

# IRAQ: THE CHALLENGING TRANSITION TO A CIVILIAN MISSION

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## HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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FEBRUARY 1, 2011  
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## **IRAQ: THE CHALLENGING TRANSITION TO A CIVILIAN MISSION**

**TUESDAY, FEBRUARY 1, 2011**

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

The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Menendez, Cardin, Casey, Shaheen, Coons, Udall, Lugar, Rubio, and Lee.

### **OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS**

The CHAIRMAN. The hearing will come to order.

I apologize for being a couple of minutes late. We were waiting for Senator Lugar, but I understand he is in transit from a meeting downtown, and fighting the morning traffic. So, we're going to get started, and when he gets here, if we haven't proceeded to the testimony, we will obviously—

Oh, there he is. Great.

Good timing. Great, Richard. Welcome.

Well, let me welcome everybody to the first hearing of the new session of Congress.

And I particularly want to take this opportunity to welcome—though we haven't yet adopted the rules or officially sworn people in with respect to committee proceedings, we are welcoming a number of new members to the committee.

I'm delighted, on the Republican side, to welcome Senator Rubio of Florida.

I'm happy to have you on board and look forward to working with you and your contributions to the committee.

And also, Senator Lee from Utah.

And on the Democrat side, I'm delighted to have Senator Udall—Tom Udall, New Mexico. I know he wanted to be part of this committee, last round. And I'm happy to have somebody on the committee who is thirsty for the work that we do.

And we're happy to have you here.

Likewise, Senator Coons will continue on the committee. I'm delighted to have him back.

Look how fast you've risen in seniority. It's—

[Laughter.]

The CHAIRMAN [continuing]. It's absolutely extraordinary. I remember sitting down there for years.

And also really happy to have—Senator Durbin, the assistant leader, will be joining the committee.

So, we have five new members, and we look forward to getting together informally, as we did, beginning of last year, to have a chance just to get to know each other.

This committee works best, as I think any committee does actually, but this committee certainly, because of the issues we deal with, when we are nonpartisan and nonideological and when we really take into account the best interests of our country and work in a bipartisan way.

And I congratulate the committee for its leadership and efforts with respect to the START agreement and what we did last year.

Now, before we get started this morning, I just want to say one thing about the events that are now taking place in the Middle East. We are witnessing a historic moment in the Middle East. And it is impossible to predict exactly what lies ahead. But, clearly, whatever transpires, it is going to have a profound impact, a huge influence on the region, and on American foreign policy in that region, for years to come.

This morning, I have an op-ed in the New York Times that expresses my point of view, a personal point of view, that the people of Egypt and events in Egypt have, in their own power and in the simplicity of their spontaneity, moved beyond President Mubarak and his regime. And I believe it is vital for President Mubarak to help to transform this moment into the new Egypt and the new future for Egypt.

I think, in order to do that, that it is imperative that he address the nation and announce, with grace and leadership, his understanding of the expression that his people are making, and of their aspirations, and to embrace them fully, and to make clear that neither he nor his son will be candidates for reelection, or for election, in the next elections, and to go even further, to move to put together a caretaker governance over these next months, working with the army, working with the civil society, in order to avoid violence and help to transition Egypt to the future that its people want and that it deserves.

We have huge interest in this—the world does, obviously—in the stability of the region and the avoidance of violence and conflict, and in helping to create a template for transformation for all of the region. So, that's what's at stake. It's a subject that this committee will examine very, very closely over the course of these next days and weeks.

We are also obviously gathered here today to resume discussion over an issue that, in all the years since 2001, has consumed this committee and the debate in our country, but which, because of Afghanistan, Pakistan, the Middle East, and other issues, and also because of successes, has moved off of the front burner, so to speak. But, despite that fact, it remains as important as it always was throughout all of those years. And I think our witnesses today will make it clear that it also remains a challenge, with serious issues still at stake, all of which, together with all of the other issues of the Middle East, require our focused attention, which is why the committee is beginning with this hearing this year.

Some people have referred to “forgotten wars” at various points of time. Afghanistan was the forgotten war, and now is not. And, to some degree, some people have begun to assert that Iraq is. But, its importance to the long-term stability of Middle East cannot be underestimated, and that will be very clear today in the testimony of our distinguished witnesses.

I’m particularly happy, on behalf of the committee, to welcome Jim Jeffrey and GEN Lloyd Austin. They are, without question, two of our most dedicated and capable public servants, and that’s why they’re where they are, dealing with the issues that they are. The caliber of their leadership has been shown by the fact that our military in Baghdad praises Ambassador Jeffrey, and our diplomats in Baghdad are equally enthusiastic about General Austin. They have forged a superb partnership, much in the brand of what Ambassador Crocker and General Petraeus had previously. And their unity and effort is something that the rest of us here in Washington would do well to emulate.

Significant progress has been made in Iraq in the last 4 years. More than 100,000 American troops have been withdrawn. And the security situation, though sometimes strained, has not unraveled. Forming a government was obviously a long and contentious process. But, the political factions kept their commitment to negotiation over violence. Despite this progress, we face difficult choices this year.

