Ambassador David Satterfield Senior Advisor on Iraq to the Secretary of State Remarks Before the Senate Armed Services Committee Wednesday, November 15, 2006

Thank you, Mr. Chairman for the opportunity to testify before your committee today.

The situation in Iraq is very serious. The Iraqi people, as well as Iraqi and Coalition forces, have suffered through several months of extreme, brutal bloodshed. The insurgency and al-Qaeda terror are responsible for the majority of U.S. military casualties and remain lethal challenges to Iraqis. It is increasingly clear that Al Qaeda's strategy to undermine the Iraqi government by sowing sectarian conflict has created a dangerous cycle of violence.

Some Iraqis have turned to armed militias and other extra-governmental groups to provide security, while others have seized upon this security vacuum to pursue local political power or narrow sectarian interests. Sustained sectarian violence and the associated rise in armed militias and other extra-governmental groups are now the greatest strategic threat to a stable, unified, and prosperous Iraq.

Sectarian differences in Iraq are like tectonic plates. Historically, they have been stable. However, if pushed too hard they can lead to tremors and, ultimately, to a devastating earthquake. While average Iraqis want nothing more than sanctuary from violence and a normal life, if they believe that the only source of security is their local sectarian militia, sectarian plates will shift, Iraqi national identity will erode, and hope for a united Iraq will crumble.

Such an outcome in Iraq is unacceptable. It would undermine U.S. national interests in Iraq and in the broader region. And it would lead to a humanitarian disaster for the Iraqi people.

The goals of the United States in Iraq remain clear. We support a democratic Iraq that can govern itself, sustain itself, defend itself, and be an ally in the war against extremists. While we have not changed our goals, we are constantly reviewing, adapting and adjusting our tactics to achieve them.

At the Department of State, we have adapted over the last year by significantly increasing staffing levels at our Provincial Reconstruction Team sites located throughout Iraq. Fifty-five State employees are currently on the ground working from US- and Coalition-led PRTs (up from 21 State employees at PRT locations in February 2006) providing support to local Iraqi officials and communities to improve governance on the grassroots level. Many of our PRT staff are operating at great physical risk, particularly at PRTs located in Anbar province and in Basrah. State has also changed its Foreign Service assignments policy. Filling positions quickly and with the most qualified officers in critical threat,

unaccompanied posts, such as Iraq and Afghanistan, is now the Department's number one human resources priority. Fill rates for US Mission Iraq for Summer 2007 are farther along now – just three weeks into the assignments cycle – than they were in February for Summer 2006. As of last Friday, we had 101 out of 194 available positions mission-wide, committed – that is 52%.

Three Pillars/Three Tracks

Iraq's future is dependent upon the performance and commitment of three pillars of actors: first and foremost is the Iraqi government and people. Second, is the United States and the Coalition; and third, the international community, in particular, Iraq's neighbors. All these pillars need to act together to help make progress in Iraq possible.

Progress must occur along three key tracks – political, security, and economic – for a stable, united, peaceful Iraq to emerge. As the President, Amb. Khalilzad, and General Casey have all stated, it is critical that we, the United States, work with the Government of Iraq to set out measurable, achievable benchmarks on each of these tracks. In short, the Iraqis need to set and then achieve clearly defined goals.

Security

On the security track, our current focus is on transitioning more control and responsibility to the Iraqis. Prime Minister Maliki wants this, and so do we. While I will leave the details to General Abizaid, we are in the process of transitioning more command and control to Iraqi commanders, divisions, and battalions. We have already moved Muthanna and Dhi Qar provinces to "Provincial Iraqi Control" and expect to move the rest of Iraq's provinces to that status over the next 16-18 months.

We are working closely with Iraqi leaders to produce a set of security benchmarks to ensure that the transition is as smooth and seamless as possible. We are also working with the Iraqi Government on renewal of the UN mandate for Coalition forces in Iraq for another year. In its letter sent yesterday to the Security Council, the Iraqi government explicitly reaffirmed both its desire for such a renewal and the transitional nature of the extension. The Iraqis want more control and we want to give it to them. We hope the UN will approve the resolution.

Political

On the political track, we are pleased that the Iraqi Presidency Council agreed in October to a set of political benchmarks. The Iraqi Government has already made some progress. It passed a regions formation law, an investment law, and last week said it would introduce legislation that would reinstate thousands of

former Ba'th officials as part of the de-Ba'thification process. These are hopeful signs that Iraq's leaders can find middle ground.

However, much more work remains. Prime Minister Maliki has appropriately focused his attention on pursuing national reconciliation. There are several requirements for reconciliation to be possible and the Iraqi Government must pursue all simultaneously.

First, the Iraqi Security Forces with Coalition support must help achieve security conditions under which Iraqis will be more comfortable making the difficult choices needed to pursue political reconciliation.

Second, the Iraqi government must reach out and engage all those willing to abandon violence and terror, including former members of the Baath Party, while credibly threatening to combat those insurgents and terrorists who remain wholly opposed to a democratic Iraq.

Third, they must establish a robust process aimed at disarming, demobilizing, and reintegrating members of armed groups into normal Iraqi society. To be successful, the DDR process will require agreement on an amnesty plan that gives militants incentives to return to civilian life.

Fourth, the Iraqis must pursue and complete a national hydrocarbon law both to ensure that the country remains united as well as to spur much-needed international investment that will come only when Iraq's laws are firmly established and clear to all.

Economic - International Compact

On the economic track, the Government of Iraq is moving forward aggressively. Iraq and the United Nations announced on July 27th that they would jointly lead efforts to launch a new International Compact with Iraq. The Compact will provide a new framework for mutual commitments between Iraq and the international community, particularly those in Iraq's neighborhood, in bolstering Iraq's economic recovery.

The goal of the Compact is for the Iraqi government to demonstrate to the international community its commitment to implementing needed social, political, and economic reforms. Iraq will commit to reforming its main economic sectors -- oil, electricity and agriculture -- and to establishing the laws and building the institutions needed to combat corruption, assure good governance and protect human rights. In return, the members of the international community will provide the assistance needed to support Iraqi efforts to achieve economic and financial self-sufficiency over the next five years.

In short, with the Compact, Iraq is reaching out to the international community for help. I am pleased to report that the world is beginning to reach back, though more commitment is needed, especially from Iraq's neighbors.

The Compact is nearly complete. On October 31, Kuwait hosted a preparatory group meeting where members moved closer to a final Compact text. They intend to complete the Compact before the end of the year. Between now and then, the Iraqis will be asking their friends and neighbors to consider their goals and reforms, and to come forward with concrete pledges of assistance. We are urging Iraq's neighbors, in particular, to step forward and support Iraq's future.

Conclusion

In conclusion, Mr. Chairman, we will continue to support the Government of Iraq as it moves forward on these three tracks. However, I want to make one point very clear. Each of these tracks – security, political, and economic – is inextricably linked to the other. While all must move forward together, a failure or setback in any one area hinders progress in the others. Thus, militias cannot be effectively demobilized in the absence of a larger political reconciliation agreement. Political reconciliation cannot survive if the government cannot agree on the distribution of oil revenue and create jobs. And Iraqis cannot modernize their economy and draw foreign investment if there is sectarian violence in the streets.

We believe that a successful path forward can still be forged in Iraq. As the transition continues to full Iraqi government control, we must stand firmly behind the Iraqis. They have a lot of work to do in the coming months to resolve their differences and reach compromises on issues that will determine their country's future. The fate and interests of our two countries are, for better or for worse, now intertwined.

Thank you, Mr. Chairman and Members of the Committee. I look forward to your questions.

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