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IRAQ—POST TRANSITION

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JULY 22, 2004

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE
97–430 PDF WASHINGTON : 2004

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IRAQ—POST TRANSITION

THURSDAY, JULY 22, 2004

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:36 a.m. in SD–419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee), presiding.

Present: Senators Lugar, Hagel, Chafee, and Biden.

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR, CHAIRMAN

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order. The committee meets today to review United States activities in Iraq since the transfer of sovereignty to the new interim Iraqi Government. Iraqis are again responsible for their own future, and the magnitude of the task that remains cannot be overstated. The next few months will be critical as the new government must establish security, continue to rebuild Iraq's infrastructure, and prepare the Iraqi people for national elections scheduled for January 2005.

The ongoing insurgency imperils prospects for development of a peaceful, stable, and democratic Iraq. Meddling by foreign terrorists and some of Iraq's neighbors, such as Iran and Syria, also will stretch the new Iraqi Government's capabilities. The United States must continue to use every tool at our disposal to accelerate stabilization and reconstruction in Iraq and to strengthen the nascent Iraqi Government.

I want to pay tribute to Ambassador Bremer for his dedicated service during the past year. Our Nation is grateful for his leadership and the work of all civilian and military personnel who have risked their lives in Iraq in service to our country. The United States and multinational forces in Iraq must now reinforce Iraq's fledgling security capabilities and provide the equipment, training, and support needed to create effective police, civil defense, border security, and military forces.

I was pleased to learn at the recent Istanbul summit that our NATO allies are responding to Prime Minister Allawi's request for assistance to train and to equip Iraq's security forces. To reinforce international participation in Iraq, the United Nations needs to move boldly to bring back its resources and its expertise. Other nations also need to move swiftly to reduce Iraq's overwhelming debt and to follow through on their commitments to provide assistance.

The United States must continue to clearly outline our long-term plans in Iraq to build confidence among the Iraqis and the Amer-

ican people that the transition will succeed. The arrival of Ambassador Negroponte in Iraq surely marks a new beginning for United States-Iraq relations. Secretary Powell briefed members of our committee before the Independence Day recess on the new embassy operations in Baghdad, and they represent an undeniable commitment to the future of Iraq.

One area of serious concern is the pace of U.S. assistance to the interim Iraqi Government. As of July 13, reports indicated that of the $18.4 billion appropriated for Iraq last November by the Congress, only $6 billion has been obligated, and only $458 million has been expended. The new U.S. Embassy is attempting to accelerate assistance, but at the same time it intends to initiate a reevaluation of existing assistance programs. Such a study may be necessary, but it must not serve to further delay United States assistance.

Ambassador Negroponte has asserted that the United States needs to construct a new embassy building in Iraq. I agree with his assessment. A United States Embassy that occupies the former regime's palace has severe symbolic disadvantages. Beyond symbolism the facility was not constructed to be an embassy. Under Secretary of State Marc Grossman testified before our committee in May that a new embassy could cost more than $1 billion. The administration did not include these funds in the fiscal year 2005 budget request, but indicated they might be included in a supplemental. The sooner we identify the costs, the more quickly funds can be requested and construction can begin, demonstrating our good intentions to the Iraqis.

Most Iraqis are optimistic about the future. Even before the transfer of sovereignty, polls conducted by Oxford Research International and the International Republican Institute found that about three-quarters of the Iraqi people believed that they were either about the same or better off than before the war. Oxford found that 64 percent of Iraqis expect that their lives will be better a year from now.

In 7 months, Iraqis are scheduled to hold elections for a 275-member National Assembly. This assembly would then undertake the weighty duty of writing a constitution for Iraq. The Independent Elections Commission of Iraq, selected through a collaborative process with the United Nations, was confirmed in May. Members of the Commission completed a United Nations-sponsored training session in Mexico.

The election plans call for setting up as many as 30,000 polling stations, recruiting and training as many as 150,000 election workers, and ensuring accurate voting results of about 13 million people. This is an incredibly daunting prospect. The committee would be very interested in our witnesses' views on whether the election plan can be executed effectively. If this is an unrealistic plan, do other options exist that might advance the formation of a permanent Iraqi Government?

Today we are most fortunate to have a panel that has been deeply engaged in policymaking with respect to Iraq. We welcome Ambassador Ron Schlicher, the Iraq Coordinator at the United States Department of State, and Mr. David Gompert, who worked in Iraq as Ambassador Bremer's senior adviser for national security and

defense. Gentlemen, we look forward to your insights and a chance to engage you in questions and answers about United States policy in Iraq.

I'll ask you to testify in the order that I introduced you, and that would be first of all Ambassador Schlicher.

STATEMENT OF HON. RONALD L. SCHLICHER, IRAQ COORDINATOR, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador SCHLICHER. Thank you, Mr. Chairman, and good morning, and thank you for the opportunity to appear today before the committee to discuss our progress in Iraq and the early achievements of the Iraqi Interim Government following the transition of power from the Coalition Provisional Authority.

I am happy to report to you today that the Iraqi Interim Government is off to a strong start. Led by President Ghazi al-Yawer and Prime Minister Allawi, the interim government is looking out for the best interests of the Iraqi people. Those interests which coincide with the interests of the United States include increasing security in Iraq, improving the economy, affirming the place of Iraq as a peaceful, lawful, democratic, and responsible member of the international community, and very importantly, as you mentioned, sir, in your opening remarks, laying the groundwork for national elections to give all Iraqis a voice in their future.

An important step toward that future is scheduled next week in Iraq. The Interim Government is sponsoring a national conference of 1,000 delegates from across Iraq who will meet in Baghdad to promote national reconciliation and appoint the interim National Council. Delegates to the conference will include representatives of political parties, academics and professionals, members of various civil society groups, tribal leaders, and members of the conference's preparatory committee, which has already been at work to make the conference happen.

More than half of the delegates will be selected from the provinces of Iraq in an attempt to ensure that all voices are heard, and right now in the provinces the work of the provincial councils selecting those members is very much underway.

Members of the conference in turn will appoint 100 Iraqis to form the interim National Council. This Council will serve throughout the period of the Interim Government, which will end by next January when elections are held for a transitional National Assembly. The transitional government that will be formed by this assembly will be charged with the vital task of drafting a permanent constitution for Iraq.

The interim National Council will broaden the base of support of the Interim Government, it will act in an oversight and advisory role for the Interim Government, and it will have the authority to veto decisions of the Interim Government by a two-thirds vote. It will also, of course, help shape the process of the coming elections.

Through next week's conference, the National Council and the other institutions of the Interim Government, the Iraqi people are beginning to assume responsibility for and, of course, the burden of managing their own affairs in a manner consistent with the rule

of law and with the obligations of a sovereign member of the international community.

It's very clear, sir, that Iraqis are anxious to assume that responsibility and to assert their sovereignty. They do not hesitate to say so. In fact, they are vigorously exercising their newly won right of free speech in community meetings, in cafes, in mosques, and in farm fields up and down the Tigris and the Euphrates. And in doing so, the Iraqi people have made clear that their top concern is the restoration of security and the defeat of the insurgents and terrorists who want to undermine stability and undermine the path forward toward full democracy.

In response, while the Interim Government has taken a hard line against violence, it is also reaching out to all Iraqis willing to participate peacefully in that political process. For example, there are reports that the Interim Government is considering issuance of an amnesty law that would provide an opportunity for those who wish to give up the path of violence and join the supporters of a free and democratic Iraq. We welcome all of these efforts at national reconciliation, and of course, any final decision on an amnesty will be an Iraqi decision.

However, we have been clear with the Interim Government that we believe that those responsible for causing the death of Iraqi civilians and security forces or members of the U.S. or Coalition armed forces should face justice.

Even as the Interim Government reaches out to those Iraqis who are willing to participate in the political process, they have very aggressively attacked crime and terrorism. Prime Minister Allawi has issued a decree authorizing the Interim Government to exercise certain limited powers in particular emergency situations in order to give the government more tools to meet the demands of Iraqis for safer streets.

In recognition of the lessons learned from the Saddam era, however, the decree also includes important procedural safeguards that will prevent it from being abused to infringe on the civil rights that Iraqis are only now beginning to enjoy. U.S. Embassy officials consulted on these issues when asked by the Interim Government as part of our commitment to support that government with advice and assistance. Deputy Secretary of State Armitage, during his recent trip to Baghdad, made that commitment clear to Foreign Minister Zebari when he said, the message here in the United States is quite simple. There is a sovereign government in Iraq. Our job is to support that government to the absolute extent that we can, and we're going to do it.

During our consultations with the Iraqis, they have made clear that they want the troops and the multinational force in Iraq, ours and those of our partners, to work with them to provide basic security until the Iraqis can do that job themselves. The multinational forces are doing just that, and in a manner consistent with the exercise of full sovereignty by the Iraqi Government.

But the ultimate success of the Interim Government, of course, depends on the support of the Iraqi people, and Iraqis are showing that they are behind it. Throughout Iraq, courageous citizens are taking positions at all levels of their country's new government as cabinet members, as local administrators, as local council members,

and as civil servants. All too often we hear of attacks against government officials, including many of whom those of us who served in Iraq were privileged to know as friends.

But the Iraqis do not back down. Young men continue to line up outside recruiting stations to join the security forces. They are being attacked and many have been killed, but they continue to step forward. They understand very well that their future is on the line and that with our help they're willing to fight for it.

Despite the difficult security environment, important progress has been made toward rebuilding Iraq. The relief and reconstruction of Iraq is a very ambitious project after the degradation of that country's infrastructure over the past 24 years. Of the $21 billion in 2003 and 2004 assistance, over $8.4 billion has been obligated. These funds have helped us sustain economic activity and hope since the first days of the war.

This money, Mr. Chairman, is making a tangible difference in the lives of Iraqis. More than 30,000 Iraqis are now working as the direct result of our assistance. We have immunized over 3 million children under the age of 5, vaccinated 700,000 pregnant women, and updated the skills of 2,500 primary health care providers in 700 positions. Hospitals and clinics have been refurbished, medicines are being equitably distributed for the first time in many years, schools are being repaired, teachers trained, new curricula developed. Students are now free to exercise critical thought and learn new ideas in the universities. Attendance in the 2003–2004 school year was as high as or higher than pre-war levels. Over 8 million new textbooks have been distributed around the country. And now, with the sovereign government in place and a U.S. Embassy team on the ground, we are consulting more closely with the Iraqis about their reconstruction priorities and reviewing the original spending plan for our assistance to make sure it accords with the emerging needs and priorities in Iraq.

Under Ambassador Negroponte's leadership, the Iraqi Reconstruction and Management Office, known as IRMO, and the Embassy's country team are reviewing current assistance plans. We anticipate the initial work on this review will be completed by the end of July. The new team on the ground in Baghdad will seek to assure that our allocations and commitments of resources track with evolving Iraqi needs and support the efforts of the Interim Government to establish the security, to establish prosperity, and to establish democratic practice.

We look forward to sharing with you the results of this review, Mr. Chairman, and I would also note in line with your own remarks, sir, that part of that review will be the search for greater speed in getting the assistance to those who need it most, and the other part of it will seek to identify how the maximum number of employment opportunities can be generated.