I want to particularly say at this time—I want to express my respect for and appreciation for the leadership that the administration, but particularly Vice President Biden, has offered on this issue. When he was chair here, he made more visits to Iraq than any other member of the committee, or the Congress, even. And he has spent a long time building relationships and gaining a significant understanding of the issues. And I think the respect that leaders there have for him and his understanding of those issues serves our country well. And I think he has been particularly instrumental in a number of negotiations and conversations in helping to bring us to this point that we are at now. But, he would be the first to tell you that the job is not done and questions remain.

In accordance with the 2008 bilateral agreements that were signed and negotiated by the Bush administration, American troops must leave the country by the end of the year. But, these agreements also acknowledge—and it’s important for people to focus on this—they also acknowledge the need for continued military cooperation. As in many countries around the world, our troops will be responsible for improving the bilateral defense relationship by providing security assistance. The size, scope, and structure of this presence, however, remain undetermined as we are here at this moment today.

After our troops are gone, the diplomatic mission that remains will be of unprecedented size and complexity. Current planning calls for some 17,000 people to be under the Chief of Mission authority on roughly 15 different sites. Beyond our Embassy in Baghdad, one of the largest in the world, these sites will include three air hubs, three police training centers, two consulates, two Embassy branch offices, and the Office of Security Cooperation sites.

Now, time is short. The civilian effort has to be fully operational by October. That would be complicated enough if we had a complete inventory of all of the moving parts, but there are still important unanswered questions, which we want to try to address this morning. Does the State Department have the capacity to support an ambitious diplomatic mission without American military support? In a still-dangerous security environment, what is the future of the United States/Iraqi relationship? And, perhaps most importantly, are we, as a nation, willing to commit the resources necessary to that civilian effort in order to ensure its success?

Today, the Senate Foreign Relations Committee is releasing a majority staff report that examines these issues in detail. I believe it sheds important light on the tradeoffs that are involved here. The report makes a number of recommendations, which I hope the administration—in fact, I know the administration—is already seriously considering.

With so much uncertainty, we need to make sure that the scope of the mission is balanced with the resources that are available. These include our civilian capacity, a financial commitment from Congress, a degree of U.S. military support, and the backing of the Iraqi Government. If these elements are not in place, we may face a difficult choice between scaling back the diplomatic mission or accepting a degree of physical risk that's all too familiar for our military personnel, but normally unacceptable for our diplomats.

I think we can get the balance right, but it will require a whole-of-government approach. And that means maximum integration—better integration between the Departments of State and Defense; and frankly, a greater willingness from Congress to provide the financial resources necessary for success by supporting our diplomatic efforts with the same vigor that we devote to our military mission.

In the coming weeks, I will explore the possibility of a multiyear authorization package for Iraq that would include the operational costs of the mission, as well as the security and economic assistance programs. This package could serve as a roadmap to the American public so that our effort in Iraq will end better than it began.

Before turning to Senator Lugar, I want to thank those still serving in harm's way—those who did serve, but particularly those who are still serving in harm's way in Iraq—uniformed and civilian alike. And I think every member of this committee joins in expressing our gratitude, as Members of the Congress and as a nation, for their courage, their commitment, and their service to our country. You are not forgotten, and nor will our debt of gratitude to you ever be forgotten.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,  
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman.

Just a point of personal privilege, I congratulate you on your extensive travel since last we met in this hearing room. And I know that we will benefit from your experiences and your testimony.



I join you this morning in greeting our witnesses, and welcome this opportunity with you to examine United States policy in Iraq.

Although the visibility of Iraq as a foreign policy issue has been reduced as the American troop presence has been drawn down, we will continue to have profound interests in developments there. The President has said that the American military mission will come to a close at the end of this year. But, as our military presence in Iraq diminishes, our civilian presence is being enhanced by thousands of personnel engaged in diplomacy, development, and security. Indeed, the U.S. Embassy in Baghdad is now the largest embassy in the world. An Office of Security Cooperation of nearly 1,000 Defense Department personnel is planned to mentor the Iraqi military.

Despite progress in Iraq, violence continues. The most recent report on the security of Iraq by the Departments of State and Defense cites improved conditions but labels the situation in that country as “still fragile.” Although the United States should continue preparations for winding down the military mission, withdrawal from Iraq cannot be the sole driver of our policy there. We have strategic interests in Iraq, and it is important that our government is exploring ways to further those interests in the absence of significant U.S. military power in the country.

We also know that what happens in Iraq will have influence in many parts of the Middle East. Iraq’s status, stability, and relationships will affect balance-of-power calculations in the region. These are particularly important considerations, given the ongoing upheaval in Egypt.

Our ideal for Iraq is that it becomes a stable, pluralistic society that enjoys a genuinely representative government, maintains a self-sustaining economy, and cooperates with the United States and other like-minded nations to resist aggression and terrorism.

As we continue to work with the Iraqis, we will have to be judicious about how and when we exert leverage. Even if the Iraqi Government prefers to maintain some optical distance from the United States, it has reasons to preserve a good working relationship with us, including our backing for its territorial integrity, our mediation services with some Iraqi groups, our technical expertise, our ongoing military training, and other benefits that we bring to the table.

As we pursue goals in Iraq, we face competition from Iran, which does not wish to see a pluralistic, modern, American-friendly society next door. At this stage, the Iraqi Government has demonstrated its intent to maintain relationships with both Iran and the United States. But this is not a static situation, and Iraq’s alignment depends as much on domestic political forces as it does on calculations of its need for external support.

