



**COALITION PROVISIONAL AUTHORITY
BAGHDAD**

INFO MEMO

December 1, 2003

FOR: THE ADMINISTRATOR

FROM: Darrell Trent, Senior Advisor to the Iraqi Ministry of Transportation

SUBJECT: Ministry of Transportation Issues Update

I. RAILROADS

- **Unsatisfactory Rail Service:** Service interruptions during the celebration of Eid coupled with minor derailments have caused a backup of traffic, particularly south of Baghdad. CPA railroad advisors held a meeting with the [REDACTED] and senior managers to discuss currently unsatisfactory service levels and to discuss options for making improvements.
- **Work Begins on Rail Workshop:** Bechtel has established a roadway equipment maintenance workshop in Shalichiya in order to facilitate the refurbishment of a 60 km stretch of track in southern Iraq. Three trailers are in place for office and material storage, and local guards were hired to protect the job site. This workshop will provide Iraqi subcontractors with the necessary equipment used to rehabilitate and maintain the railroad. This section of railroad is expected to be completed by mid-2004.
- **Key Rail Bridge Status:** Military operations in the vicinity of Akashat forced a two week delay of construction on a critical bridge near Akashat (approximately 75 km from the Syrian border). Work has now resumed. Once completed, the Akashat bridge will reopen the railway between the phosphate mine at Akashat and the SPP Fertilizer Plant in Al Qaim. The bridge and track is expected to be completed by January 15, 2004. The fertilizer plant is tentatively planning to resume production on January 1, 2004.
- **Railway Employees Die in Automobile Accident:** Tragically, an automobile accident on November 23, 2003 claimed the lives of three Iraqi Rail Road (IRR) employees, including [REDACTED] the Director of Operations. The IRR employees were returning from the inauguration of the Iraq-Syria international passenger train service that now connects the cities of Mosul and Aleppo. CPA representatives attended the memorial service.

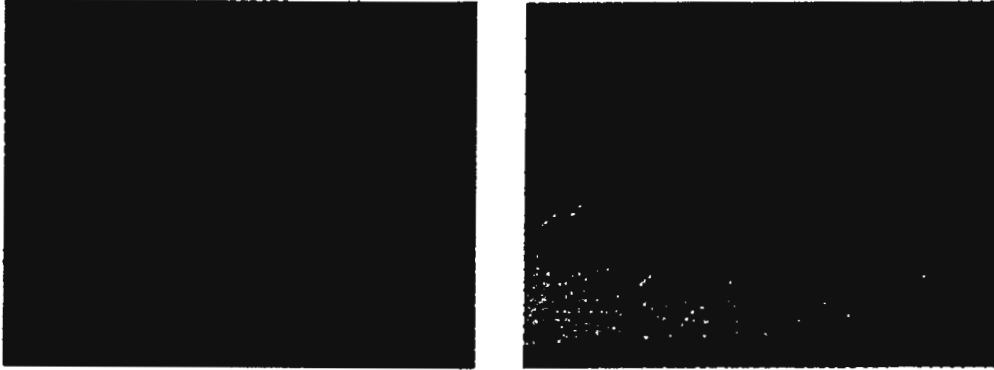
II. AVIATION

- **DHL Investigation:** A DHL cargo aircraft was apparently hit by a shoulder launched surface-to-air missile at Baghdad International Airport on November 22, 2004. The preliminary investigation by the Iraqi Ministry of Transportation indicates that the DHL aircrew did not follow the recommended procedures of tactical evasive maneuvers designed to reduce the risk of such strikes. The CPA Ministry of Transportation has since reissued the recommendation with additional restrictions. The investigation also

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identified inadequacies in CJTF-7 efforts to sufficiently cover the area outside of the airport parameter with patrols. CJTF-7 is responsible for Man Portable Air Defense System (MANPAD) suppression and the U.S. Army is reportedly taking steps to improve MANPAD suppression efforts. The official investigation by the U.S. military is ongoing and the official report is pending.