Our assistance remains vital to the Iraqi Government, which is committed to the modernization of the economy and establishing the services and institutions that will raise the standard of living for all Iraqis. In fact, the standard of living has already shown lots of signs of improvement. Shops are full of consumer goods, household income is growing, inflation is at reasonable levels for a post-conflict economy. Many Iraqis are beginning to see an improvement

in their lives. We estimate that per capita household income will likely double this year over last year's figure.

In the financial sector, the currency swap was viewed as a resounding success. Based on the surprising stable value of the dinar this year, we believe Iraq is poised to begin needed reforms to its financial system as well.

Now, without a doubt, the Interim Government faces very critical, very major challenges, both on the security front and on the economic front. Among the economic challenges I've also mentioned the infrastructure. I've also mentioned in passing persistent unemployment in the range of 10 to 30 percent, in some cases more. The Interim Government has determined that the top economic priority for them is job creation, and so, again, our review of assistance will be strongly focused on how to maximize employment opportunities for Iraqis.

We've also been consulting actively with our coalition partners as we consider new ways to speed up their assistance as well to the Iraqi people and what better ways can new projects be identified, what better means of coordination can be effected to meet these goals.

The Interim Government has also been very assertive and very active with other governments in reclaiming Iraq's place in the region and in the international community. It has begun to establish formal diplomatic and economic relations with countries throughout the world. It has taken steps to assure the world that its goals are clearly different from those of Saddam. For example, the government recently declared that Iraq will be a country free both of weapons of mass destruction and the means of their delivery.

In response to the Iraqi Government's outreach, the international community is increasingly embracing the new Iraq. The U.N. Security Council recognized the transfer of authority to the Interim Government in its unanimous adoption of Security Council Resolution 1546. We were very pleased with Secretary General Kofi Annan's appointment of the Pakistani Ambassador to the United States, Ashraf Qazi, on July 12 as his new Special Representative for Iraq. We hope that Ambassador Qazi, who has so ably represented Pakistan here in Washington, will move expeditiously to reestablish the UN's full role and presence in Iraq.

We and the Interim Government are working hard with friends and allies to facilitate the creation of the U.N. security force called for in Resolution 1546. The U.N. has much to offer as Iraq gears up for the national conference and for elections next January. Indeed, Carina Perelli, the head of the U.N. Electoral Assistance Mission to Iraq, and her team are already offering their immense expertise on the elections process. U.S. and international NGOs, many of whom have been on the ground now for months, are also stepping up their assistance to support the political process. We have pledged our full support for all of these efforts and to those of the Iraqis to move deliberately and steadily toward the elections, and in particular, sir, we have been coordinating closely with Ms. Perelli, both on the mechanics of the elections, the steps that we'll need to assure proper training for the elections, and we've been consulting with her on what security requirements for those elections will be necessary.

Sir, you mentioned Ambassador Negroponte and the establishment of the Embassy. We have indeed stood up the Embassy in Baghdad and we have opened up our four regional offices in Mosul, in Kirkuk, in Hillha, and in Basra. To ensure that we were right-sized, we reviewed our goals in Iraq prior to the transfer and we aligned our mission planning in accordance with those prior studies.

Now, based on that review, in the near term we will have approximately 1,000 Americans under the authority of Ambassador Negroponte. And I can assure you that every one of them is very busy and will remain very busy. The embassy, of course, has traditional sections like a political, an economic, a consular, and a management section. But unlike most embassies, it also contains temporary organizations, such as the liaison officers to various Iraqi ministries and other government agencies, the IRMO, which I mentioned early is another of these temporary organizations. It has the responsibility of assisting Ambassador Negroponte in setting and monitoring reconstruction policy. IRMO will also provide consultants to the Iraqi ministries, those ministries which identify their own needs.

There will also be approximately 50 State Department and IRMO staff in the regional offices, I mentioned earlier, and in teams embodied in the military commands at the division level. Sir, this is just one example of the partnership between the Departments of State and Defense in Iraq. We understand that such cooperation is vital to our success in Iraq, as indeed it is around the world. The Departments planned jointly for the organization of U.S. activities in Iraq following the assumption of sovereignty by the Iraqis, recognizing the fact that our roles, our missions, our resources, and our responsibilities must be complementary.

The ongoing security situation makes the closest partnership between the U.S. military commander and Ambassador Negroponte critical to our success. Ambassador Negroponte and General Casey are already collaborating very closely, as indeed the President has charged them to do. Ambassador Negroponte made clear to you here in the committee his commitment to do so during his confirmation hearing. Effective integration of all U.S. civilian and security operations will remain vital as we move ahead in meeting our goals in Iraq.

These efforts, sir, underscore the commitment of the United States to assist the Iraqi Government as it builds an independent, secure, democratic, prosperous, and united Iraq. We share the interests of Iraqis in a better future for their country because we know that a free and democratic Iraq will mean a more secure region for the United States and more security for the United States. As President Bush said recently, democratic governments do not shelter terrorist camps or attack their neighbors. When justice and democracy advance, so does the hope of lasting peace.

Mr. Chairman, members of the committee, thank you again for the opportunity to testify about our progress to date in Iraq and I look forward to answering your questions. Thank you.

[The prepared statement of Ambassador Schlicher follows:]

PREPARED STATEMENT OF HON. RONALD L. SCHLICHER

Mr. Chairman and members of the Committee, thank you for the opportunity to appear before the Committee today to discuss our progress in Iraq and the early achievements of the Iraqi Interim Government following the transition of power from the Coalition Provisional Authority.

The Iraqi Interim Government is off to a good start. Led by President Al-Yawer and Prime Minister Allawi, the interim government is looking out for the best interests of the Iraqi people. These interests, which coincide with those of the United States, include: increasing security in Iraq, improving the economy, affirming the place of Iraq as a peaceful, lawful, democratic and responsible member of the international community, and laying the groundwork for national elections to give all Iraqis a voice in their future.

An important step toward that future comes next week. The interim government is sponsoring a national conference of 1,000 delegates from across Iraq who will meet in Baghdad to promote national reconciliation and appoint the National Council. Delegates to the conference will include representatives of political parties, academics and professionals, members of civil society groups, tribal leaders, and members of the conference's preparatory committee. More than half of the delegates will be selected from the provinces, in an attempt to ensure that all voices will be heard.

Members of the conference will appoint 100 Iraqis to form the Interim National Council. The council will serve throughout the period of the interim government, which will end by next January when elections are held for a Transitional National Assembly. The Transitional Government that will be formed by this Assembly is charged with the vital job of drafting a permanent constitution. The Interim National Council will broaden the base of support for the interim government, it will act in an oversight and advisory role, and it will have the authority to veto decisions of the interim government by a two-thirds vote. It will also help to shape the process of the upcoming elections. Through next week's conference, the National Council, and other institutions of the interim government, the Iraqi people are beginning to assume the responsibility for—and the burden of—managing their own affairs in a manner consistent with the rule of law and with the obligations of a fully sovereign member of the international community.

It is clear that Iraqis are anxious to assume that responsibility. They do not hesitate to say so; in fact they are vigorously exercising their newly-won right of free speech in community meetings, cafes, mosques, and farm fields up and down the Tigris and Euphrates. And in doing so, the Iraqi people have made clear that their top concern is the restoration of security and the defeat of the insurgents and terrorists who want to undermine stability and the path forward to reconstruction and full democracy. In response, while the interim government has taken a hard line against violence, it is also reaching out to all Iraqis willing to participate peacefully in the political process.

For example, there are reports that the interim government is considering issuance of an amnesty law that would provide an opportunity to those who wish to give up the path of violence and join the supporters of a free and democratic Iraq. We welcome these efforts at national reconciliation; and any final decision on an amnesty will be an Iraqi decision. However, we have been clear with the Interim Government that we believe that those responsible for causing the death of Iraqi civilians and security forces or members of the U.S. or Coalition armed forces should face justice.

Even as it reaches out to Iraqis willing to participate in the political process, the interim government has aggressively attacked crime and terrorism. Prime Minister Allawi has issued a decree authorizing the interim government to exercise certain limited powers in particular emergency situations in order to enhance the ability of the government to meet the demands of Iraqis for safer streets. In recognition of the lessons learned from the Saddam era, the decree includes procedural safeguards that will prevent it from being abused to infringe on the civil rights Iraqis are only now beginning to enjoy.

In addition, the interim government has assumed legal custody of Saddam Hussein and some of his top advisors. Iraqis themselves are taking responsibility for the judicial process to hold them accountable for the atrocities they committed against the Iraqi people. The open and fair trials of Saddam Hussein and his supporters and staff in Iraq will be a vital part of the reconciliation process that is necessary to move beyond the traumas of the past and begin unifying society under the rule of law.

U.S. Embassy officials consulted on these issues when asked by the Interim Government, as part of our commitment to support that government with advice and assistance. During these consultations, the Iraqi authorities have made clear that

they want the Multi-National Forces in Iraq (MNF-I)—ours and those of our partners—to work with them to provide basic security until Iraqis can do the job themselves. The multinational forces are doing just that in a manner consistent with the exercise of full sovereignty by the Iraqi Government.

But the ultimate success of the interim government depends on the support of the Iraqi people, and Iraqis are showing that they are behind it. Throughout Iraq, courageous citizens are taking positions at all levels of their country as cabinet ministers, local administrators, council members, and civil servants. All too often we hear of an attack against government officials, including many of whom those of us who served in Iraq are privileged to call friends. But the Iraqis do not back down. Young men continue to line up outside recruiting stations to join the security forces. They are being attacked, and many have been killed, but they continue to step forward. They understand that their future is on the line, and with our help, they are willing to fight for it.

Despite the difficult security environment, important progress has been made toward rebuilding Iraq. The relief and reconstruction of Iraq is an extraordinarily ambitious project after the degradation of that country's infrastructure over the past 25 years. Of the total $21 billion in 2003 and 2004 assistance, $8.3 billion has been obligated. These funds have helped to sustain economic activity—and hope—since the first days of the war.

This money is making a tangible difference in the lives of Iraqis. More than 30,000 Iraqis are now working as a result of our assistance. We have immunized over three million children under the age of five, vaccinated 700,000 pregnant women, and updated the skills of 2,500 primary health care providers and 700 physicians. Hospitals and clinics have been refurbished; medicines are being more equitably distributed.

Schools are being repaired, teachers trained, and new curricula developed. Students are now free to exercise critical thought and learn new ideas. Attendance in the 2003-2004 school year was as high as, or higher, than pre-war levels. Over eight million new textbooks have been distributed around the country.

Notwithstanding the periodic attacks on pipelines, average daily oil production and exports have nearly returned to pre-war levels. Daily megawatt hours of electricity produced countrywide are averaging the levels reached this time last year and they, too, are rising despite attacks.

And now, with the interim government in place and a U.S. Embassy team on the ground, we are consulting more closely with the Iraqis about their reconstruction priorities, and reviewing the original spending plan for our assistance to make sure it accords with emerging needs and priorities. Under Ambassador Negroponte's leadership, the Iraq Reconstruction and Management Office (IRMO) and the Embassy's Country Team are reviewing current assistance plans. Ambassador William Taylor, who in September will take over as the head of IRMO, is on the ground in Baghdad to help lead the review. We anticipate the initial work will be completed by the end of July. The new team on the ground in Baghdad will seek to assure that our allocations and commitments of resources track with evolving Iraqi needs and support the efforts of the interim government to establish security, prosperity and democratic practices. We look forward to sharing with you the results of this review.

