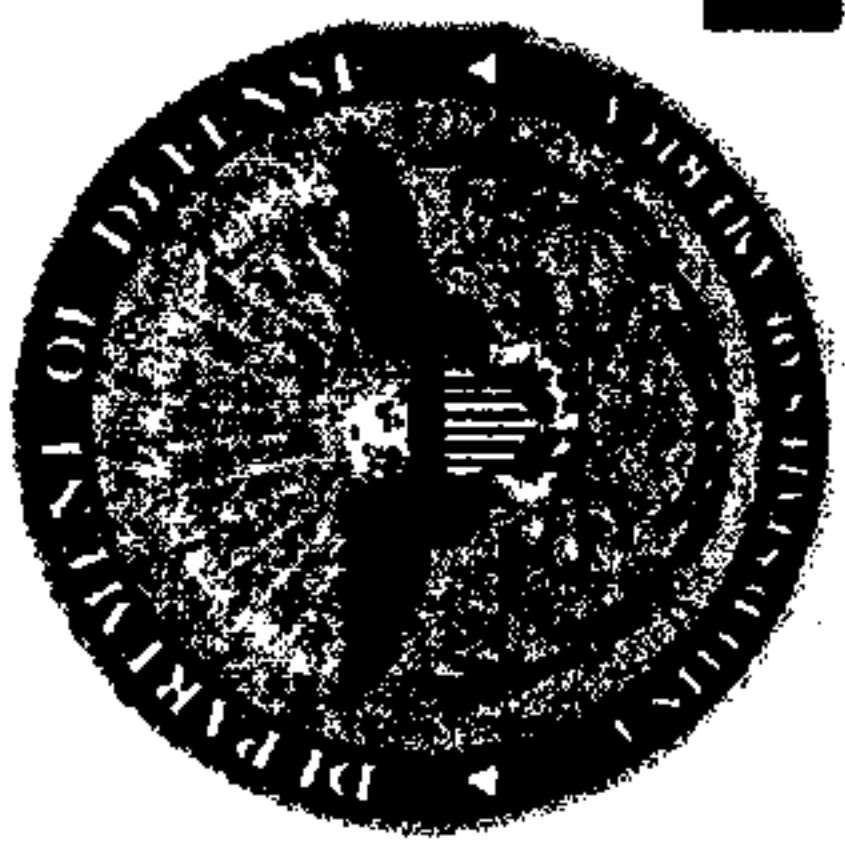
Power / Baghdad



Pre-War Baseline End of Major Combat End of Combat Jun-03 Jul-03 Aug-03

Power Production Timeline