Iraq’s ability to provide for its own security, meet budget demands, and maintain basic services, including electricity and education, will depend heavily on how it develops and manages its oil resources. Currently, Iraq is producing about 2 million barrels of oil per day. Based on the 12 contracts the Government of Iraq signed with international oil companies to develop 14 oil fields, Iraq expects to increase production capacity by 400,000 barrels per day by the end of this year. The contracts call for Iraq to reach the extremely ambitious target of 12 million barrels per day by 2017.

An authority at PFC Energy stated that this would mean Iraq would “achieve, in 7 years, what it took Saudi Arabia 70 years to do.” The hurdles Iraq must clear to make that happen are tremendous, however, and industry experts think Iraq will be fortunate to reach 5 million barrels per day by the end of 2016.

To reach even the 5-million-per-day figure, the equivalent of adding about a half million barrels per day per year over the next 6 years, would require absolute commitment by the government. It would require that a large share of oil revenues be reinvested into oil infrastructure. It would require that security continue to improve. And it would require that oil revenue and investments be handled transparently, with a minimum loss to corruption. Iraq also will have to overcome the brain drain that has occurred in the country over the last 8 years and seek an infusion of human capital—much as Saudi Arabia did—to help manage this massive effort.

Iraq’s capacity for sustaining democracy will depend greatly on the outcome of its oil development efforts. If oil revenues are expanded and transparently managed for the good of the whole country, there will be less tension between factions and regions and more stability grounded in improved services and education.

What should the United States do to encourage the Iraqis to develop their oil production infrastructure, while simultaneously preventing the development of a petro-dictatorship over the longer term as oil revenues increase?

How will our programs going forward help Iraq withstand pressures from Iran?

Is the planned United States civilian presence in Iraq sufficient to achieve our strategic objectives, and are we confident that the planned security arrangements for the Embassy and other United States installations in Iraq are adequate and will allow American personnel to carry out their mission?

I appreciate very much the efforts of Ambassador Jeffrey and General Austin, and I look forward very much to their testimony today.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar.

Gentlemen, again, we welcome you and we’re glad to have you here.

Ambassador Jeffrey, you’ve been through this a number of times. We were commenting beforehand that you were sitting here with Condoleezza Rice a number of years ago when she was testifying. Glad to have you back and really appreciate your testimony today. Thank you.

So, we go first with Ambassador Jeffrey and then General Austin.

**STATEMENT OF HON. JAMES F. JEFFREY, AMBASSADOR TO  
IRAQ, U.S. DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador JEFFREY. It’s good to be back, Senators.

Chairman Kerry, Ranking Member Lugar, Senators, thank you for holding this hearing and inviting General Austin and me to appear before you to discuss the issues associated with the United

States transition from a military-led to a civilian-led presence in Iraq.

We would like, at this time, to submit our joint written statement to the record.

The CHAIRMAN. Without objection, it'll be printed in the record as if read in full.

Ambassador JEFFREY. We face a critical moment now in Iraq, where we will either step up to the plate, finish the job, and build on the sacrifices made, or we will risk core U.S. national security interests, be penny-wise and pound-foolish, and cede the field to al-Qaeda and other dangerous regional influences.

We have, today, a historic opportunity and a critical window to help Iraq emerge as a strategic partner and a force for stability and moderation in a troubled region. We cannot afford to let the gains we have sacrificed so much for slip away.

The President has clearly articulated our vision for partnership with Iraq. We seek there a country that is sovereign, stable, and self-reliant, with a government that is just, representative, and accountable, that denies support and safe haven to terrorists, is able to assume its rightful place in the community of nations, and contributes to the peace and security of the region.

The United States military, as we all know, have performed admirably, but they cannot stay in Iraq forever. The Department of State is ready to take the lead, but we need the support and resources to finish the job.

We need to have platforms around the country to carry out key transitional missions for the next 3 to 5 years. These include work with political, economic, security, and other officials, throughout the country, especially in key areas, such as Kirkuk and Mosul, where past experience has shown how a small number of Americans, working daily with their Iraqi counterparts, can have a disproportionately great impact in helping to defuse crises and produce long-term solutions. Our missions also include helping the Iraqis professionalize their police, an absolutely crucial component to this country's long-term stability, to provide security assistance to help the Iraqis finish the job against al-Qaeda and other terrorist groups, and to develop a core conventional defense capability.

To not finish the job now creates substantial risks of, what some people call, "a Charlie Wilson's War" moment, in Iraq, with both a resurgence of al-Qaeda and the empowering of other problematic regional players. Al-Qaeda, as we all know, is still capable of devastating attacks that threaten Iraq and that threaten us and that threaten the region. Gutting our presence in Iraq could also provide Iran increased ability to create anxieties in the region that, in turn, could spiral out of control.

The United States has paid a dear price in this war. Over 4,300 deaths and over 3,300 wounded among our military personnel, along with hundreds of Embassy casualties, and a far greater toll among the Iraqi security forces and civilians. As Vice President Biden stated during his recent visit, "It is vital that we leave behind an Iraq that is worthy of the sacrifices that so many U.S. troops and civilians have made."