Our assistance remains vital to the government, which is committed to the modernization of Iraq's economy and to establishing the services and institutions that will significantly raise the standard of living for all Iraqis. In fact, the standard of living has already shown signs of improvement. Shops are full of consumer goods that were unavailable last year, and with household income growing and inflation at reasonable levels for a post-conflict economy, many Iraqis are beginning to see an improvement in their lives. We estimate that per capita household income will likely double this year over last year's figure. In the financial sector, the currency swap was viewed as a resounding success. Based on the surprisingly stable value of the dinar this year, we believe Iraq is now poised to begin needed reforms to the financial system. Electricity production, while still below summer requirements, is available throughout most of the country, while under the former regime it mostly went to Baghdad and the central region. The recent build-up of stockpiles in gasoline and some other refined petroleum products is encouraging.

Without doubt, the interim government faces critical economic challenges. The country's infrastructure has been devastated by the catastrophic policies of the former regime. Persistent unemployment is in the range of 10 to 30 percent or more. The interim government has determined that the top economic priority is job creation, and our review of U.S. assistance is strongly focused on how to maximize employment opportunities for Iraqis. We have also been consulting actively with our coalition partners as we consider new ways to speed assistance to the Iraqi people

through new projects and better coordination. We look forward to the time when the UN, the World Bank and other donors can begin working directly inside Iraq.

The interim government has also been working with other governments to reclaim Iraq's place in the international community. It has begun to establish formal diplomatic and economic relations with countries throughout the world. The new government has taken steps to assure the world that its goals are clearly different from those of Saddam. For example, the government has declared that Iraq will be a country free of both weapons of mass destruction and the means of their delivery.

In response, the international community is increasingly embracing the new Iraq. The United Nations Security Council recognized the transfer of authority to the interim government by unanimously passing Resolution 1546. We are pleased with UN Secretary General Kofi Annan's July 12 appointment of Pakistani Ambassador to the United States Ashraf Jehangir Qazi as his new Special Representative of the Secretary General for Iraq. We hope Ambassador Qazi, who has also ably represented Pakistan at the UN, will expeditiously move to reestablish the UN's presence in Iraq. We and the interim government are working hard with friends and allies to facilitate the creation of the UN security force called for in Security Council Resolution 1546. The UN has much to offer as Iraq gears up for the National Conference and elections by next January. Indeed, Carina Perelli, the Head of the UN Electoral Assistance Mission to Iraq, and her team, among others, are already offering their immense expertise on the elections process. A UN team is already on the ground in Baghdad to assist with the National Conference next week. U.S. and international NGOs, many on the ground now for months, are also stepping up their assistance to support Iraq's emerging political process. We have pledged our full support for all of these efforts and those of the Iraqis to move deliberately and steadily down the road of democracy.

To manage vital U.S. interests in Iraq, we have stood up the U.S. Embassy in Baghdad and formalized the development of four regional offices. To ensure we were "right-sized," we reviewed our goals in Iraq and then aligned our mission planning with them. Based on that review, in the near term, we will have approximately 1,000 Americans under the authority of Ambassador Negroponte. I can assure you that every one of them will be very busy. The Embassy has traditional sections such as political, economic, consular, and management, but also contains temporary organizations, liaison officers to Iraqi ministries, and other government agencies. IRMO will be one of the temporary organizations and have responsibility for assisting the Ambassador to set reconstruction policy. IRMO will also provide consultants to Iraqi ministries. About 140 people from the Department of State will be assigned to Embassy Baghdad. There will be approximately 50 State Department and IRMO staff at the regional offices and in teams embedded in military commands.

This is just one example of the partnership between the Departments of State and Defense in Iraq. We understand that such cooperation is vital to our success in Iraq, as it is around the world. The departments planned jointly for the organization of U.S. activities in Iraq following the assumption of sovereignty by the Interim Iraqi Government, recognizing the fact that our roles, missions, resources, and responsibilities are complementary.

The ongoing security situation makes the closest partnership between the U.S. military commander and the Chief of Mission (COM) critical to our success. As is standard worldwide, the COM, under the guidance of the Secretary of State, will have full responsibility for the direction, coordination, and supervision of all USG Executive Branch employees in Iraq, except for those under the command of the U.S. area military commander, and employees seconded to an International Organization.

The COM and the MNF-I Commander General Casey are already collaborating closely as the President has charged them to do. Ambassador Negroponte made clear his commitment to do so during his confirmation hearing before this committee. Effective integration of all U.S. civilian and security operations will remain vital to success in Iraq. The Department of State and Department of Defense have completed Memoranda of Agreement or general administrative support and security to help build our close cooperation.

These efforts underscore the commitment of the United States to assist the Iraqi Government as it builds an independent, secure, democratic, prosperous and united Iraq. We share the interest of Iraqis in a better future for their country, because we know that a free and democratic Iraq will mean a more secure United States. As President Bush said recently: "Democratic governments do not shelter terrorist camps or attack their neighbors. When justice and democracy advance, so does the hope of lasting peace."

Mr. Chairman, thank you again for the opportunity to testify about our progress in Iraq, and I look forward to answering any questions you may have.

The CHAIRMAN. Well, thank you very much, Ambassador Schlicher, for that very comprehensive and reassuring statement. We look forward to questioning you after we have heard from our next witness, Mr. David Gompert. Would you please proceed?

STATEMENT OF DAVID C. GOMPERT, DISTINGUISHED RESEARCH PROFESSORS, CENTER FOR TECHNOLOGY AND NATIONAL SECURITY POLICY, NATIONAL DEFENSE UNIVERSITY

Mr. GOMPERT. Thank you, Mr. Chairman, and good morning to the committee. I should state that while I spent over 6 months in Iraq, I currently speak only for myself. I am not here to speak for U.S. policy or attempt to defend U.S. policy. What I'd like to do, if you would give me 5 or 10 minutes for it, is to share with you my analysis of three aspects: first, the current very difficult security situation and why we find ourselves in this difficult security situation; second, problems in dealing with that security situation that I think are in most need of attention; and third, my analysis of the prospects for the next 6 months or a year.

On the security environment today, which is undoubtedly in my view more severe than it was when I arrived in Iraq about 7 months ago, I think one has to begin with the threat. The threat today is much more sophisticated than it was when Saddam Hussein was captured. The remnants of the Saddamist security organizations are mostly hardened killers, experienced hardened killers, but having been decapitated as an organization, they have become more cellular and more networked and more embedded, more dispersed, fluid, urban, and this is a very difficult threat to defeat militarily without very strong public support.

Second, the international professional terrorist threat, and I'm now talking about the really hard core pros, not all the foreign fighters, but the professional terrorists. They've had a year, over a year now, to plan, prepare, infiltrate, organize in the country, network, bring in their own well-developed weapons, in particular the suicide bomb, kidnaping, and assassination techniques. They too, as we know not only from Iraq but from other parts of the world, as they disperse, as they network, as they move, are extremely difficult to defeat militarily.

In fact, I would say that the current threat, this particular combination, cannot be defeated militarily without much stronger support from the Iraqi people than we experienced certainly during my 7 months in Iraq. Why did we not receive that public support? And I believe we did not receive it in sufficient abundance and in sufficient timeliness to have made a difference in dealing with these threats.

I would say there were two reasons. First, animosity toward foreign control, there's no question about it. By the time I got there in December, there was little hint of appreciation for liberation and Iraqis throughout the country and at all levels either expressed or strongly implied to me in our encounters resentment over the fact that they were under foreign occupation and foreign control, and therefore, they were not about, the vast majority of them, to extend themselves and risk themselves to turn in or turn on the Saddamist killers and the foreign terrorists.

But the other factor has to do with the level of disappointment and dissatisfaction throughout the Iraqi populace with the state of their lives. Clearly, they felt they were better off no longer being oppressed and they saw a brighter future, there's no question about that. But I also think, and it's not inconsistent with those observations, that they were quite disappointed with the state of their lives and the lack of progress in the quality of their lives in the year following the war. I think they had excessive expectations about what we were going to be able to do.

But I think the most important thing to realize is that we as a country underestimated the problems of Iraq, the difficulties of Iraq, perhaps because we were so focused on the threat that it posed. We saw it as far more robust than it was. This was a country, even though the regime itself was strong and could have clung to power for some time through brutality, the country itself was in a very advanced stage of deterioration and rot. It was true of the physical infrastructure, it was true of the human capital through declining education and health services, it was true of the bureaucracy which was incompetent, top-heavy, corrupt, hollow, it was true of the state involvement in the economy, which ruined just about everything that it touched, and through the state-owned enterprises, and it was true of the security apparatus, both the institutions and the forces themselves, again top-heavy, ineffective, feared, but in an advanced stage of rot in my view.

So we were involved not only in facing a massive reconstruction, but really trying to build something fundamentally new in the country as a whole, and our partners were really unprepared for the immensity of that task. So we got a slow start, the CPA well into its existence was trying to get up to somewhere close to the full complement of people that it needed. You've already talked about the slowness through, I think, a business as usual attitude about RFPs and contracts and the like; CPA was slow to deliver resources. And I also think, with hindsight perhaps, not sufficiently attentive to the importance of massive and urgent labor-intensive reconstruction projects to soak up that unemployment.

So I do want to state for the record that this is despite the heroic efforts of people like Ron Schlicher and the Coalition Provisional Authority and the strong leadership of Ambassador Bremer. We simply were not prepared for the enormity of the reconstruction, and as a consequence, instead of millions of Iraqis being employed in big housing and infrastructure reconstruction projects, they were unemployed, they were dissatisfied with the level of services, they did not see the infrastructure improving, the education and access to health were not improving. And who did they blame? They blamed the foreign governing authority.

So we had the combination of our lack of legitimacy because we were a foreign occupier and this dissatisfaction with the quality of lives and the pace at which those were improving, and those are not conditions in which we, CPA, or our military could expect the kind of very brave and active and widespread public support that is absolutely essential to defeat those threats that I described.

Now, in this context, there were two particular problems. I believe they are now being addressed more effectively than they were during the period when I was in Iraq. Two particular problems con-

cerning—addressing the security difficulties. One has to do with the Iraqi security forces and the other has to do with intelligence.

With regard to the Iraqi security forces, during my tenure we were in a constant tug-of-war between two different concepts. One was to get as many Iraqi security forces, both police and military, what was then called the ICDC, it is now the National Guard, get as many as possible into the country, into the cities, in support of our troops and providing security on the streets of Iraq. That concept on the one hand, and on the other hand a belief that we had to take the time and make the investment to produce well-led, well-trained high performance specialized forces that were capable of standing up to the kinds of threats that we saw.

Had we resolved that contest between those two concepts, I think we would have had much better Iraqi security forces by the time of the April crisis than we did. By April, we had far too few properly led, specialized, high performance, trained security forces to make a difference, and of the forces that we had many of, namely the Iraqi Civil Defense Corps and the police, they were definitely not up to the task.