*Monthly averages. Estimated date to achieve pre-war baseline: 1 October '03



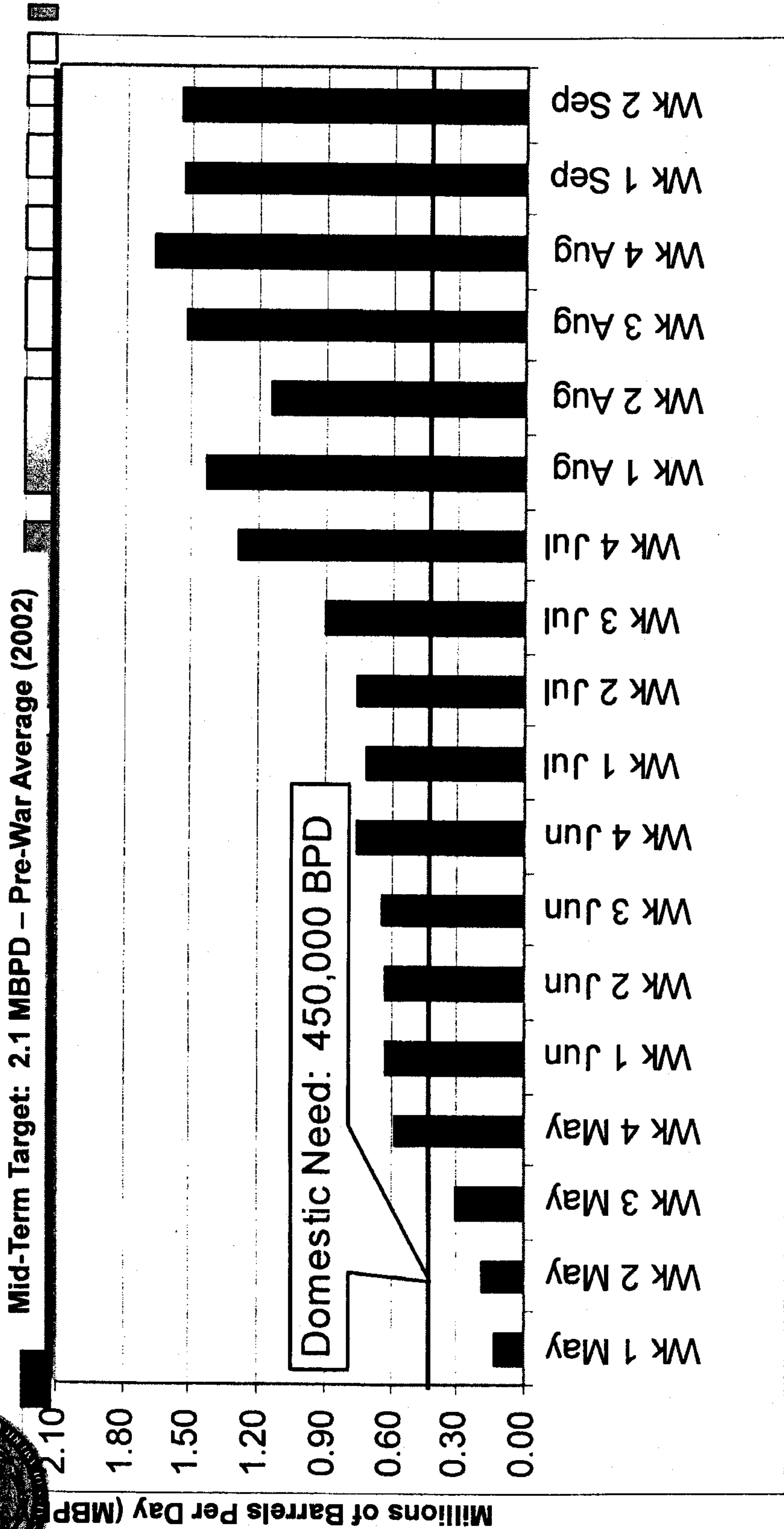
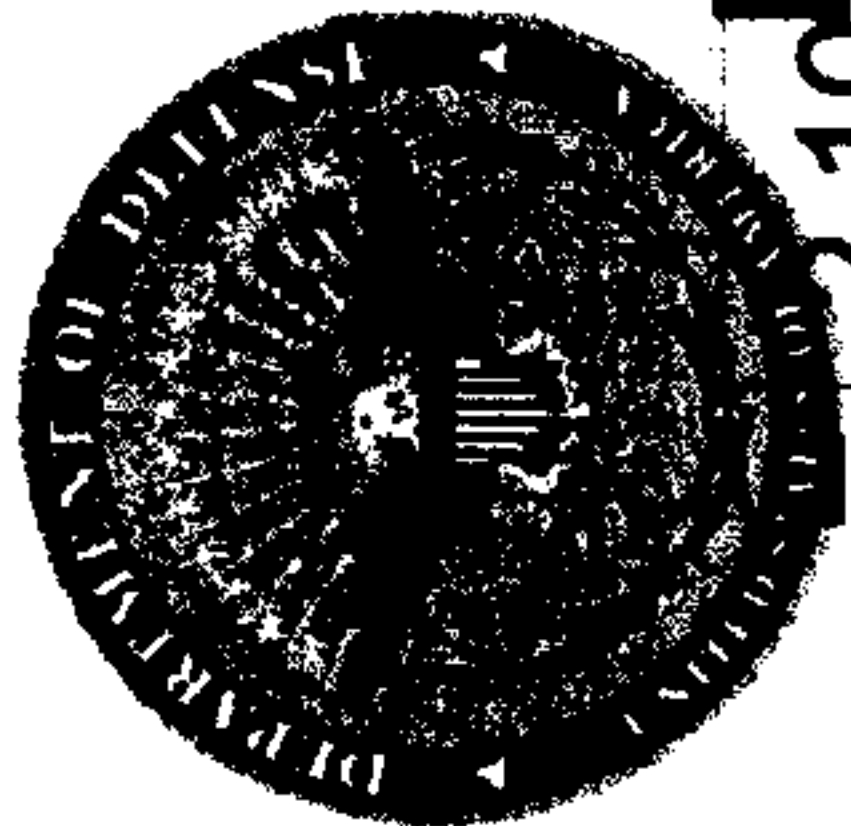
Progress on Priorities