- **Airline Insurance Issues:** As a result of the October 22nd missile attack on the DHL aircraft, both DHL and Royal Jordanian are having difficulties securing insurance for flights into Iraq. The nervous insurance industry may raise rates to a level that prohibits civil aviation from flourishing in Iraq. The CPA Ministry of Transportation is taking steps to allay the concerns of the insurance industry and is trying to help keep the rates at a fair and reasonable level.
- **Meteorology:** The Iraqi Ministry of Transportation is taking steps to restart the meteorology service for Iraqi aviation. On November 30, 2003, CPA representatives and the Director General for Meteorology Mohanad M. Shafik conducted a site survey of the Baghdad International Airport (BIAP) meteorology buildings. The meteorology buildings were completely looted during coalition operations, apparently by U.S. forces. As a result, significant renovations are necessary before weather equipment (donated by the Italian government) can be installed.
- **Air Navigation System (ANS) Contract:** The Ministry of Transportation has completed the selection process to identify the winner of a contract to supply an ANS for Iraqi commercial aviation. The turnkey ANS solution will include the equipment and software required for aircraft to safely navigate within Iraqi airspace. Once the proper equipment is up and running, civil air carriers will be able to take-off and land from all the major airports day or night, and in adverse weather. Currently, civilian flights are restricted to day Visual Flight Rules (VFR) only, which severely restricts the amount of cargo and passengers that can be serviced. The winner is likely to be announced on December 5, 2003.
- **Hajj Flights:** The Iraqi Governing Council has formed a committee to oversee efforts to fly Iraqi citizens to Saudi Arabia to participate in the annual Hajj. The three-person committee will travel to Saudi Arabia to find out the exact quota of persons Iraq can send to the Hajj this year. The dates for the trip have not yet been set. In an effort to identify appropriate airfields to support these Iraqi Hajj flights, CJTF-7 has drafted a threat assessment which is in the final stages of coordination within CJTF-7. Once CJTF-7 has provided this threat assessment to relevant CPA and Iraqi parties, a coordinated recommendation will be presented for consideration by Ambassador Bremer and the Governing Council.

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III. MARITIME

- **Oil For Food (OFF) Shipments at the Port:** The port of Umm Qasr continues to carry out normal operations, however, ships with cargo being shipped under the United Nations OFF program have been experiencing some delays in off-loading. The CPA Oil For Food (OFF) Coordination Center is working with the relevant ministries to coordinate the expedited movement of goods.
- **Port Security:** CPA personnel working at the Port of Umm Qasr are focused on unresolved port force protection and security concerns. The port remains a soft target with British units on a higher than "normal" state of alert. The general threat to the region continues to be possible mortar/rocket attacks and car bombings. If a single mortar round were to hit its target, the port would likely be closed thereby eliminating the current permissive working environment. CPA Ministry of Transportation has requested that the Multinational Division Southeast (MND-SE) conduct a security assessment of the port in light of the pending departure of British forces from the port.
- **Inadequate Fire Protection at the Port:** The port of Umm Qasr lacks adequate fire protection. Although the Iraqi fire station appears to be adequately staff by Iraq fireman, the two fire trucks do not operate. Since April 2003, there have been three fires at the port, two of which occurred at the abandoned sulfur facility which has not been operated for twenty years. In July 2003, the third fire occurred when a fuel truck caught fire and exploded. These fires eventually burned themselves out or were later put out by water trucks. Since then, no transfers of liquid petroleum products have been authorized. Two or three brand new Mercedes fire trucks may be provided to Umm Qasr if (b)(6) (member of the London Fire Brigade and reserve Royal Marine Sergeant) at CPA South successfully arranges this.
- **Iraq Coastal Defense Patrol Boats:** The CMATT (Coalition Military Assistance Training Team) is moving full speed ahead on plans to establish a local base of operations for coastal patrols near the port of Umm Qasr. CMATT intends to establish the facility in the new port at the UK Forces building. Occupation of this structure by CMATT allows the British to return and have a local base of operations to coordinate the logistics of UK chartered vessels. An amount of \$500,000 has been authorized to establish blast-proof barriers around the building and surrounding property. This work is to be completed by January 21, 2004.