I believe that this tension between numbers and quality is being resolved and it's being resolved at a minimum by the decisiveness of the current Iraqi Prime Minister by showing a preference for high performance, quick reaction intervention forces and counterterrorism forces, which I think are indicated by the threat.

The second problem that we experienced and our forces experienced and Iraqi forces experienced was poor intelligence. At the risk of appearing to pile on the intelligence community these days, I have to say that in Iraq not only did we have the failure at the strategic level, to understand prior to the war just how seriously deteriorated Iraq had become, but also in the piece that followed or in the security situation that followed, I believe we were poor, we have been poor at getting actionable intelligence quickly from those in a position to acquire it into the hands of people who can do something about it. This is to a large degree because we haven't had adequate support from the Iraqi people. That's where the intelligence has to originate.

But second, because we were operating in islands of different intelligence communities, both within the coalition and on the Iraqi side, we weren't really able to get actionable intelligence, as I indicated, into the hands of Iraqi police, Iraqi security forces, or our own coalition forces in time to act on these very sophisticated, embedded, and always moving threats. That too I believe is being improved with the Prime Minister's decision to create an internal intelligence service, which is, of course, sensitive given the abuses of the past. But, this will bring the intelligence capabilities much closer to the police and the security forces that require the intelligence.

Now, it may surprise you that my outlook for the future is actually upbeat, guardedly upbeat. And that's not because the threat is going to disappear or be defeated soon. As I said, this is a threat that can't be defeated by military means alone. The violence will continue because the threat now is using more sophisticated, deadlier weapons and methods. So we have to expect that the threat is going to persist, both the international professional terrorists and

the remnants of the Saddamist security organizations, and it will continue at least through the election and no doubt beyond.

But it's important to recognize that these enemies are actually not winning. They are not achieving their objectives. When you look at it not measured by the level of violence, however important that is, but instead, are the enemies of free Iraq achieving their objectives, the answer is that they are not. They have given their best shot, and despite that, we had the interim constitution, we had the appointment of the Interim Government, we had the transfer of authority, we have the conference, we will have the elections, and these are the battles that the enemy has failed to win despite its violence.

The aim of security looking forward is to protect that political process in the belief that that political process itself will produce sufficient legitimacy that the government can count on the support of the people. So the stronger the political process, the more difficult it will be for the enemies to prevail, and in turn, what we need to do now, in particular with Iraqi security forces supported by our own, is to provide an environment in which they can't derail that process.

I see positive developments taking place. I believe that these careful emergency powers actions that are under consideration by the Interim Government are very wise and they will be done with great care, again, in view of Iraqi fears of abuse. The emphasis on a domestic intervention force within the Iraqi armed forces, high performance force is important, emphasis on counter-terrorism capabilities, on quality rather than numbers, the creation of the domestic intelligence service—we still have to see the details—is important.

I also believe, as Ambassador Schlicher said, that the apparent inclusiveness of the Iraqi Interim Government is increasing its legitimacy even though it wasn't elected. Its emphasis on job creation first and foremost in the reconstruction process, these are all very positive.

I think just to close, Mr. Chairman, that what we need to do is to deliver all the support they required. To take our cues as to what the priorities are not from what we think, but from what the Iraqi Government thinks. We may not agree with it every time, but they have to take that responsibility. We should respond to their priorities after they've received our advice. We should keep our hands off the steering wheel, but we should be very vigilant that the political process continues as the Interim Government has pledged to do. I think it is particularly important that these elections take place on time.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Mr. Gompert. We really appreciate the remarkable testimony from both our witnesses. I want to start the questioning by indicating that we'll have a first round with 10 minutes for each Senator. I'll start the questioning by commenting, Ambassador Schlicher, you have really spelled out the process, and I have not seen this in this great detail before. I want to highlight that a conference of 1,000 delegates is to meet in Baghdad this coming week. Is that your testimony?

Ambassador SCHLICHER. Yes, sir. Our indications from Dr. Fuad Masoum, who's the head of the preparatory committee of the national conference is that at this point he certainly still plans to convene the conference next week. There are huge logistical challenges in doing that, but so far he's holding to that timetable.

The CHAIRMAN. And enough preparatory action has gone on in all the sectors that you described so that the thousand persons who have come, if not perfectly representative of the country, are at least representative of the different religious, geographical groups, occupational groups, and all the rest? The Iraqis looking at these 1,000 delegates might conceivably identify them as a reasonably representative group?

Ambassador SCHLICHER. Yes, sir. That's certainly the guiding impulse, and they are casting a very, very wide net. As I have mentioned, the members of the preparatory committee are seeking delegates from the provinces. The provinces are in the process of selecting right now, members of women's groups, members of NGOs, members of political parties, the former members of the Iraqi Governing Council, and the guiding idea is to seek maximum participation and buy-in in the new system.

The CHAIRMAN. Is there coverage of these selection or appointment procedures in the local Iraqi press? If you were out there in the countryside, would you have any idea who is going to Baghdad on your behalf?

Ambassador SCHLICHER. I think certainly as the provincial processes are underway this week, in many ways Iraq is a series of small towns, even in huge cities like Baghdad, so I think that particularly through this week's provincial process, the word is going to get out. We certainly hope that that makes excitement and anticipation bloom.

The CHAIRMAN. Now, it may also make a security problem bloom.

Ambassador SCHLICHER. Yes, sir.

The CHAIRMAN. What kind of security is going to be provided for these 1,000 persons? This is a pretty large movement of people in a country in which movements in some cases are difficult, if not dangerous. So what is your feel for how this is going to physically happen?

Ambassador SCHLICHER. I know the preparatory committee has been in very, very active touch with the Interim Government, and on some issues with the coalition forces and the embassy on the logistics. It is a very huge challenge, but I know that they're actively engaged in everything from hotel rooms to passes to convoys, et cetera, et cetera. So a very intense effort is underway, and of course, a part of that planning effort is trying to stave off the predictable sorts of security incidents that might accompany the conference.

The CHAIRMAN. Just to pick up Mr. Gompert's point, our major mission is to provide security for this democratic process. This is a big step up at this point, and a lot of people are involved, well beyond the interim group of cabinet ministers and what-have-you.

We'll know at least next week whether they got there. We will see who arrives and how well-received they are at that point. But you go on to point out that this group is going to then appoint 100 people from the 1,000 to form this interim National Council. It has

real power. By a two-thirds majority it can overrule Prime Minister Allawi, for example. We've talked elsewhere about Allawi's emergency orders and decrees and so forth. I gather from what you were saying that it's contemplated that after these 100 advisors get appointed, they meet somewhere and they are monitoring the cabinet officials, including the Prime Minister and the President of the country. Is that your view?

Ambassador SCHLICHER. Yes, sir. Their powers are spelled out in the annex to the Transitional Administrative Law that was promulgated shortly before the demise of the CPA.

The CHAIRMAN. And has that been accepted by all the parties involved now, or is it going to be debated as to whether that still prevails?

Ambassador SCHLICHER. At this point, it's still regarded as the law of the land. Whether a body once constituted will continue to think that, we believe so, but who knows? Democracy can be very unpredictable.

I would note that this interim council that's being stood up, it has powers that fall short of those of a legislature, with the thought being that full legislative powers should, of course, await an elected parliament. But it does have very important powers like the right of veto. It has the right to interpolate the ministers of the government. It has the right to review the 2005 Iraqi budget, and it has the right to fill any vacancies that might arise in the Presidency, that is, the President or the two Vice Presidents. So those are serious sorts of powers, which are intended, I think, to show Iraqis that a serious process is beginning and underway, and to make interest more keen, to whet interest in that electoral process that's coming down the pike.

Sir, I would note that the security arrangements that are being made for the international conference are an important subset of more general security arrangements that are taking place. There's very strong security arrangements in place, of course, for the Interim Government, for the Iraqi election commissioners who are charged with the important task of preparing for the elections, for these folks. And, of course, when they choose the council, the council will have its own arrangements as well, so security is a very intensely worked issue.

The CHAIRMAN. Well, indeed it will be. As both of you have pointed out, the security issue is important in order to protect these officials so they can proceed, as well as to protect all of these registration efforts. This vigorous attempt to find as many as 30,000 polling places or 150,000 election workers will be a prodigious feat. I understand it is still the plan. Is that true as far as you can tell?

Ambassador SCHLICHER. Yes, sir. And the U.N. has certain sorts of estimates and time lines that it's made along these lines. It certainly is very ambitious, and as someone who anticipates working intensely on it for the next 6 months, I see a lot of work, but we've already begun that work. We've sent teams here from Washington, from State, and from the Joint Chiefs, to have a preliminary look at what the U.N. thinks its security requirements are going to be on the State side of the House. We've also talked to them about what those training requirements are going to be, and in fact, we intend to engage the election team again in New York next week,

because we want to be as well prepared as we can to meet these huge challenges.

The CHAIRMAN. Mr. Gompert pointed out that the Iraqi people were unhappy with the occupying power. Likewise they are unhappy with unemployment, with the lack of promise that came there. It appears to me that the delivery of the services and the contracts and what have you we have involved is still tediously slow. The explanations are that, after all, we have laws in our country, we have contracts, we have procedures. I think we all understand that. Congress has provided a lot of the hurdles there.

But at the same time, the impelling need for jobs, for orientation of this money in these same localities that are now sending these representatives to Baghdad, is just of the essence. think that's apparent to you. The question is, physically, how are we going to move it along so that we have some benefit? The Congress had the debate. We passed the $18.4 billion. But the fact is, not a whole lot has happened. Disappointingly little. Despite the obligations, the performance is very, very minimal.

Now, I would just say simply that this is a part of our task in support of this situation. It seems to me that the Prime Minister has a security problem. He's trying to hire people to combat the vicious killers that you both have described accurately. They're still out there. Although the war may be going well for them, it isn't over and won't be. All the way through this refined democratic process, we have people being killed, shot all the time.

In the meanwhile, if there is not some delivery by Allawi or President Yawer or what-have-you in terms of more economic prosperity, they have the same problem we have as political people in our country. It's a jobs issues, it's an economy issue, quite apart from the esoterica of democracy.

I simply make these points in passing because I appreciate your outlining very specifically what the blueprint is. I appreciate Mr. Gompert's realism as to what our experience was through failure, failure on our part, on our intelligence community's part, the administration's part, to have very little understanding of what Iraq was really like at that point. We all know a whole lot more now, and so we better get it right this time through.

It appears to me that there's a good blueprint. We've been surprisingly lucky, I think, with the leadership, arising as it did with Allawi and Yawer and others. They have miraculously stayed alive, and I say that advisedly, in a very tough business, which both of you have been involved in day by day. We very much appreciate this chance to review things at this point, for our benefit and our colleagues, and likewise for the American people.

I recognize my colleague now, Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you, gentlemen, thank you for appearing before us this morning. I'd like to move along the same lines that the chairman has just addressed. I noted in your testimony, Ambassador Schlicher, you use the numbers of $8.3 billion has been obligated, $21 billion, 2003, 2004, that was appropriated. I want to address that in a moment, but part of the question I'm going to ask is to reconcile your numbers with a sheet I have here from the Defense Department update on how much money has been spent and obligated. And according to this, as of

July 13, from the Defense Department, $458 million has been spent of the $18.4 billion, and they claim that about $6 billion has been obligated.