Fuel Status Update



- Iraq-Turkey (IT) Pipeline.
 - 40" pipeline to be repaired by 19 Sept, the others by 27 Sept.
- Southern LPG terminal being reconfigured to allow faster off-loading of ships.
 - Will permit direct LPG off-load from ship to 240,000 ton cryogenic storage tanks.
 - Ships will be able to turn around in one day.
- Crude oil production past 4 weeks steady at or above 1.5 million barrels/day -- 72-80% of pre-war average (2.1 million bpd in 2002).
- Gasoline/benzene supplies past 4 weeks meet or exceed target of 15 million liters/day.

Crude Oil Production



• Long Term Target: 3.1 MBPD (Pre-War Capacity)

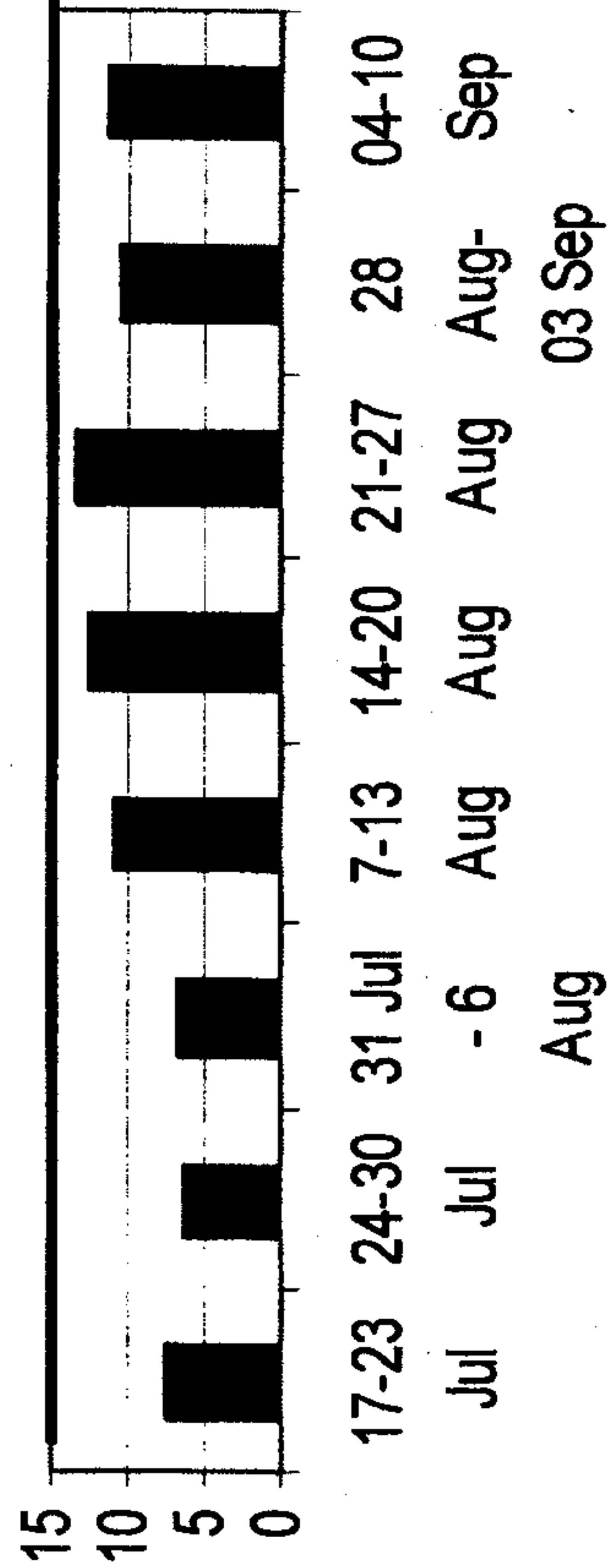


Diesel / Kerosene Production



Diesel (M Liters per Week)