While all U.S. Government work is expensive in Iraq, due to their security situation, a robust civilian presence represents a sig-

nificant reduction in expenditures. For example, between 2010 and 2011, the U.S. Military withdrawal reduced the bill by approximately \$15 billion, while the increase in State's budget was only \$2.5 billion. And while the State Department's 2012 funding needs will naturally increase over that level because of the military to civilian transition, the overall cost for the United States will continue to decrease dramatically.

Moreover, United States development assistance to Iraq is not open-ended. Iraq has vast untapped oil resources. But, due to the devastated oil infrastructure, it will be a number of years, as Senator Lugar described, before Iraq will have meaningful new oil revenue. It's a short period of time, but it's a crucial period of time.

And again, as Senator Kerry recently wrote to the Secretary of State, getting the civilian transition in Iraq right will also demonstrate, more generally, the ability of our country to transform security successes in war zones into long-term stability that goes beyond Iraq, including, for example, in Afghanistan.

In closing, I would like to thank the Department of Defense, the Central Command, and above all, General Austin and his troops, for the support they are giving us in this mission. While our agreement is to go down to zero troops in-country, we have tremendous support from the U.S. military that will continue backing our Office of Security Cooperation and Over the Horizon and CENTCOM. This is crucial for what we'll be doing there, and it's crucial for what we're doing throughout the region.

I would also like to express my admiration and humility for the commitment and sacrifice I see every day in Iraq on the part of our civilian staffs, military members, and our Iraqi partners, as they risk their lives in a cause for which they believe in: the Iraq I've just finished describing.

Thank you once again for the opportunity to appear before you today. I will be happy to answer any questions the committee may have, and look forward to working hand and hand with you and your other congressional colleagues.

[The joint prepared statement of Ambassador Jeffrey and General Austin follows:]

PREPARED JOINT STATEMENT OF AMBASSADOR JAMES F. JEFFREY AND  
GEN LLOYD J. AUSTIN

WHY IRAQ IS IMPORTANT TO THE UNITED STATES

A stable Iraq will play a critical role in achieving U.S. foreign policy objectives in the Middle East for the foreseeable future. Iraq's strategic importance is based on a number of factors. Iraq plays a central role in the Arab and Muslim worlds and hosts Shia Islam's holiest sites. Iraq has a diverse, multisectarian and multi-ethnic population. Geographically, Iraq is strategically positioned between major regional players, including Jordan, Kuwait, Saudi Arabia, Turkey, Iran, and Syria. Iraq represents the frontier between the Arab and Persian worlds. And because it is endowed with a significant portion of the world's oil reserves, Iraq will play an increasingly influential role in the global economy. We must remember that for most of its modern history, Iraq has been aligned with our adversaries, a threat to our friends and interests, and a destabilizing force in the region and world.

We now face a historic opportunity—and a critical window—to help Iraq emerge as a strategic partner and a force for stability and moderation in a troubled region. An enduring Iraqi-United States partnership will be critical in enabling Iraq to be that positive force. It is in our national interest to fully support that partnership. We cannot afford to let the gains we have sacrificed so much for slip away before they are cemented.

U.S. Interests: The United States has important national interests in the greater Middle East. These include the unity and security of Iraq as well as continued development of its democratic institutions and its reintegration into the region. U.S. national interests related to Iraq are: regional nonproliferation; counterterrorism cooperation; access to energy; and integration of the region into global markets.

#### ADMINISTRATION POLICY

U.S. policy is set by President Obama's 2009 speech at Camp Lejeune, which reaffirmed the 2008 Security Agreement, calling for the withdrawal of U.S. forces by December 31, 2011, and the 2008 Strategic Framework Agreement, which lays out a long-term strategic relationship between the United States and Iraq in the fields of diplomacy, economics, energy, security, and rule of law. The goal of the President's policy is to promote security and prosperity in Iraq, transition responsibility for security to the Iraqis, and cultivate an enduring strategic relationship with Iraq based on mutual interests and mutual respect.

In so doing we seek an Iraq, as described in the Camp Lejeune speech and the May 2010 National Security Strategy, that is sovereign, stable, and self-reliant; with a government that is just, representative, and accountable; that denies support and safe haven to terrorists; is able to assume its rightful place in the community of nations; and contributes to the peace and security of the region. Consistent with this policy, President Obama announced the end of Operation Iraqi Freedom and combat operations in Iraq on August 31, 2010. Prior to the end of combat operations, the administration withdrew nearly 100,000 troops, closed or transferred to the Iraqis hundred of bases, and moved millions of pieces of equipment out of Iraq. These actions marked a key transition as Iraqis assumed responsibility for their own security. The transitional force of less than 50,000 U.S. troops that remains has a new mission to advise, train, assist, and equip the Iraqi Security Forces, protect our personnel and property, and participate in counterterrorism operations. As the military draws down, civilians—diplomats, aid workers, and advisors—are moving into a more prominent role to support Iraq in achieving its political, economic, security, and diplomatic goals. Our success in Iraq will require continuing the strongest possible U.S. military and civilian cooperation on the ground during the drawdown.

#### CURRENT SECURITY SITUATION AND A LOOK TOWARD 2012

Despite some predictions to the contrary, security in Iraq improved during the 9-month delay in government formation. Security incidents in 2010 were 25 percent lower than 2009 due, in large part, to the credible performance of the Iraqi Security Forces (ISF). They were instrumental in creating the space necessary for peaceful dialogue.