So there is discrepancy in these numbers and yours which I want you to address and explain why that is. To the point, there's a story in the Los Angeles Times today, which you've probably seen, and the headline is, "State Department Criticizes Focus of Iraq Effort." The agency which has taken the reins on the reconstruction program in Iraq says money needs to shift from big projects to job creation, what the chairman was just talking to you about. "The Pentagon's $18.4 billion Iraqi reconstruction plan puts too much emphasis on big ticket construction projects and not enough on creating jobs for the regular Iraqis, State Department officials who have taken control of the program have concluded."

Then it goes on and develops about reprogramming money, because as you know it's earmarked for certain programs. So within the context of that entire universe, sort all this out for us. Are we making progress? And reconcile those numbers for me as well.

Ambassador SCHLICHER. Yes, sir. Let me give it a stab, please. The information that I have before me is that in fiscal 2003 money, that of the $2.5 billion of 2003 money, $2.4 billion has been obligated and $1.4 billion disbursed. For fiscal 2004, of the $18.4, my information is that $6 billion has been obligated, and at this point, $500 million disbursed. Those add up to the $18.4 out of the total of $21. So I'm not sure which date, sir, these are, the DOD numbers you have are July 13, so I hope that helps answer the question. But if it doesn't, I'll certainly get you an answer.

Senator HAGEL. All right. Well, let's not quibble over a billion or two here and there, but let's stay focused on what's been spent. Why out of $18.4—so let's deal with that universe, the $18.4 billion—why in your opinion has—let's say a half a billion, I'll add a few tens of millions to it that's already been spent—according to these numbers from the Defense Department of July 13, $458 million has been spent from the total $18.4 billion. And the other part of that is, did we make a mistake on so-called big ticket items, not trying to get the money down to the job? And I'm going to want Mr. Gompert to respond to this too because he was there. He obviously alluded to some of this in his testimony.

Ambassador SCHLICHER. Well, sir, you yourself and the chairman have alluded to some of the reasons that have been advanced as rationales for why the money hasn't moved quickly enough, which is a judgment that all of us certainly share, and that's in fact the impetus behind Ambassador Negroponte and the new team's review. And part of that review, of course, as I mentioned to the chairman, is going to be how can we speed up the actual delivery of assistance, and how can we maximize the creation of jobs, both of which are in our interest?

As far as major construction projects go——

Senator HAGEL. Excuse me. Can you stop for a moment and address your question? That's the question I'm addressing to you. How can we do that? How are we going to do that? What plans are in place to do that? We know the problem, we know the challenge, we know what we didn't do. Now how are we going to fix it?

Ambassador SCHLICHER. Well, sir, I hope that I can answer you in detail when I know what the results of the review are going to be. But I think that one thing that needs to happen in that regard is that we need to find out what are the projects that we can put on board immediately that have no unnecessary lead time and jobs that can create—or projects that can create Iraqi jobs immediately.

I personally have some experience in the field in Iraq with the CERP program, which was flexible enough to give local commanders and local officials the ability to treat local problems very quickly. So I hope that we will come up with some new projects that cut out all of the middle steps that have to be undertaken if projects are large and infrastructure-related. I hope that we will be able to find ways to give Iraqi contractors contracts more speedily and directly as well, and see if that can cut down some of the lead time.

But, sir, I also don't want to prejudge what the review is going to be out there, because I'm not part of it.

Senator HAGEL. Well, Ambassador Schlicher, you can understand some frustration here, and quite honestly, some significant concern when I hear you say three times in the last 20 seconds, well, I hope, I hope we'll find an answer, I hope we'll be able to come up with a program, I hope. Then you continue to ask more questions, well, what, how, review. That doesn't instill a great amount of confidence in what we're doing over there.

And I know you don't have all the answers. I know it's not all your responsibility. But surely in preparation for this hearing this morning, someone would have, I would assume, have given you something to tell us as to how we're going to fix this problem.

Now, what Mr. Gompert has told us, and we heard from other people who had been there, there are stories out in papers this morning on all this, as there are daily, on how we are failing and how we are losing the people, and so we know what the issue is, security, obviously all the pieces are critical here, but we know what we must do. And to have you say, well, I hope we'll find a way, I hope we'll get at it, I hope the review will show something, that's not good enough.

Mr. Gompert, would you respond to some of this?

Mr. GOMPERT. Yes, Senator Hagel. There is one measure that I think deserves a great deal of attention, and that is job training and job placement. I'm confident that jobs will be created as we inject these resources, and as the Iraqis themselves have the revenues from oil, there will be ample resources injected into that economy to get jobs going. I happen to think, though it's not my field and it wasn't my responsibility, that construction, housing construction, infrastructure construction, attacked in a really strategic way would have required, demanded jobs and soaked up a lot of that unemployment.

But as of now, I would say, as the requirement for jobs will begin to grow, it is very important that we link supply and demand, and that is actually not a big ticket item. Job training and job placement actually is done not for billions but for tens of millions or hundreds of millions on a nationwide scale. I think that job training and job placement program was slow to get started, as were so many other things, for the reasons I've indicated. It needs re-

sources, it needs energy, and it needs focus, particularly in those areas of unemployment that we know feed directly into the security problem, namely ex-militia and ex-army.

And before I left, I was involved in setting up a veterans administration, the principal purpose of which is not just to send out pensions, but to get these veterans, hundreds and hundreds of thousands of veterans otherwise staying home in anger, get them trained and get them targeted toward the jobs that I believe will be created. So I would invite the committee to direct attention to this relatively small item in the budget, but huge leverage item.

Senator HAGEL. Thank you. Before my time runs out, I want to stay with you, Mr. Gompert, on comments that you made initially here in the last few minutes, and you opened with an analysis of where you think we are today, the difficulty ahead, terrorism, what's happened as we have seen terrorism break up, as you noted, I think, these cellular units, in a much more dangerous, I think those were your words, way than we have previously anticipated or seen.

Would you take that down a little further? Are we talking about a decentralization of these terrorist networks and then they use our involvement in Iraq, our presence in Iraq, as training grounds, as focuses, as recruiting tools? Expand on what your point was in the opening comments. Thank you.

Mr. GOMPERT. I don't think Iraq is just an opportunity for the international terrorists. I think it's a big challenge. I think it is very important for these groups to derail the political process and to prevent the emergence of a free, pluralistic, and democratic Iraq. So they're not there just because our troops happen to be there. They're not there simply to defeat our troops or to kill our troops or to cause us to leave, which I think by now they know they can't do. They are there to prevent the political process from continuing and they are absolutely committed to that.

This makes the next 6 months especially critical and dangerous, because as the chairman has pointed out, and Ambassador Schlicher has pointed out, we have critical political developments coming up, the conference, the creation of the council, the run-up to the elections. These are the targets of these terrorists and the remnants of the Saddamist organizations. These are the targets, and they will resort to very significant violence, and we should be prepared for it.

We told the Iraqis time and time again, the violence will occur, we know this about terrorism. And we now know it about terrorism in Iraq. So as we face these—the various steps in this political process over the next 6 months and beyond, we should brace ourselves for the violence that will occur, and we should support the Prime Minister above all, who means to move forward despite these threats and despite the violence that will occur. So continuing down that road in the face of that violence, I believe is the key to building the legitimacy, to creating the public support, to putting together a strategy that will defeat these terrorists and the insurgents. I hope that's responsive.

Senator HAGEL. Well, it is, and it's helpful and I appreciate that. And I would go back to something that you emphasized, Mr. Gompert, as well as Ambassador Schlicher, and I think it is the

key, it's the essence, and it's what we're talking about here this morning, whether it's economic development, it's jobs, it's quality of life, and that is the people. If we lose the people, we lose. As you said, Mr. Gompert, this is not going to be won through military involvement, and if we lose the people, we lose. We've learned that throughout history.

So I appreciate your focus on that, each of you, what you're doing and your colleagues. Thank you. Mr. Chairman, thank you.

The CHAIRMAN. Thank you very much, Senator Hagel.

Senator Chafee.

Senator CHAFEE. Well, thank you, Mr. Chairman, and welcome, gentlemen. Just following up on what Senator Hagel said, if we lose the people, as Mr. Gompert said, lose the support of the Iraqi people, certainly as Senator Hagel said, through history, whether it's our own experience recently in Vietnam or the Soviets' experience in Afghanistan, we're in trouble.

And I was there in October and I was surprised how freely we could move about in Baghdad and Mosul. Mr. Gompert, you went, I believe, in December for 6 months, just got back. Do I have that right? And certainly the trend is against us. We now have tried to go back to Iraq in May, was not allowed for security reasons, and those that have been recently just go right to the green zone, so obviously the trend is not with us, and that all goes back to losing the support of the Iraqi people. They're turning against us.

And that's my question. Certainly when I was there in October, the violence was from a minority of the people. If we're losing the support of the Iraqi people, I'll ask Mr. Gompert, are they turning violent, just the Iraqi people against us?

Mr. GOMPERT. That's not the way I would diagnose it, Senator. The problem is that in order to defeat very sophisticated but relatively small threats of the sort that we're facing, not a broad-based insurgency, not at all, but the threats are so sophisticated and so embedded that it requires not just a sympathetic public, sympathetic to the Iraqi Government and to us, but a very active and courageous one willing to take steps, such steps as reporting on insurgent and terrorist presence, turning against very dangerous people, withholding cooperation despite threats, in turn cooperating with the police and with the Iraqi army and with our security forces.

So we're actually asking a lot more of the Iraqi people, particularly in the Sunni heartland, than we can expect, unless they see a legitimate government, unless they see the quality of their lives improving, and I believe that's been the problem to date. But I do not see in this deteriorating security situation a more expansive, extensive insurgency. I see some increase in indigenous terrorism. As the international professional terrorists became embedded, they brought, they recruited, they proselytized, they brought their methods and so on. But talking about the threat becoming more sophisticated I think is really the way to think about it rather than it becoming more extensive. I hope that's helpful.

Senator CHAFEE. Yes, thank you. And as we look ahead, you said the next 6 months are critical, and if we're not successful at the end of this 6-month period, then what?

Mr. GOMPERT. Well, I think that situation could get worse. If the insurgents and the terrorists manage to defeat this political process by derailing the important upcoming steps in that process, then you could have a larger political problem and a larger security problem, because the sects and the ethnicities of Iraq have agreed on a federal structure, they've agreed on a bill of rights, they've agreed to work together, they've agreed on the kind of institutions and the political calendar. So there is broad agreement on the way forward, but if the insurgents and the terrorists are able to disrupt that way forward and derail it, then those fundamental agreements could begin to be in danger, agreement on federalism, for example, agreement on institutions that enables the majority Shia and the two minorities to envision a pluralistic system in which they could work together.

Those basic understandings and deals that were done over the last year and were done in the transfer of authority to the Interim Government, they could begin to get shaky.

Senator CHAFEE. Do you think it's worth it to, if we know through the democratic process and elections being called, that even if a fierce adversary, an al-Sadr or someone were going to be elected, to stick to it?