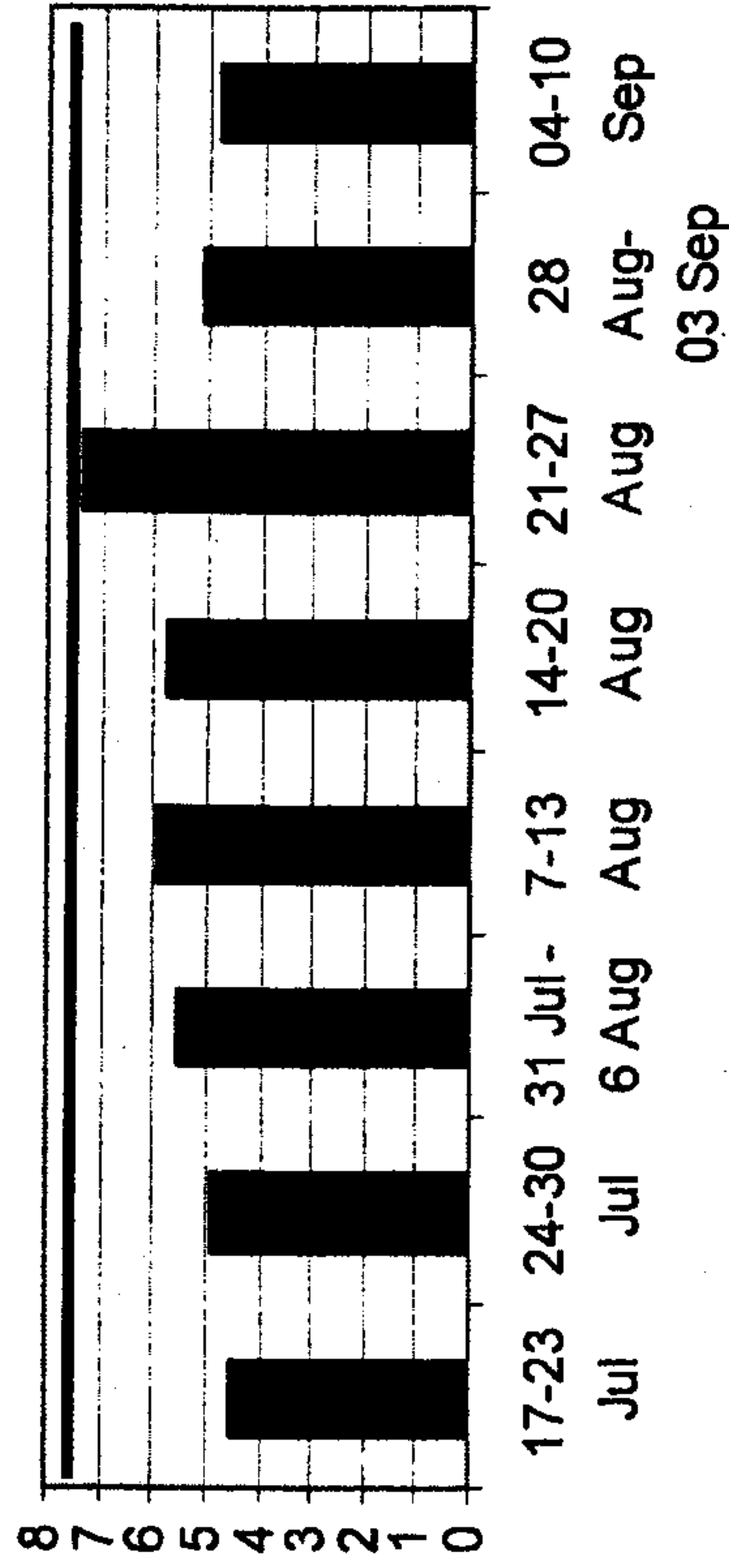
Goal: 14.9M Liters



■ Production ■ Import

Kerosene (M Liters per Week)