IV. SECURITY

- OK
- **Better Vetting System Needed:** The Ministry of Transportation has researched various options to stand up a new security vetting system for Iraqi personnel. One system, created by the Defense Advanced Research Projects Agency (DARPA), is currently being evaluated by CPA and military intelligence personnel.

ATTACHMENTS: NONE

COORDINATION: Department Heads

Drafted: (b)(6)

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Transport

Summary

Expenditure

Operating Expenditure	35.9	34.2	8.1	8.1
Capital Projects	78.0	93.0	750.0	750.0
Total	113.9	127.2	758.1	758.1

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	2003 bn NID	2004 bn NID	2005 bn NID	2008 bn NID
Operating Expenditure	35.9	34.2	8.1	8.1
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Ministry Expenditure

Ministry Capital Projects

	2003 bn NID	2004 bn NID	2005 bn NID	2008 bn NID
Ministry Capital Projects	78.0	93.0	750.0	750.0
Staff Expenditures		4.1	4.1	4.1
Service Requirements	34.5	23.3	1.0	1.0
Goods Requirements	0.2	1.2	0.7	0.7
Assets Maintenance	0.5	3.6	0.5	0.5
Capital Expenditures	0.8	2.0	2.0	2.0
Transferred Expenditures	-	0.1	-	-
Foreign Obligations				
Salaries & Retirement rewards				
Ministry Operating Expenditure	35.9	34.2	8.1	8.1
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Memorandum Items

# Employees	2003	2004	2005	2006
Tier 1		8	8	8
Tier 2		501	501	501
Tier 3		820	820	820
Tier 4		559	559	559
Total Employees		1888	1888	1888
Total Salary Cost	0.0	4.1	4.1	4.1
Operating Expenses	2003	2004	2005	2006
Normal Ministry Operating Expenditures	14.9	34.2	8.1	8.1
Airport security	21.0	-	-	-
Sub-total Operating Expenses	35.9	34.2	8.1	8.1

Budget Funded Capital Projects (including reconstruction)

	2003	2004	Total Project Cost
Air navigation dept.		30.0	30.0
HQ Reconstruction		7.5	7.5
VHF lines for Railroads		6.0	6.0
Reconstruction Marine Equip/Ports		7.5	7.5
Bayji to Mosul Railroad		7.5	7.5
Other Projects		34.5	34.5
Sub total Capital Projects		93.0	93.0

Priority List for Each Transportation Mode from the Supplemental

Aviation Projects Listing

Aviation \$165,000

	Supplemental Request	Reductions	Priority Allocation
Baghdad International Airport (BIAP) – Infrastructure	\$32,465,000	\$0	\$32,465,000
Baghdad International Airport (BIAP) – Air Navigation Services (ANS)	\$23,404,400	\$0	\$23,404,400
Mosul Airport - Infrastructure	\$21,265,000	\$0	\$21,265,000
Mosul Airport – Air Navigation Services (ANS)	\$15,582,400	\$0	\$15,582,400
Baghdad, Basrah, MOSUL AIR Navigation Services (ANS)	\$17,140,000	\$0	\$17,140,000
Air Navigation Services (ANS), Other Locations	\$18,410,000	\$13,910,000	4,500,000
Basrah International Airport – Infrastructure	\$21,265,000	\$21,265,000	\$0
Basrah International Airport – Air Navigation Services (ANS)	\$15,582,400	\$15,582,400	\$0
Difference			\$643,200
Total	\$165,114,200	\$50,114,200	\$115,000,000