Mr. GOMPERT. First of all, I think that it is right for the Interim Government to be as inclusive as possible. I think the advantages of being inclusive—I'll answer your question if I may just in this way—by being inclusive and by letting democracy absorb as much of the hopes and fears and differences and difficulties of the society as a whole, it really does isolate the extremists who are against the system.

So I do believe that the Prime Minister's effort to be inclusive are important. I think that same principle should apply to the election process, that rather than attempting or encouraging the Interim Government to attempt to exclude or in some way condition the electoral process so that it would be impossible for more radical elements to be elected, I think at this particular stage, legitimacy demands inclusiveness, and that means taking some risks that the election will produce victors who we may not like.

The alternative, that is to attempt now to engineer it so that that can't happen I think would ruin the opportunity that exists for the creation of broad-based legitimacy, which I think is key to security.

Senator CHAFEE. Well, thank you very much. Ambassador Schlicher—Ambassador, is that right?

Ambassador SCHLICHER. Ron is best.

Senator CHAFEE. You certainly have——

Ambassador SCHLICHER. Thank you, sir.

Senator CHAFEE. What country?

Ambassador SCHLICHER. I wish I got to pick.

Senator CHAFEE. But you have a lot of experience in the region, Tunisia, Jerusalem, you were involved in the Egyptian-North African affairs, you were a consular officer in Damascus, in Beirut, so you have a lot of experience in the region. Can you talk regionally about what's happened and how what we're doing regionally is important to our success in Iraq?

Ambassador SCHLICHER. Yes, sir. And one important thing that's been happening regionally lately is the efforts of Allawi and his

government himself, which of course we and the international community are supporting, to integrate the new government more completely in the region. This was helped greatly, of course, by the early passage of 1546. But also, the Allawi government has moved smartly and set as its first diplomatic priority establishing the best possible relations with the other countries.

The Arab League has been very helpful in this regard. The Egyptians have been very helpful in this regard. The Organization of the Islamic Conference had a summit in Istanbul shortly after the Interim Government took over, and they welcomed the new government, they helped establish its acceptance and legitimacy in the Islamic world. And there have been a series of six meetings of the neighboring countries of Iraq, most recently one this week in Cairo attended by Foreign Minister Zebari, so that's been a high priority of theirs.

Diplomatically, we, of course, have had an intense series of consultations with all different countries in the region about particular ways that they could help in the process of getting the Interim Government off to the right start. And I think that Allawi is pleased with his progress so far, we're pleased generally speaking with the diplomatic reactions of the neighboring states.

There are, of course, neighboring states there that present particular challenges and difficulties, especially with regard to border security. I would note that the Iraqis have been actively pursuing diplomatic means of addressing that as well. Recently, Deputy Prime Minister Barham Saleh made a visit to Damascus to discuss this issue, Minister of State Adnan al-Janabi was in Damascus last weekend. This subject and frozen Iraqi assets were on the agenda. And Prime Minister Allawi is in the process of doing a regional tour right now, and he will be in Damascus on Friday. So we hope and we expect that with continued pressure we are going to solve a lot of the problems that still exist on border security. Briefly, sir, I hope that helps.

Senator CHAFEE. Thank you.

The CHAIRMAN. Thank you very much, Senator Chafee.

Senator Biden.

Senator BIDEN. Thank you. Gentlemen, I wasn't absent for lack of interest. The Judiciary Committee has a very important bill on DNA testing that I'm an author of and I had to be in that committee, and I apologize.

Mr. Gompert, you succeeded in Iraq—I know you're no longer in the government—one of the most competent guys that I know in government, Walt Slocombe. And I want to lay out for you, and we only have a few minutes, I know, we're going to vote shortly, but in my 10 minutes, I'm going to lay out a thesis and I'd like you to respond to it, tell me where you think it's right, wrong. And Ron?

Ambassador SCHLICHER. Yes, sir?

Senator BIDEN. You can call me Joe if you want to. You jump in on this one. But it relates to the security situation, the prospects of it getting better. I think, Mr. Gompert, you made it real clear, and I think you're dead right, that ultimately what is needed here for there to be anything beginning to approach success is the active and courageous cooperation of the Iraqi people.

Now, those of us who do foreign policy as a major part of our occupation, we like to make things sounds really complicated all the time to people. I don't think we intentionally do that, but we tend to do that. And it seems to me, I've spent a lot of my professional life dealing with foreign policy issues, but equally as much dealing with criminal justice issues, the mob here in the United States of America, the drug cartels, and I can either take the blame or occasionally some of the credit for the major pieces of anti-crime legislation we've written.

The reason I mention this is as follows. It seems to me the situation, whether it's Samara, whether it's Baghdad, whether it's Basra, Mosul, wherever it is, is the same exact thing that exists in any large city in the United States of America dealing with a major drug cartel, the mob, and/or a crime wave. I've spent hundreds and hundreds of hours in my career in hearings with your counterparts who are experts in criminology and the criminal justice system, the psychology of what makes people cooperate with authorities.

And there's one basic bottom-line rule, and I posit there is not a single difference between someone, in Baghdad, and someone living in West Philly, if they believe they can't walk outside their house without fear of something very bad happening to them. If they believe that if they cooperate with the authorities to deal with the bad guys who own their neighborhood, they in fact will not cooperate. As a matter of fact, they will, by their acquiescence, cooperate with the bad guys.

So we went through this whole thing on a crime bill, and I know the foreign policy experts out there are saying, well, what are we talking about domestic policy for here? Iraq is big time stuff. But it's the same exact thing in my view. And we don't seem to get it, and with all due respect, Walt didn't seem to get it and I don't think that Bremer got it, and I'm not sure we have it yet. And it's this: that there has to be a credible—not certainty—but a credible prospect that if in fact someone in the neighborhood turns in the drug dealer on the corner to the cop once the drug dealer makes bail, he's not going to come down and burn down their house and literally eliminate them, which for those of you that do only foreign policy, happens every day in every city of the United States of America where there is a major drug problem.

So what we found out is you have to flood the zone with forces and you have to flood the zone with cops, and you have to flood the zone with cops who get to know the people on the block. That's what community policing is all about. Now, I'm not suggesting we have community policing overnight in Iraq, but here's my thesis. The reason why I don't have any real hope at the moment is we have no genuine training program underway in Iraq. We have a training program for cops and it's getting better, and we have a training program for the military, but there is no realistic prospect. There is no reasonable prospect that we are going to have a credible force available, trained Iraqis, for months and months, I would argue for at least a year.

So my thesis goes on in that I believe that somehow we've got to convince people that the government is legitimate. The government's legitimacy relates as much to security that government can

provide as it does to projects it can deliver, and the projects it can deliver relates to the security. The only real projects we're getting done are the ones that are being done in Sadr City and the 1st Cavalry is doing them. There's others, don't get me wrong, but they're usually military-related. They're usually—there are notable exceptions—but in the most difficult areas of Iraq, where the projects that are changing attitudes and will change attitudes are actually coming to fruition, is where there is U.S. military around, available, and/or doing it. .

So, here's my question. I think you're the first person to testify before us to state what is obvious, there is no shot of this working without the active cooperation and courage of average Iraqis. Samara today, news account, the town is empty now, 300,000 people, several tribes in there, are fleeing, one of them vowing revenge for the wedding killings, whether it was a wedding or whether it was whatever, but vowing that anyone who cooperates with not only us, but even with the new government, could be targets.

So what is it we do now? Or how long will it take to level with the American people? How long is it going to take before we're in a position or the government's in a position to be able to provide to a neighborhood in any town in the triangle, stick there for a moment, the probability that if they cooperate, they will be safe? Because in my experience in the total of three trips I've made to Iraq in the last year and a half, two since the war, they believe that the Iraqi people signing up to be cops and signing up to be military are good people, they'd much rather them be them than us. But they don't believe they possess the capacity at this point or even the capability at this point.

So what is it that we do? What is it we do in concrete terms and what timeframe, and I know you don't have exact timeframes, but as a very informed guy, what do you think the timeframes are we're talking about? Mohammed walks out his door and he knows that there's an al-Qaeda cell across the street or he knows that there is in fact part of an insurgency that's planning an attack and he sees them backing up a pick-up truck with 17 rocket launchers because we didn't confiscate them, because we didn't have the troops there to be able to take care of the ammunition dumps, and he sees them backing them into the garage, or backing them into the backyard and burying them. What does it take? What do we have to do to get to the point that there's some probability other than him being a totally courageous, democratic patriot, that he's going to get on his motor scooter, his bicycle, his car, or his cell phone, and contact somebody, and say, by the way, across the street? What's it going to take and what's the timeframe? Thank you, Mr. Chairman.

Mr. GOMPERT. I agree with your analysis of the nub of the problem. That's a very good way of depicting it. It will take large numbers of police who are much better led and much better trained than the average Iraqi police even today. But it will also take high performance military forces to be able to move in if the police can't handle it, or in fact to get the police in in the first place, because in some of these cities the police aren't even there.

Now, just a quick word on how we got here and then the next 6 months. We had 80,000 police, mostly re-treads from an old police

organization that was ineffective, incompetent, not dreaded as much as just ridiculed, and instead of changing that out as quickly as we could with large flows of highly trained and well-led new police, we tried to upgrade it in place. And that didn't work because the police, not only with their day-to-day corruption, but also in April when we had the crisis, they collapsed. All those who faced violence, or many of them, ran or went to the other side.

So one thing we can do and must do is place the priority squarely on quality of police and end this debate over what's more important, having lots of policemen or having well-led, proper policemen who can address exactly the problem that you identified.

Senator BIDEN. I absolutely, positively agree with you.

Mr. GOMPERT. The second problem we have, and this is peculiar, if not unique to Iraq, is that in some of these cities, the security situation is so bad and the fighters, some foreign fighters, most of them from the old Saddam security organizations, so numerous, so professional that the police either can't get in or won't stay in or can't stand up to them, even if those police are well-trained and well-led.

And for that, all we've had so far is the U.S. Army and the U.S. Marines, and when it's really bad, as it was in Fallujah, you bring in the Marines, who of all of our forces are probably the best at urban warfare, and you saw the results and you saw what we had to do as a consequence, so what you don't want to do is end up in urban warfare because the police are inadequate. You don't want our forces in urban warfare and you don't—and so far we haven't had any Iraqi military forces that can move in to that environment. So the second part of the problem is placing equally sharp focus and high priority on what I'd call the well-led, specialized, high performance, quick response Iraqi army forces——

Senator BIDEN. I agree.

Mr. GOMPERT [continuing]. Who can then come in to support those well-led, well-trained policemen. How long will it take before it all comes together? Six months at a minimum.

Senator BIDEN. I really appreciate your candor. I absolutely agree with you. I'm not being solicitous. I agree exactly with what you said. I am just baffled why it is not self-evident to the administration.

Now, I just got back from visiting along with two of my colleagues—just, now it's a month—the training center in Jordan. Our trainers, our U.S. person in charge of all the training, the Canadian who's No. 2, a really tough mounted policeman from Canada, and the head of the Jordanian police force said, this is not worth it, this is not anything. Eight weeks of training, don't know what happens to them, no vetting before they come.