That said, there is still much work to be done; 2011 will be a critical, challenging year—one that sets the conditions for Iraq's continued progress. Security trends are good but the environment is complex. Iraq still faces dangerous and determined enemies, each with their own objectives and tactics.

Al-Qaeda in Iraq (AQI) is degraded but determined. Recent attacks targeting Christians, including a horrific attack October 31 against Our Lady of Salvation Church, as well as against Shia pilgrims during the observation of Arba'een demonstrate AQI's capability to conduct high casualty-producing attacks. However, the window of time between AQI attacks has widened while the level of sophistication of their attacks has declined. This degradation in capability is largely due to the efforts of Iraqi and U.S. special operations forces, working together to maintain constant pressure on extremist networks. Additionally, restricting financing and command and control capability greatly limits AQI's ability to conduct signature attacks. While they remain determined, they will not achieve their aim of inciting sectarian conflict—the Iraqi people continue to stand together and reject AQI principles.

While AQI remains Iraq's most dangerous enemy, Shia extremist groups continue to be a serious threat. Groups such as Kataib Hezbollah, Asaib al-Haq, and the Promised Day Brigade have indicated their intention to increase violence against U.S. forces and they continue in their attempts to do just that. And while they may focus on U.S. forces now, we believe they will likely target the Government of Iraq after U.S. forces depart.

We assess Iraq's security environment will be relatively stable in January 2012 due to a number of factors. AQI will remain capable of signature attacks but will lack public support. The Sunni insurgency will continue to present a low-level threat. Shia extremists will continue to be funded, trained, and equipped by Iran. Violence will be masked by criminality, illicit smuggling, and extortion—a blend of extremism and crime. The ISF will be increasingly capable of providing internal se-

curity, but will not be capable of providing for external defense. The Army will not be capable of conducting combined arms operations due to incomplete fielding of modern equipment that will still be arriving as U.S. forces depart. The Navy will have limited capability to defend territorial waters and the Air Force will lack the capability to maintain air sovereignty. Police will be unable to assume full responsibility for internal security in many regions due to lagging development of capabilities and professionalism, further hampered by poorly defined relationships between the Ministries of Defense and Interior.

#### IRAQI SECURITY FORCES GAPS

For the United States to achieve its goals, the Government of Iraq must provide for Iraq's internal security, develop external defense capabilities, and lead and manage its institutions. As Iraq emerges from an extended government formation process, interministerial conflict, ethnosectarian tensions, and malign Iranian influence will continue to serve as barriers to progress. While U.S. operations through 2011 will address many of these issues, gaps in capabilities will remain. These gaps include:

- Counterterrorism operations and intelligence fusion.
- Cross-ministerial and interagency intelligence-fusion and information-sharing.
- Sustainment and logistics.
- Combined arms (external defense)
- Air sovereignty/air defense.

#### FIVE "M'S" OF TRANSITION

At the national strategic level, the transition to a civilianized post-2011 relationship under the Strategic Framework Agreement involves a number of key factors, what we call "the five M's." These are: new Missions, Money and other resources, coordination with Prime Minister Maliki's government, Months left to complete the job, and Management of the whole process. Let us cover each of the "M's" in more detail.

(1) *The New Missions*: The National Security Strategy lays out specific tasks the Embassy will have to assume from United States Forces-Iraq (USF-I). These include:

*Broader Diplomatic Presence*: 2011 will see a huge drop in U.S. presence in Iraq as almost 50,000 troops and many tens of thousands of Defense Department contractors depart. USF-I and the 16 diplomatic Provincial Reconstruction Teams (PRTs) we have now are carrying out extraordinary security, political outreach, training, economic, and developmental assistance programs, and giving the Embassy, USF-I headquarters, and Washington situational awareness over the breadth of Iraq. This presence has been instrumental in aiding Iraq in achieving not only its security, but also remarkable political and economic progress. But we need a temporary civilian-led presence in these areas for a few years to further build on what our military and PRTs have done, to diffuse crises, and produce long-term solutions. To this end, civilian engagement with Iraq's provinces, currently led by PRTs, will consolidate into four strategically located diplomatic outposts. The Department of State will soon inaugurate two consulates—in Erbil and Basra—and two Embassy branch offices—in Mosul and Kirkuk—as well as utilize the Office of Security Cooperation in Iraq (OSC-I) offices and police training hubs as secure platforms for assistance throughout Iraq.

*Development Assistance*: Aside from general political engagement and situational awareness, U.S. Government assistance through these platforms and USAID programs will emphasize strengthened provincial governance, community and civil society participation, economic reforms to expand the private sector economy, respect for the rule of law and human rights, improved delivery of key social services, preparations for future elections, and the continued return and resettlement of displaced persons. USAID development programs assist Iraqis to use their own human and natural resources more effectively and sustainably and coincide with USG and Iraqi prerogatives laid out in the Strategic Framework Agreement as well as the Iraqi Government's stated priorities in its own National Development Plan.