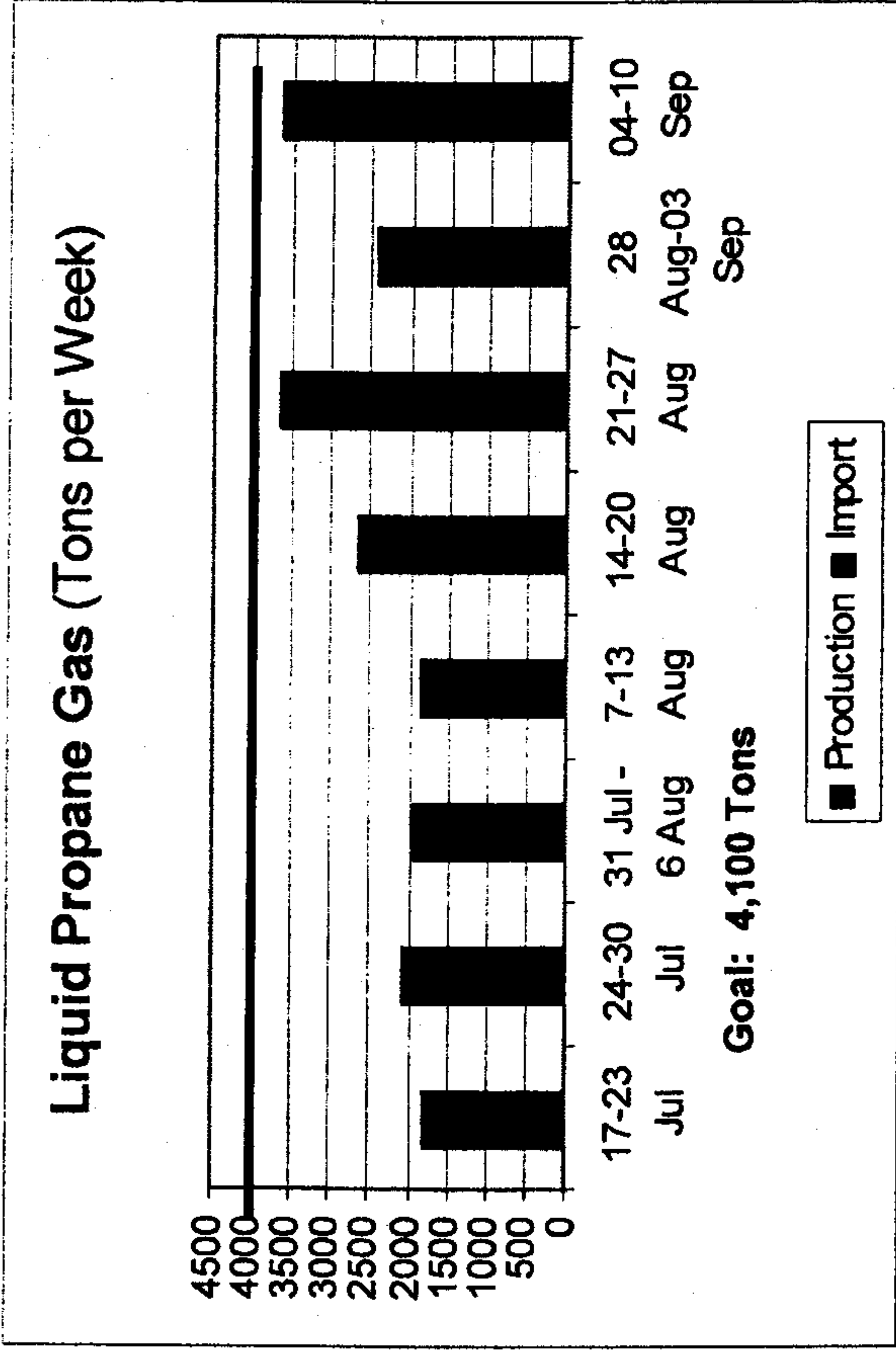