So I think unless we get there, unless we make this the greatest priority, I don't know how—I really—I'm an optimistic guy, but my optimism fades very rapidly, and I don't get a sense, Mr. Secretary, I don't get a sense from my friends, our friends at Defense, our friends in the White House, that this is viewed as honestly and as urgently as I think it should be, and based on what you say, maybe you think it is. But maybe you have something really good to tell me to make me feel better as we go vote, but I don't get a sense it's there yet.

We had an opportunity to push very hard on our European friends 10 months ago on this. We had an opportunity to press hard again now. Again, I just don't see it happening, and now I see the Europeans backing away, being irresponsible in my view, not stepping up to the ball when they should. They have all reasons to say why it's our fault and why they shouldn't, but they got to get over it. Even if every bit of it's true, they got to get over it, they got to get over it.

I thank you for you candor, and Ron, if you have anything you want to say, fine. I think I'm well out of my time.

Ambassador SCHLICHER. Yes, sir. As somebody who's spent most of his career actually watching street politics in the Arab world and trying to figure out what that meant in policy terms, I agree with you completely. The success of the enterprise is going to depend on what the average Iraqi thinks is his situation. I also agree with Dave's remarks on the need for high quality training of the police.

I hope as we move forward with NATO participation and training of police forces there that there will be additional opportunities. We have to keep doing what we've been doing in the training programs, but do it better and in a more focused way.

Another part of the equation, if you're the Iraqi, that average Iraqi, is going to be what is your government doing about it. And I think in that regard that the steps that Prime Minister Allawi has undertaken on security have been welcomed by his people. There are several examples of a new assertiveness in local Iraqi forces going in and trying to clean up things. You may have read about a big sweep last week of criminals. There was another one this week. The reportage from Baghdad is that that's been very well received, so I hope that as Allawi's security strategy succeeds, it will take care of part of the very fundamental problem, sir, that you've identified.

Senator BIDEN. If I can use a football analogy, this is blocking and tackling. I'd go out and I'd try to get one squad, a second squad, a third squad, place them in one city, I mean, just build the blocks here, because I think, David, you're right, it's got to be serious people who can shoot straight, who are as well equipped.

If I can end with a little story just so you know it just doesn't happen there. When in the middle of the crime bill, we were trying to pass it, I got picked up by the fourth ranking member of the Chicago Police Department. I'm riding along, he has a captain in the car with him. I'm saying, what's it like out here? It was about how outgunned our police are. And he said, well, let me give you an example, Senator. He said, captain, tell him. The captain's driving the car taking me to this event. And he said, well, last night I was coming home, I had my colleague with me, then he went through this thing, and he said, I got a call there was a major drug deal apparently going down on one of the piers in Lake Michigan, so we drove in, got into this alley, came through, opened up, got out of our cars in the usual form like Starsky and Hutch, the doors open, the cops get out.

He said, literally, this is a true story, all of a sudden, he said, everybody freeze, we shined the lights on them, they popped open their trunk, took out high-caliber weapons that could literally blow our car away. We said, no problem, got in the car and we backed

out. You got to have the same firepower. You got to have the same capability.

[The opening statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, today marks the first hearing of this committee since two important transfers occurred. The first was the transfer of sovereignty on June 28. The second was the transfer of the lead role within our own government from the Defense Department to the State Department. I hope this fresh start will increase the prospects for success in Iraq.

While the State Department is now in the lead, the Defense Department still plays a critical role in managing the 140,000 American troops in Iraq and in training Iraq's security services.

Thus, I am disappointed that the Defense Department did not respond to your invitation to provide a witness. The American people don't expect the different branches of government to march in lockstep, but they do expect us to work together on the challenges of the day.

Mr. Chairman, the administration must start leveling with the American people about what is happening in Iraq.

This committee has heard its fill of rosy scenarios. Today, I hope we will hear a dose of reality. We expect to hear the hard truth, not just the good news—and I am glad there is some good news—but the whole picture.

You have an obligation to tell it to us straight and the American people have a right to hear it.

If the American people believe they have been misled, then their support for what will be an enormous, dangerous, costly, and lengthy American presence in Iraq will continue to erode.

Let's be clear about what is happening in Iraq. We have handed over sovereignty. But we have not handed over capacity—that is, the ability for the Iraqi Government to do the things that people everywhere expect of a government—to provide law and order, to supply electricity and clean water, and to set the foundation for an economy that creates jobs.

The Iraqi people desperately want their Interim Government to succeed. But if it cannot deliver, their patience will disappear, and U.S. troops will bear the brunt of their anger. I know that Prime Minister Allawi is aware of the urgency of the situation.

The central question is this: what can we do to help Iraq stand on its own?

This must not be solely a U.S. responsibility. The international community, through a unanimous vote of the U.N. Security Council, made clear that Iraq is the world's problem, not just our own, and called on member states to act.

We must demand that the world's major powers, Iraq's neighbors and leading international organizations like NATO answer the call.

Based upon my recent trip to Iraq with Senators Daschle and Lindsey Graham, I believe we need to focus on six key tasks:

First, we must radically overhaul the program to train and equip Iraqi security services, including the police and the army. General Petreaus is the right man for the job. But we must support his efforts by providing more personnel and resources, and by recruiting more countries to do training, especially for Iraqi police.

The last year could and should have been spent developing effective training programs. Instead, the administration chose to focus on quantity, not quality. They skimped on the training, and put as many people in uniform as quickly as they could. As a result, the so-called Iraqi security services—police, army, and national guard—are hollow forces.

Second, we must commit to defeat the insurgency and provide security for Iraq's elections, which will require a surge in troops before the elections, more MPs and civil affairs experts from our allies, and more special forces and intelligence assets from the United States.

Our commanders told us that they plan to overlap outgoing and incoming forces around election time to help provide additional security. But elections will be a massive undertaking, with up to 30,000 polling places, and will require additional forces from other nations.

Third, we need to provide—as called for in Resolution 1546—a special brigade to protect the U.N. mission in Iraq. I understand there has not been much success in raising this force.

Fourth, we must do a better job of spending the $18.4 billion that Congress appropriated last Fall.

Our commanders told us that creating jobs and improving electricity supplies, sewage treatment, and fresh water will have a direct bearing on Iraqi support for the insurgency. It is bordering on negligence that only $458 million of the $18.4 billion—or about 2½ percent of the total—has been spent to date.

Fifth, we need to deploy an army of technical experts to help Iraq's government build its institutional capacity. Many countries bemoaned the plight of the Iraqi people during the 1990s. Now is the time for them to offer their money, skills, and personnel to help those same people.

Sixth, we must ensure that other nations deliver on their financial pledges and push for debt relief. Thus far, of the $13 billion pledged by other nations and organizations (of which two-thirds are loans) only about $1 billion has been delivered, and none has been spent.

The administration appointed Secretary Baker to persuade other nations to reduce Iraq's crushing debt burden. I'd appreciate an update today on where things stand with his efforts.

June 28 provided a new beginning. We have huge challenges ahead. I look forward to hearing how the administration plans to tackle these challenges.

The CHAIRMAN. Well, let me conclude the hearing at this point, unless—all right. We're in the second half of the vote. Go ahead.

Senator CHAFEE. I suppose I should have asked this question first of Ambassador Schlicher, but there was an article in The Nation about some of the morale in the State Department, and it says, I'll just read it, "the State Department officers gripe about the agency becoming irrelevant, particularly on Middle East policy. One past Foreign Service official who served in the Middle East Bureau and continues to work with officers there notes, 'there has been a huge drop in the morale of those folks working in our embassies in the Middle East. I think they feel nothing is getting through substantively, that the administration is not on receive mode, but just wants to give instructions on matters it may not understand, as well as folks in the field.'

"Current and former State officials point to what happened to Ron Schlicher, a career diplomat, who has been consul general in Jerusalem until the White House yanked him and reassigned him as Ambassador to Tunisia. Reporting out of Jerusalem, said one Department official, was truthful and accurate, but it did not suit the White House."

Are you free to comment honestly or is your career——

Ambassador SCHLICHER. I would comment, sir, that I am not familiar with this article or its author, but I would say that he certainly doesn't know what my story is. My story is that I was assigned to do Iraqi matters and to go to Baghdad, and my morale in Baghdad, actually it improved, because I thought we were part of something extremely important that was going on for the sake of Iraq and for the sake of our nation. And although my morale in terms of having to work 12 or 14 hours a day here, that part of it's not pretty good, but I feel extremely strongly that I and the 50 or so people who work with me on Iraq are absolutely dedicated to the task. We feel that we have input into the process, and I would say that the only real problem we have is that there aren't enough hours in the day to do everything that we need to do.

Senator CHAFEE. The reason I asked the question is we've heard this morning about the great difficulties we're in in Iraq, and I think Mr. Gompert said we're not going to defeat our adversaries militarily. We're in a world of hurt in Iraq, and if the administration isn't on receive mode, I think it's going to make it even more

difficult. That's the reason I bring that up, and you've certainly spoken on the record, so thank you.

The CHAIRMAN. We thank you for your testimony. I think there were good questions. I would just summarize for my own part by saying I share Senator Biden's feelings about the security situation. I hope that this review that's occurring with regard to dispensing the money and getting jobs out there will proceed. It is exasperating that we are still reviewing it at this stage.

Senator Chafee was in a similar position, formerly as a mayor who had responsibility for security and jobs. Probably some more mayors or sheriffs are needed in this process. I say that respectfully. At the State Department and at the Defense Department, we need some people that actually understand the street, understand governance. And we've got to get on with it. Success has to be ours and for the Iraqis in this respect.

We've got 6 months, and while this training is going on, all of the democratic procedures we outlined today have to occur. This is a daunting prospect, but one that has to occur. We're going to have to devote the resources to it to make sure it occurs, in order to ensure the protection of the process. Because that finally is our objective for the whole war, as a matter of fact, it comes down to whether there can successfully be a change of governance in that area successfully, and security established for us in the war against terror, and for the Iraqis.

So we understand that you hear our urgency and our pleas. We appreciate the hearing and your testimony. The hearing is adjourned.

[Whereupon, at 11:15 a.m, the committee adjourned, to reconvene subject to the call of the Chair.]

ADDITIONAL STATEMENT SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF SENATOR RUSSELL D. FEINGOLD

I thank the chairman and the ranking member for holding this hearing, and I thank all of the witnesses for being here today.

This hearing is an important opportunity for the committee and the American people to gain some clarity about the U.S. strategy in Iraq today. Over 900 American troops have been killed in Iraq. Nearly 6,000 have been wounded. Well over a hundred billion taxpayer dollars have been dedicated to this effort to date. The American people continue to bear a tremendous burden in Iraq, even after the transfer of sovereignty that occurred late last month.

Moreover, directing so much military and political attention, so many taxpayer dollars and so many intelligence assets toward Iraq means that we have less to devote elsewhere, at a time when we confront global threats of terrorism and the proliferation of weapons of mass destruction. We need a strategy for stabilizing Iraq that also eases the burden on this country and frees up resources to devote to other important national interests. And we need to ensure that this strategy strengthens international cooperation rather than undermining our relationships around the world.

RESPONSES TO ADDITIONAL QUESTIONS FOR THE RECORD

RESPONSES OF HON. RONALD L. SCHLICHER TO ADDITIONAL QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR JOSEPH R. BIDEN, JR.