*Modernization of Iraqi Security Forces*: As noted above, the ISF are not ready to independently provide for Iraq's defense despite their impressive performance thus far. They need continued U.S. support. U.S. Embassy Baghdad will continue the efforts of USF-I to develop Iraq's Security Forces, now more than 650,000 strong, through Security and Defense Cooperation and Security Assistance activities under the Office of Security Cooperation-Iraq (OSC-I). This mission will include advising, training, and equipping Iraqi forces, supporting professional military education, and

planning joint military training exercises. It will allow for continued fulfillment of 336 cases of Foreign Military Sales (valued at \$8 billion) and ensure the delivery of M1A1 tanks, patrol boats, howitzers, armored personnel carriers, and more. The OSC-I will also enable the delivery of an additional 61 cases of Foreign Military Sales (valued at \$5 billion) already requested by the Government of Iraq. It is projected to have a full-time staff of 157 military and civilian personnel as well as hundreds of case-related specialists for Foreign Military Sales at any one time.

We believe the OSC-I is important to a successful Iraq transition. The Department of Defense and the Department of State will work with Congress on requested resources and authorities needed in order to support the OSC-I.

*Police Development Program:* We need to help the Iraqis to professionalize their police, an absolutely critical component to the country's long-term stability. The U.S. Embassy in Baghdad and the State Department's Bureau of International Narcotics and Law Enforcement Affairs will oversee a continuing USG effort to enhance the professionalism of the Iraqi police force through advanced mentoring at the ministerial and provincial level and through specialized training. The transition to a civilian-led partnership with the Iraqi Ministry of Interior will be a central element of the U.S. support to Iraq's Security Forces. This partnership will include 190 advisors at 28 advisory locations in 10 provinces, eventually reaching approximately 55 percent of the roughly 287,000 police assigned to the Iraqi Police Service and focused on population centers representing more than 65 percent of the Iraqi population. The goal will be to facilitate a professional, competent, and self-sufficient Ministry of Interior that provides security and stability to its citizens and is able to effectively counter terrorism and organized crime within 5 years.

*Information-Sharing:* Counterterrorism cooperation is the primary focus of our information-sharing mission. Current information exchange programs in Baghdad will continue, with limited information exchange—including tactical data—at consulates and branch offices. U.S. Embassy Baghdad will also maintain operations and information liaison at various headquarters, operation centers, and intelligence fusion cells in four major cities in Iraq.

*Logistics:* To support various missions and operating locations in an austere and nonpermissive environment, U.S. Embassy Baghdad must take on many logistical functions that USF-I currently provides for its forces, PRTs, and the Embassy. These include securing sites outside of Baghdad and providing personal security details, administering the Department of Defense Logistics Civil Augmentation Program's life support contract for all U.S. personnel in Iraq, managing the supply lines for food, fuel and material, operating emergency medical facilities, and running in-country and regional air operations.

(2) *Money and Other Resources:* If the Department of State is to effectively take the lead from our military colleagues, we need the support and resources to finish the job. As Vice President Biden said on November 20, 2010: "While the day will come when Iraq's vast natural wealth can fully finance its security and investment needs, and when its civilian institutions no longer require such intensive support, it has not yet arrived. Iraq has increased its own spending in these areas, and with sustained American engagement, it will emerge from generations of trauma to become a stable and self-reliant nation. That is why, even at this difficult economic time, we are asking Congress to fulfill our budget requests to support America's continued engagement, including our broader diplomatic presence, modernization plan for the Iraqi security forces and financing for a police development program." While all U.S. Government work is expensive in Iraq due to the security situation, a robust civilian presence represents a significant savings for the taxpayers from the bills they have been paying for the past 8 years. Given all the U.S. has sacrificed in Iraq, now is not the time to be penny-wise and pound-foolish and risk ceding the field to al-Qaeda and Iran. One of the hard lessons from America's past experience in Afghanistan right after the cold war is the necessity of supporting and influencing the transition of war-torn nations from conflict to stability to peace and prosperity.

(3) *Months to January 2012:* We have a limited time to successfully implement this transition. The Department of State will have to take over the above mentioned missions, deploy many thousands of additional personnel, and expend significant funds to build out various sites, all within less than a year.

(4) *Coordination With Prime Minister Maliki's Government:* The cooperation of the Government of Iraq is essential to achieving the new missions above in the time allotted. Specifically, we are asking that the Government of Iraq finalize Land Use Agreements, provide security support with Iraqi Security Forces to U.S. diplomatic establishments and activities, and allow for the continuity of current security, aviation, and ground movement operations now provided by USF-I.

(5) *Management*: The U.S. Government must execute this entire program, from budget execution through personnel deployments, site construction, and transfer of missions. The greatest asset of the operation, and of the Embassy in Baghdad, has been the extraordinary support provided by USF-I, CENTCOM, and the Department of Defense. This support, and the closest possible civilian-military cooperation during and after the transition, is vital to our success.

CONCLUSION

To quote the President in his address on the end of combat operations in Iraq on August 31, 2010: “The Americans who have served in Iraq completed every mission they were given. They defeated a regime that had terrorized its people. Together with Iraqis and coalition partners who made huge sacrifices of their own, our troops fought block by block to help Iraq seize the chance for a better future. They shifted tactics to protect the Iraqi people, trained Iraqi Security Forces, and took out terrorist leaders. Because of our troops and civilians—and because of the resilience of the Iraqi people—Iraq has the opportunity to embrace a new destiny, even though many challenges remain.”