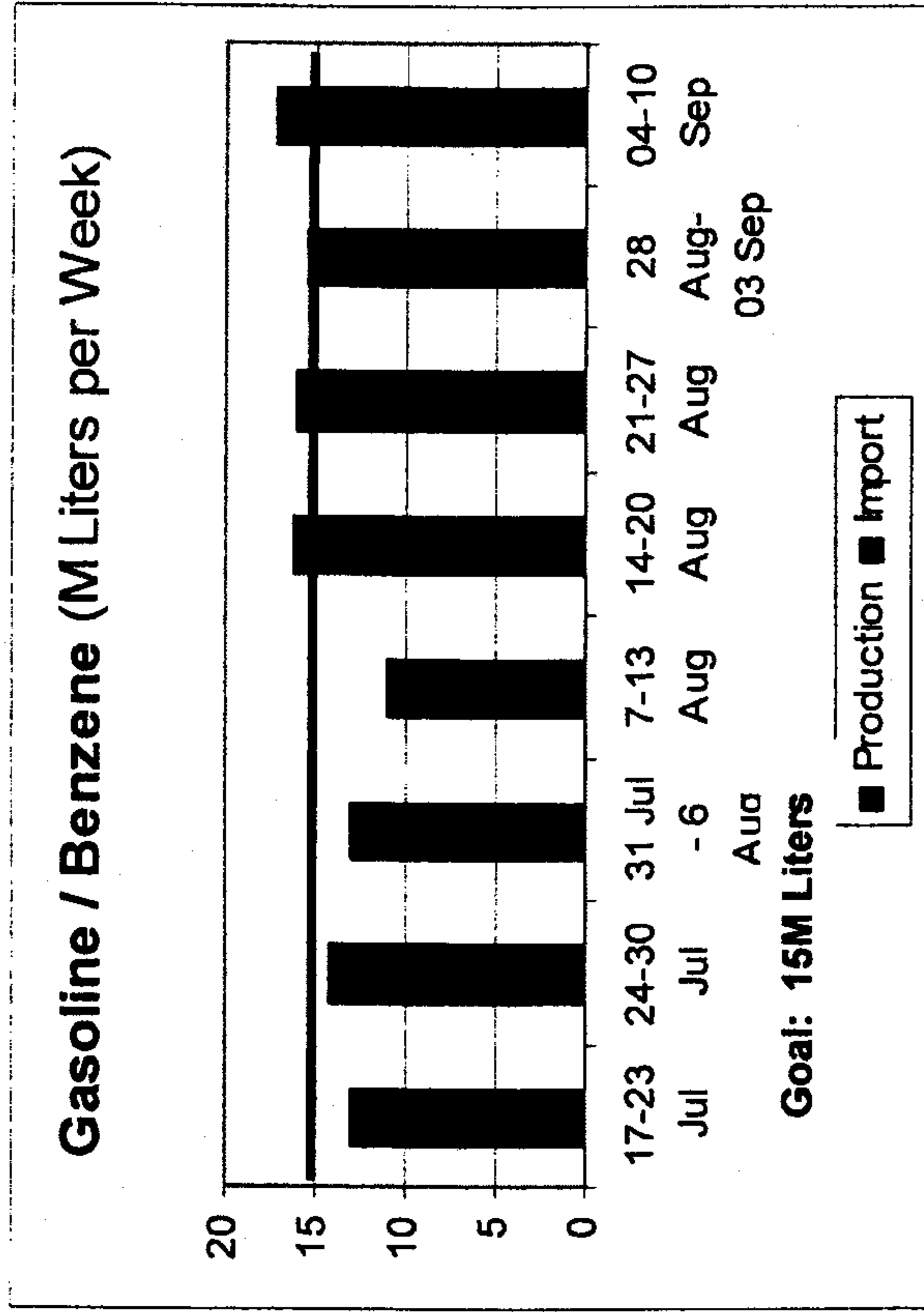
Goal: 7.7M Liters