Question 1. In June, the Security Council created a United Nations protection force for Iraq. I am unaware, as of this week, of any contributions to this force. Can you please update us on the status of this force? Where do you expect the soldiers

to come from? If insufficient forces are made available would the United Nations accept American military protection or private security contractors?

Answer. UN Security Council Resolution 1546 notes the creation of a distinct entity under unified command of the multinational force to provide security to the UN in Iraq. It also calls upon member states and relevant organizations to provide resources, including troops to this entity. Iraqi Prime Minister Allawi and the UN Secretary General Kofi Annan have been working to secure troop contributions for the UN's security when it returns to Iraq in the near future. Security for the UN is essential to enabling the UN to contribute to the vital work that lies ahead in Iraq. The United States supports Prime Minister Allawi and the UN Secretary General's efforts. Discussions are ongoing, but to date, no contributions have been received. In the interim, the Multinational Force in Iraq, specifically the United States, will be prepared to provide protection for the UN.

Question 2. The United Nations has a team of election advisors headed by Carina Perelli working in Iraq. By most accounts, the current security situation must improve in order to permit elections by January 2005. Prime Minister Allawi hinted that elections might be postponed, though he quickly backtracked from these remarks. How are elections preparations proceeding? How is planning being coordinated between the United Nations, U.S. officials and Iraqis? Could elections be held given current security conditions?

Answer. National Elections for the Transitional National Assembly must be held no later than January 2005. The United States is holding to this target date. The Iraqis, U.S. officials, UN officials and MNF-I meet regularly to discuss elections-related issues, and there is an ongoing dialog among all parties to ensure that elections goals are met. These discussions include security preparations for elections.

The members of the Independent Election Commission of Iraq (IECI) that will administer the elections have been selected. They currently are setting up the administration for Iraq's first genuinely sovereign and representative elections in January 2005. They have returned from UN-sponsored training in Mexico and have begun preparations for the elections, including establishing offices, hiring staff, consulting on election regulations and developing training programs for elections workers. The IECI continues to work with the handful of UN electoral experts currently on the ground in Baghdad. The USG is funding assistance to political parties and groups expecting to participate in the elections, and programs to educate voters about the electoral process.

Question 3. Ambassador Ashraf Qazi has been chosen as Kofi Annan's envoy to Iraq. What will his role in Iraq be? How large a staff will he have? When do you expect him to arrive in Iraq?

Answer. Ambassador Qazi's role will be to oversee UN activities in Iraq. We expect that he will be focused on the UN's support for the political process, in particular facilitating UN support for the preparations for and holding of elections by January 2005. The size of his staff will be a decision for Ambassador Qazi to make, and I refer you to him for an answer to that question. We expect Ambassador Qazi to arrive in time for the National Conference.

Question 4. International donors have pledged at least $14 billion, mostly in loans, to Iraqi reconstruction, but as of late May only about $1 billion worth of funds had been committed and little, if any had been spent. Although an Iraqi Strategic Review Board has been created to approve and prioritize projects, a June 25 audit by the CPA Inspector General found that "no process was developed for tracking or coordinating internationally funded projects with other CPA reconstruction efforts."

With the opening of the American Embassy in Baghdad, what steps are being taken to improve the coordination of international reconstruction efforts?

How much international reconstruction money has been spent?

What mechanisms and criteria have the Iraqi Strategic Review Board and the Ministry of Planning implemented to ensure transparent and accountable decision making?

Answer. Of the $32 billion in pledges for 2004-2007 at the Madrid Donors' Conference, $13.584 billion was from non-U.S. sources. Of this, $5.55 billion was pledged by the World Bank and IMF in lending programs. The remaining $8.034 billion was pledged by 36 countries and the European Commission. Currently, the Iraqi Interim Government (IIG) is in discussions with the World Bank and the IMF regarding the IIG's interest in their lending programs.

As of June 30, 2004, of the $8 billion in non-U.S. donor assistance, other donors had disbursed over $1.15 billion of their pledges, according to our estimates. Therefore, 6 months into a 4-year pledge, about 1/8 has already been disbursed.

$826 million of this $1.15 billion in disbursements has been in the form of deposits to the International Reconstruction Fund Facility for Iraq (IRFFI), which is comprised of UN and World Bank trust funds. The remaining $321 million has been disbursed for bilateral projects and non-IRF trust funds. The UN and World Bank trust funds are now starting implementation of their initial IRFFI projects. Disbursements and implementation have been complicated by the security situation in Iraq, but nonetheless are continuing.

The IRFFI plays an important role in helping international donors channel their resources and coordinate their support for reconstruction and development activities in Iraq. Close coordination is achieved through a joint Donor Committee and a unified UN/World Bank Facility Coordination Committee. The Donor Committee oversees the activities of the Facility and has held meetings in Abu Dhabi in February and Doha in May that helped speed up the commitment of pledges made in Madrid. The next Donor Committee meeting is scheduled for October in Tokyo. The Facility Coordination Committee serves as the administrative body for the World Bank and UNDG to work together to ensure coherence.

The UN and World Bank trust funds in the IRFFI work in close partnership with the Iraqi national authorities, principally the Iraqi Strategic Review Board (ISRB) and the Iraqi Ministry of Planning and Development Cooperation (MoPDC). The MoPDC serves as the Interim Iraqi Administration's primary liaison with the IRFFI. The ISRB is currently conducting an extensive series of workshops, drawing together sector experts from various Iraqi Ministries, the private sector and academia. In addition, an inter-ministerial committee—consisting of members from ten Ministries, drawing from their official programs as well as from discussions held under the committee's auspices—is preparing a draft National Development Strategy. This participatory approach should enhance governance, accountability and transparency.

The Department of State holds frequent teleconferences with international donors. In addition, since the opening of U.S. Embassy Baghdad on June 28, the Department has stepped up official consultations with the World Bank, the IMF, the UN, and other international agencies, and is committed to improving the overall coordination of international reconstruction efforts in Iraq.

Question 5. How rigorous is the typical training program for army and police officer recruits? Are these training programs rigorous enough to prepare the Iraqis to effectively confront well-armed and well-organized insurgent forces?

Answer. Army basic training is 8-weeks and includes cadre-led recruit training and squad and platoon level training. If there is a new unit being established, initial training will continue up to and include battalion level collective training in actual operations, with advisor oversight, for an additional two months. If the recruit is a replacement at an established unit, he will have the required fundamental skills needed after that 8-week basic training course to integrate into that established unit and quickly receive the additional specialized training for the other skills required. We believe that the army basic training course is rigorous enough to prepare the new recruit for military duty in the Iraqi armed forces.

Police recruits attend an entry-level 8-week Iraqi Police Service (IPS) basic police skills training program. While it is short in comparison to most U.S. programs, the overwhelming need for police officers in the postwar period required an accelerated training program. This training is also consistent with programs the U.S. has delivered elsewhere, specifically at the Kosovo Police Service School. It is designed to be complemented by a field training and evaluation program whereby on-the-job instruction is furnished by both international police liaison officers and specially trained Iraqi field instructors. Finally, we do not see the IPS as the force of choice to confront a well-armed and well-organized insurgent force; the Iraqi National Guard and MNF are on-call to support that mission. We, therefore, believe that the length of the current program strikes a proper balance between placing additional police on the streets and the requirement to provide rigorous initial training to support the IPS' intended policing mission.

Question 6. June 9th, an agreement was signed to disband nine prominent militias by next year. What progress has been made in this effort? What role, if any, does the U.S. have in facilitating this agreement? What are the contingency plans in the event that this agreement is not fulfilled?

Answer. The United States strongly supports Iraqi efforts to ensure that all armed groups are brought into compliance with Iraqi law.

Coalition Provisional Authority Order 91, "Regulation of Armed Forces and Militias within Iraq," was promulgated by CPA and announced by then-Prime Minister-designate Allawi on June 7th, 2004. This Order implemented Article 27 of Transitional Administrative Law, which prohibits armed forces and militia not under the command of the Iraqi Government except as provided by Iraqi federal law. Since the transfer of governing authority to the Iraqi Interim Government (IIG) on June 28, the United States has provided technical assistance and advice to the IIG when requested. Iraqi officials, led by the Iraqi Transition and Reintegration Committee, have had the authority and responsibility for overseeing the execution of the Order.

On July 14, U.S. Secretary of Veterans Affairs Anthony Principi traveled to Iraq and met with Prime Minister Allawi, Defense Minister al-Sha'lan and Director of the Iraqi Veterans Agency General al-Obeidi. Secretary Principi reiterated the United States' willingness to provide technical assistance to assist the Iraqi Veterans Agency, including in implementing the vocational training and job creation programs that are important parts in the plan to reintegrate militia members into Iraqi civilian society.

Question 7. As of July 13th, only $458 million of the $18.4 billion P.L. 1O8-106 supplemental funds for Iraq had been spent. The contracting process is being restructured since State is now the lead department in Iraq.

What are the lessons learned from the experience of the Program Management Office, the CPA's contracting body?

How are these lessons being implemented? What assurances do you have that things can be accelerated?

To what extent is ongoing violence in Iraq slowing down the reconstruction?

Answer. There is no question that the security situation in Iraq represents the largest challenge to the vital reconstruction effort, but the Secretary has stated publicly his commitment to moving forward as quickly as possible, working in conjunction with the Iraqi authorities, on the reconstruction of Iraq. Ambassador Negroponte has directed a comprehensive review of IRRF spending priorities and procedures. Since the return of sovereignty to the Iraqis on June 28, the new U.S. Embassy has endeavored to learn from the experience of the Coalition Provisional Authority—recreating what was successful and developing new practices of our own. In this manner, the Embassy has established the Iraq Reconstruction Management Office (IRMO) in Baghdad to coordinate and oversee our effort. The Army's Project Management Office has been recapped as the Project Contracting Office, and will work under the overall direction of the IRMO. Together with the other implementing agencies, and with their counterparts in Washington, these new offices are providing coordinated, daily oversight of assistance goals to ensure timely implementation of our over-arching policy goal in Iraq. Moreover, this direct monitoring and coordination will improve the assistance and contracting process, and allow the flow of assistance and contracting, which has already begun to accelerate, to continue to do so.

As stated at the outset, the security situation in Iraq has presented obstacles to reconstruction, and will continue to be an issue for the foreseeable future. Despite these complications, the vital process of rebuilding Iraq will continue. This process of reconstruction will help to lay the foundation for the secure and free Iraq that we are working to build with the new Iraqi authorities.

Question 8. When does the administration expect to receive funding from Congress for construction of new Embassy facilities?

Answer. While the administration has not yet made any final decisions, we anticipate that funding for the new embassy facilities will be included either in a FY 2005 supplemental request or the FY 2006 budget submission which will be submitted to Congress next year.

Question 9. What is the current estimate of budgetary requirements to operate Embassy Baghdad in FY 05?

Answer. Our estimate of the operating costs for the new mission in FY 2005 is approximately $1.1 billion. This does not include the capital facility costs for a new embassy compound. We continue to work to develop more precise FY 2005 requirements including revised estimates for logistics support and security contracts. The largest components to support the U.S. Mission are logistics support and security contracts, up to $800 to $900 million annually.