Our over-arching goal in this transition is to build a viable partnership that will flourish into the future well after our troops have departed, and to honor the many thousands of Iraqis and Americans who have given their lives for a greater cause—a cause that embraces all of us here as we endure to leave behind an Iraq that is worthy of their sacrifice.

The CHAIRMAN. Thank you, Ambassador General.

**STATEMENT OF GEN LLOYD JAMES AUSTIN III,  
COMMANDING GENERAL, UNITED STATES FORCES-IRAQ**

General AUSTIN. Chairman Kerry, Senator Lugar, distinguished members of the Committee on Foreign Relations, thank you for the opportunity to testify with Ambassador Jeffrey this morning. I’d also like to thank you for your support to our men and women in uniform, as well as our civilian partners at the Embassy.

Ambassador Jeffrey has the most the professional team of diplomats that I’ve ever witnessed in my career. And it is indeed an honor for me to serve with him and his team.

I’d like to take just a few minutes to give you my assessment on the current security environment and the capabilities of the Iraqi security forces, and where I see them in 2012 and beyond.

The security environment in Iraq has been steadily improving over the past few years, most notably during the delay in government formation from March to December 2010. It was very encouraging to us that the Iraqi security forces remained apolitical and performed admirably during that time.

They provided the Iraqi leaders the time and space that they needed, and their admirable work is paying off. Today, Iraq has the most inclusive government in their nation’s history, and the security environment is the best it has been since 2003. Security incidents in 2010 were 25 percent lower than the previous year, and that trend has continued, following government formation.

Security is the foundation for continued progress in Iraq. The security environment continues to improve, but, as Ambassador Jeffrey noted, it will remain complex, and threats to Iraq’s stability will remain in 2012. Sunni extremist groups like al-Qaeda, will continue to target the Government of Iraq, the Iraqi security forces, and the Iraqi civilians in order to garner media attention, in an attempt to demonstrate that the government cannot provide security for the Iraqi people. Shia extremist groups will continue to target U.S. personnel, the Iraqi Government, and its institutions.



While the Iraqi security forces have a good capability to confront Sunni and Shia extremist groups, they will have gaps in their external defense capabilities in 2012. Iraq will not be able to defend its air sovereignty for some time. They will also require continued development on capabilities, such as logistics and sustainment and intelligence, as well as new equipment fielding and more complex training, such as combined arms training and joint forces training.

United States Forces–Iraq and the Embassy are joined at the hip and are closely working our transition. USF–I is developing the Office for Security Cooperation, which will fall under the Embassy and assume responsibility for continuing the training programs and the 13 billion dollars’ worth of foreign military sales programs that we have with the Iraqis. This office will work hard and be dedicated to narrowing the capability gaps within the Iraqi security forces.

Clearly, there is much work to do, but I am encouraged by the progress that Iraq has made over the last few years, and I’m confident that Iraq can achieve its full potential if it stays on the path that it’s currently on. A stable, secure, self-reliant Iraq will provide stability to a region that has been historically unstable. The underpinning of Iraq’s progress has been the improving security environment, and the ISF will be key to Iraq’s success in the future.

We, at United States Forces–Iraq, are doing everything that we can, with the limited time remaining, to strengthen the Iraqi security forces. The key to the successful transition from a military-led effort to a civilian-led one is the need to fully resource the Embassy to perform these tasks and responsibility.

I’d like to take just a moment to publicly acknowledge the near 50,000 soldiers, sailors, airmen, marines, and coastguardsmen, as well as our corps of professional civilians serving under United States Forces–Iraq, for their dedication and their perseverance.

I would also like to commend our families for their many sacrifices. We certainly would not be where we are today without their unwavering support.

Mr. Chairman, members of the committee, thank you once again for this opportunity to appear with Ambassador Jeffrey this morning. And I stand ready to answer any questions that you may have.

The CHAIRMAN. General, thank you very much.

Again, thank you both for your leadership.

What we will do is have a 7-minute round.

For those of you new to the committee, we’ve always operated on a seniority basis; some committees do it on the early-bird, but we have stayed with that. And we go back and forth, side to side. So, hopefully it is a fair distribution of the time and effort.

Let me begin by, first of all, asking—Ambassador, your mission is supposed to achieve full operational readiness by October, is that correct?

Ambassador JEFFREY. It goes in layers, Senator, depending upon whether it’s police training or the OSCI or standing up some of these things. But, by the October–December time period, we need to have our basic initial operating capability up in all areas.

The CHAIRMAN. And is it your judgment today that you’re on track to achieve that by that time?

Ambassador JEFFREY. We are on track to achieve the initial operating capability. That's right, sir.

The CHAIRMAN. Now, to what degree do the outstanding issues—political issues, that have been outstanding for a long period of time—I mean, I can remember we talked about this briefly before the hearing when Condoleezza Rice testified before us; I think it was down in the first floor, in Dirksen—she said we were momentarily about to achieve the agreement on the oil revenues and the constitutional issues, et cetera. We are now 3 or 4 years later, and we still don't have those agreements at this point in time. To what degree does that—I mean, is that a signal that is a warning system to us about what may happen as we drawdown and leave? Or is that something that you feel is just manageable and it's the way of life, period?

Ambassador JEFFREY. Frankly, Senator, that's one of the things I'm more confident about.