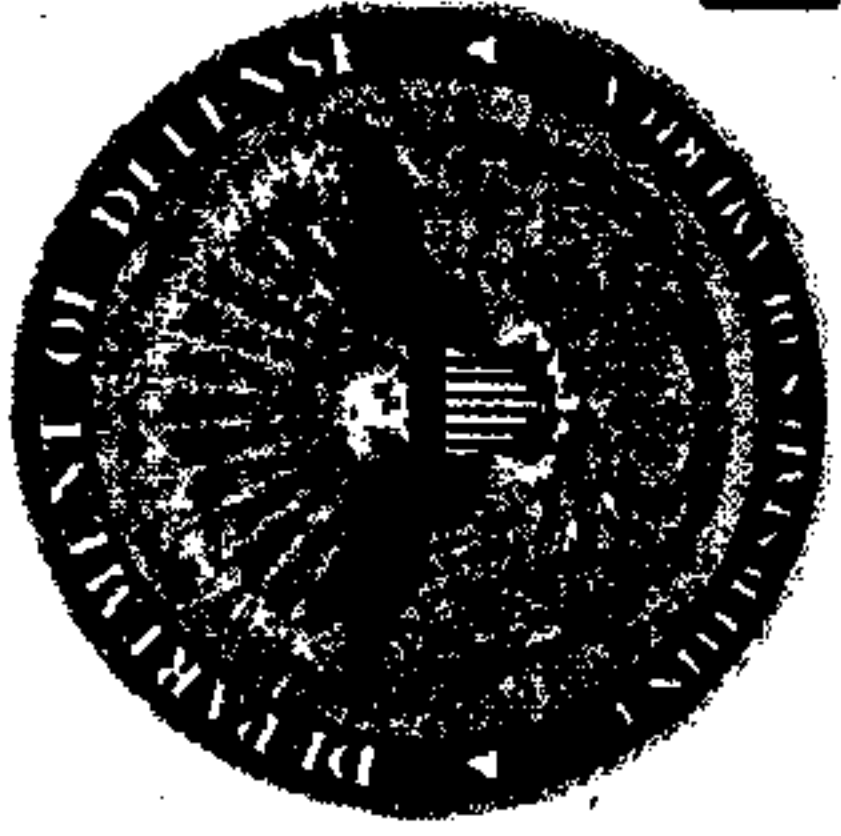


■ Production



Gasoline / LPG Production





Relief and Recovery Update

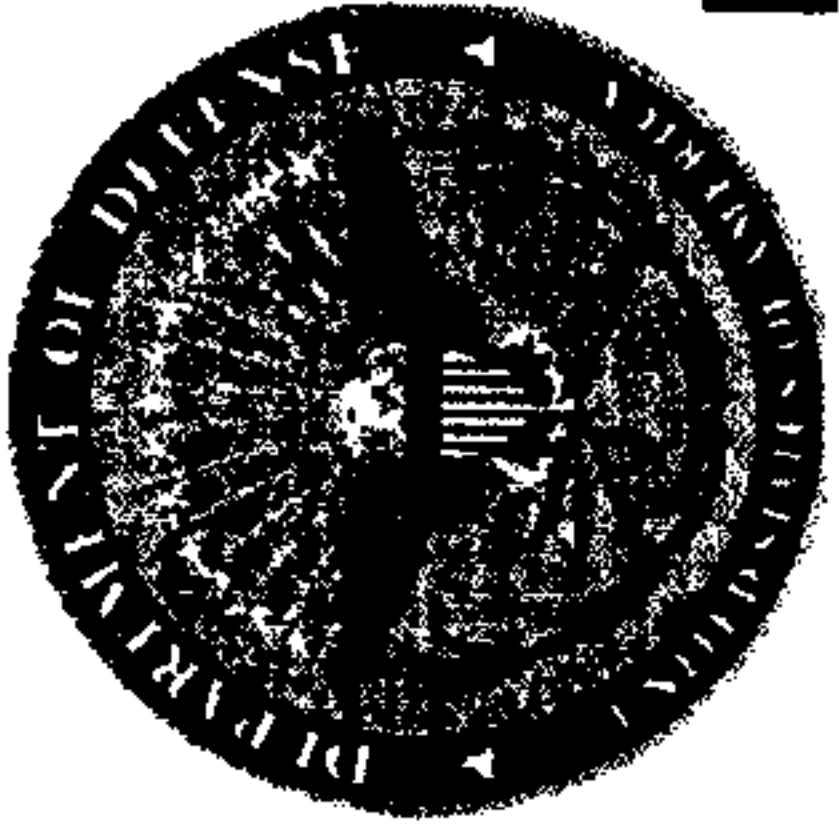


Refugees – UNHCR operations on hold after UN bombing.

- Returns from Iran and Saudi Arabia postponed.
- Ministry of Foreign Affairs chairing inter-ministerial “Committee for Returns and Reintegration” to coordinate policy and programs for returnees.

IDPs – Returns depend on property dispute resolution.