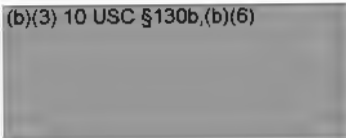
Railroad Projects Listing

Railroad \$300,000			
Locomotive Repair Parts	\$3,900,000	(\$4,000,000)	\$7,900,000
Ganger Trolleys	\$10,600,000	\$0	\$10,600,000
Flashbutt Welders	\$1,600,000	(\$1,600,000)	\$3,200,000
Rail Clips	\$2,100,000	\$100,000	\$2,000,000
Locomotive Tracking System (GPS)	\$500,000	(\$500,000)	\$1,000,000
Rolling Stock Rehabilitation	\$2,400,000	\$0	\$2,400,000
Track Laying Machines	\$5,900,000	\$0	\$5,900,000
Spare Valves and Hoses	\$1,000,000	\$0	\$1,000,000
LPG Tank Wagons	\$4,400,000	\$0	\$4,400,000
Container Handling Equipment	\$6,000,000	\$0	\$6,000,000
Container Wagons	\$10,000,000	\$0	\$10,000,000
1 Shalschia Shop Rehabilitation and Repa	\$6,000,000	\$0	\$6,000,000
2 Baghdad - Mosul / Central Office Sig.	\$43,200,000	\$33,500,000	\$9,700,000
3 Baghdad - Basrah Signals	\$2,200,000	\$0	\$2,200,000
4 Baghdad - Al Qaim Signals	\$8,000,000	\$5,000,000	\$3,000,000
5 Baghdad Station and Office Rehabilitati	\$11,900,000	\$0	\$11,900,000
6 Headquarters Local Area Network (LAN	\$1,500,000	\$0	\$1,500,000
7 Other Repair Shop Locations	\$15,300,000	\$0	\$15,300,000
8 Fiber Optics Communication System	\$8,000,000	\$0	\$8,000,000
9 Other Track Maintenance	\$18,600,000	(\$3,000,000)	\$21,600,000
10 Turnouts	\$22,600,000	\$500,000	\$22,100,000
11 Local Points Signals	\$2,700,000	\$0	\$2,700,000
12 Rehabilitation of Other Stations	\$22,000,000	\$2,700,000	\$19,300,000
13 Sabonia - Rabla'a Track Reconstruct.	\$10,300,000	\$0	\$10,300,000
14 Hashimia - Hanza Track Reconstruct.	\$3,000,000	\$0	\$3,000,000
15 Ghabishia - Basrah Track Reconstru	\$9,700,000	\$6,700,000	\$3,000,000
16 Bayji - Mosul Track Reconstruction	\$9,700,000	\$6,700,000	\$3,000,000
17 Baghdad - Bayji Reconstruction	\$9,700,000	\$6,700,000	\$3,000,000
18 Coaches	\$10,000,000	\$0	\$10,000,000
Rail	\$17,400,000	\$17,400,000	\$0
Hillah - Samawah Bridges	\$7,400,000	\$7,400,000	\$0
Power Vans	\$4,800,000	\$4,800,000	\$0
Samawah - Ghabishia Track Recon.	\$7,600,000	\$7,600,000	0

Total \$202,400,000

(\$7,600,000) \$210,000,000

(b)(3) 10 USC §130b,(b)(6)



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MINISTRY OF TRANSPORTATION

Key Messages:

- "Securing our Airports and Skies to Fly Throughout and Beyond Iraq"
- "Building the Foundations for Renewed Cargo Service at Umm Qasr"
- "Continued Operation of Rail Service for Iraqis despite security threats and attacks "

Accomplishments/Milestones:

- **Transition from UN to CPA Control:** Since November 22, 2003, when control for the Oil-for-Food program transferred to CPA, the CPA-led Oil-for-Food program has transported over 500,000 metric tons valued at \$1.7 billion into Iraq. Furthermore, CPA has answered over 3800 queries from suppliers, shippers, and other interested parties regarding contracts.
- **Air Navigation System (ANS):** On December 19, 2003, the ANS-1 contract for Baghdad International Airport (BIAP) was awarded to the Raytheon Corporation. Once the proper equipment is up and running, civil air carriers will be able to take-off and land from all the major airports day or night, and in adverse weather. As the first of three ANS projects, the ANS system for Baghdad Int'l Airport will form the model for subsequent ANS systems to be installed at Mosul and Basrah airports.
- **Off-Loading at Umm Qasr:** Currently, the port is handling 35-40 vessels per month, with average weight of 15,000 tons per vessel—equating to 7.2 million tons per year to include bulk and break bulk cargo. In 2001, the port handled approximately 7 million tons of cargo—nearly 65% of this freight was bulk cargo. Overall, the port can now handle 50,000-ton cargo ships—an improvement over the pre-war baseline of 8,000-10,000-ton commercial dhows.
- **Umm Qasr Grain Facility:** The port's grain facility has received and discharged approximately 150,000 tons of Australian wheat since November 2003.
- **Dredging at Iraq's Ports:** Due to post-war dredging at the port of Umm Qasr, ships can touch bottom at 9-10 meters; with the help of supplemental funding, our target dredging depth is 12.5 meters. At the port of Khawr Az Zubayr, the ship *Ramalah* is currently dredging berths 7-10 to enable cargo receipt.
- **Renewed Activity on the Railway:** The railway closed the year having carried 8,224 loaded containers of military supplies from the Port of Umm Qasr to various destinations, and returning 2,093 empty containers.
- **International Rail Service Restored:** International routes were reopened for both freight and passengers to Syria, and for freight to Turkey.

Year Ahead:

- **Aviation:** Iraqi Civil Aviation will inherit an airport system that will be fully functional for international Passenger and Cargo Service. Goals include: a preliminary test of commercial air service by flying the Hajj; opening BIAP, Basrah, Mosul, Kirkuk for cargo service; a new meteorological system provided by Italy; and a new airport operations center for commercial service.
- **Ports:** The Iraqi Port Authority will inherit strategic plans for establishing a competitive port of call with full intermodal capabilities and inland container distribution at competitive prices. Goals include: completing wreck removals from piers and waterways; removal of obsolete port equipment and scrap; establishment of competitive port tariffs; and continued maintenance dredging.
- **Railroad:** Prompt receipt of equipment and materials funded by the Supplemental Appropriation will permit the Iraqi Republic Railway (IRR) to begin badly-needed repairs to its plant and equipment. This will be key to supporting the increased demands that will be placed on the railway from the need to move Oil-for-Food and Supplemental Appropriation cargos and also traffic related to the resurgence of Iraqi industry.

Challenges:

- The establishment of a framework for increased security for all modes of transportation is a top challenge.
 - **Aviation:** CPA and Iraqi aviation officials must ensure continuous security at BIAP and other airports as the role of Iraqi security and aviation personnel increases.
 - **Ports:** Security projects will include completing perimeter fencing; contracting more guards; establishing the Iraq Coastal Defense Force Base at Umm Qasr; strengthening customs/anti-smuggling procedures; concluding handling and disposition of seized oil cargo and smuggling ships; and upgrading commercial operations/fire protection.)
 - **Railroad:** Security projects will include completing Tribe Security contracts; arming, training, and concluding financial contracts with families along railroad; increasing Railway Police and Track Patrols; and establishing a military Rail Task Force.
- Of the 2,000 route-km length that comprises the Iraqi Republic Railway (IRR) network, 1,520 km, or approximately 75%, suffers from poor track conditions that require trains to operate at well below design speed.
- Currently, the port of Umm Qasr is operating off of diesel generators; the port needs to be connected to the national power grid to operate at full capacity. For example, the container cranes only operate at 60-75 percent because it pulls too much load on the generators.

Key Facts:

- **Port of Umm Qasr:** The port is currently able to use about 70% of its berths, operating 15 out of 21 berths to handle cargo.
- **Civil Aviation:** Currently, approximately 40 commercial passenger and cargo service flights occur throughout Iraq each day.
- **Railways:** All routes are open for freight, except the Baiji - Kirkuk line due to bridge damage at al Fatha. Also, passenger trains operate once weekly between Mosul and Aleppo, Syria, and daily between Baghdad and three cities (Basrah, Haseiba, and Mosul (currently suspended due to security concerns).

Quotes:

- "Improvements to the Iraqi transportation system—aviation, rail and maritime—will fuel the economic development of the New Iraq."
— Ambassador Darrell M. Trent, Senior Advisor to the Iraqi Ministry of Transportation