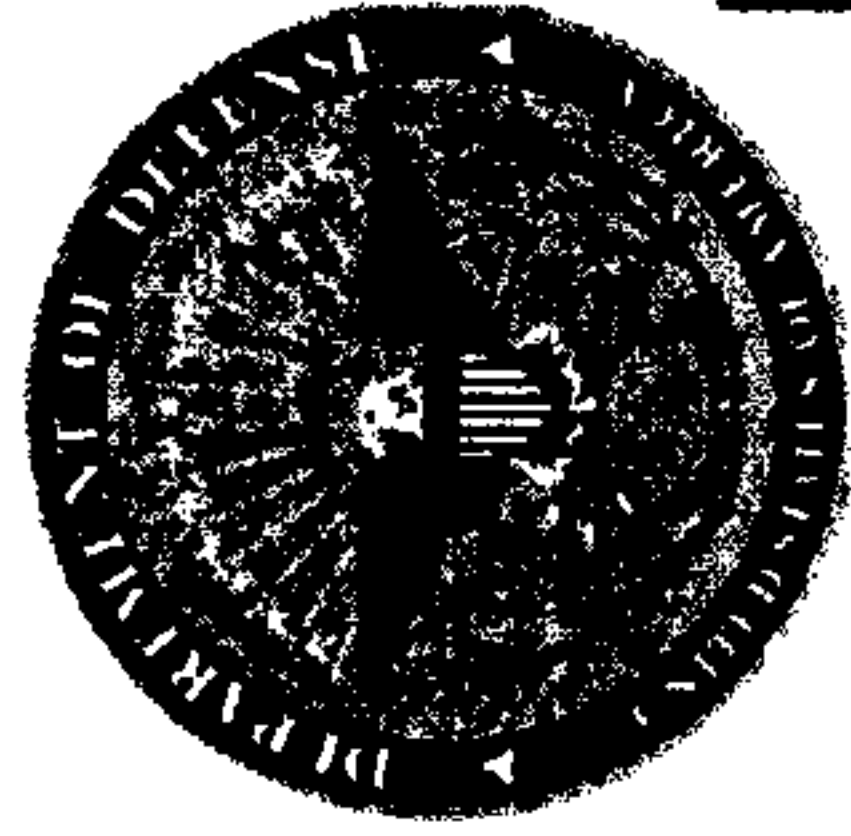
- WFP registering IDPs to include them in Public Distribution System.
- UNHCR and IOM coordinating assistance roles.



Governance

Iraq Governing Council Issues Strict Directives

- Iraq Governing Council announced two council directives to prevent the government from including any former Baath Party members — moves that go beyond those previously announced by the Coalition Provisional Authority.
- Under the first directive any higher-level party members still in their jobs must quit immediately — a provision similar to the order issued in May by CPA.
- Estimated to affect tens of thousands of Iraqis.
- The second Governing Council directive bans Iraqis from leadership positions in the new government if they ever worked as a director-general or higher in a state-owned company, as a town director, or as an advisor in Hussein's regime.
- The new rules would "have more depth and [affect] more people" than Bremer's order.
- Criminals as well as cronies of Hussein would also be barred from office.
- Anyone who loses his job could appeal to a recently created Iraqi council committee on "de-Baathification."



Governance



Iraq Delegation Will Attend OPEC Meeting

- An Iraqi delegation will attend an OPEC meeting on 24 September, signaling a growing acceptance of Iraq's new government.
- The announcement — which helped send world oil prices lower — was seen as a sign that the 11-member energy cartel is prepared to accept CPA's appointed body overseeing the reconstruction of Iraq, including the oil sector.
- The return to OPEC is Iraq's latest move in efforts to gain international acceptance. Last week, representatives of the Iraqi Governing Council were welcomed at an Arab League meeting in Cairo, suggesting that Iraq's neighbors are warming to the new government.
- Iraq, which helped establish the Organization of the Petroleum Exporting Countries in 1960, missed meetings in April, June and July because an internationally recognized government had not been in place in Baghdad. Iraq has not participated in any of OPEC's oil-production agreements since the 1991 Persian Gulf war.
- OPEC dropped its earlier insistence that Iraq's attendance be conditioned on the United Nations' acceptance of its government.



Progress on Priorities

International Participation



- **46 nations potentially supporting Iraqi Stability and Humanitarian Relief.**

- **31 Countries with military forces in Iraq:** Albania, Azerbaijan, Bulgaria, Czech Rep, Denmark, Dominican Republic, El Salvador, Estonia, Georgia, Honduras, Hungary, Italy, Kazakhstan, Latvia, Lithuania, Moldova, Mongolia, Macedonia, Netherlands, New Zealand, Nicaragua, Norway, Philippines, Poland, Romania, Slovakia, South Korea, Spain, Thailand, Ukraine, and UK.
- **1 country committed to provide forces in Iraq:** Portugal.
- **14 others are considering decision to provide forces for Iraq.**



Iraq Status Update



•POC: (b)(6)

, OSD SO/LIC Stability Operations

(b)(2)