Mr. Chairman, what we've seen is not final resolution of any of these problems, but we've seen dramatic progress over the last several years. For example, in the formation of government—it took a long time, but the formation itself was part of the political process. The various groups—the Kurdish Alliance, the Iraqiya People, which is a Sunni/Shia alliance, and the National Alliance, primarily of Shia—basically came to agreement on a number of power-sharing issues. They decided that they would make a final hydrocarbons law, on oil revenue-sharing and other issues, to be one of their top priorities. And they've taken steps in this direction, both in the way that they have dealt with some of the problems, be it the Central Bank and its independence over the last few days, or, for example, oil being shipped out of northern Iraq from areas of the Kurdish regional government into the pipeline to Turkey. This has been an issue in the past. They reached an agreement, the other day, that will allow, initially, 100-, and soon 150,000, barrels a day. This is to respond both to the IMF and to their own internal needs.

But, it's this kind of step-by-step, if you will, slicing the salami that, frankly, is characteristic of democratic political processes around the world. It's slow, it's complicated, but it's heading in the right direction. And it's very, very different from when I was there in 2004, 2005.

The CHAIRMAN. General, how do you—can you give us a sort of stronger, personalized kind of evaluation, if you will, of the capacity of the Iraqi Army to respond, particularly the type of—I mean, most of the gains that we've made, I gather, have been special forces operations, jointly, backed up, obviously, by everything else—but, the ability to sort of neutralize al-Qaeda, at this point in time. In the absence of our lead on that, can you share with the committee, what it is, on a personal level, gut level, that gives you a sense—maybe some examples of the kinds of things that may have even surprised you about Iraqi capacity, that gives you a sense that, without our presence, they can hold on to those gains?

General AUSTIN. Well, thank you, Senator.

And, as you know, this is my third tour in Iraq. And so, I've watched this force develop over time. And we, basically, began with

very little, and where we are—if you look at where we are now, it is truly remarkable, in terms of the progress that has been made.

My assessment is that the Iraqis do have the ability, or will have the ability, to conduct internal—or provide for internal defense. As a matter of fact, they are leading the effort today in addressing all of the issues—all of the security issues in the interior of Iraq. So, there are things that they need to continue to work on. Things like logistics and sustainment, and intelligence collection, analysis, and dissemination. But, they've made great progress.

And, if you look for any examples, I would say there are two that spring to mind right away. The first is the fact that, you know, it took about 9 months to form the government. And, in that 9-month period, the Iraqi security forces held steady. Not only did they hold and remain apolitical, but the security in the country was improved incrementally over time.

The other thing that I would point to is that most recently, here in the last week and a half, we witnessed a pretty large religious observance in Iraq: the Arbreen observance. The estimates that there are—or that there were about 9 million or so pilgrims that traveled down and attended that observance in Karbala. And, whereas we did see some violence, it compares to what we saw last year. And last year, there were only about 3 million pilgrims on the road. But, this year, a lot more pilgrims, about the same amount of violence. The Iraqis planned and executed the security for that event on their own. And that's very, very encouraging.

So, there are a number of instances like that throughout. I think they continue to improve. But, again, there are a couple of things that they will have to continue to work on.

The CHAIRMAN. Ambassador, with respect to the security situation for your personnel, as the military does draw down to negligible presence, how do you envision providing this balance between the right amount of security for people and not having them sort of bunkered into these various facilities?

Ambassador JEFFREY. Thank you, Mr. Chairman.

First of all, to do our job, we have to get outside the wire and go to the Iraqis. Not every day. Sometimes they come to us. Sometimes we can use telephones. But, you have to do that, for many reasons, including to show them that you're out there with them.

We are doing this now. We're doing it under dangerous conditions. We had a vehicle from a Baghdad PRT on the road hit by an IED this morning. No casualties. But, this is a common—essentially, a daily occurrence between indirect fire, IEDs, and other attacks. And we've been doing it for years.

When I was there in 2004, 2005, we had large installations—we called them "REOs"—in Hillah, Kirkuk, and Basrah, that we operated and secured ourselves. And we did most of our movements ourselves throughout those areas. Again, we took casualties, but we got the job accomplished.

What we will do—

The CHAIRMAN. You did that with a combination, did you not, of private security forces and military backup?

Ambassador JEFFREY. Well, we had no military backup, for example, in Basrah, because there were no U.S. forces within hundreds of miles of there—

The CHAIRMAN. There were British.

Ambassador JEFFREY [continuing]. At the time.

The CHAIRMAN. Didn't you have British—

Ambassador JEFFREY. There were British, but, as I said—let me just say that we were on our own, Senator, and we secured our own people.

The CHAIRMAN. And secured them with the diplomatic security, with—

Ambassador JEFFREY. Diplomatic security and contractor security.

Our plan is, as much as possible, to use the lessons we've learned from the military, for example, on dangerous moves, using what are called MRAPs—those were the vehicles that our people were in today, that are more heavily armored than our own vehicles; we'll be receiving some from the U.S. military in the months ahead—to use route reconnaissance, QRFs. We have a large number of helicopters dedicated for medevac and for reinforcement.

And much of this, we have done before in Iraq and other countries. The magnitude of it is a bit different. But, we are very, very confident, in this regard, that we can do the job.

The CHAIRMAN. Well, I appreciate that.

I've gone over my time. Let me just say, first of all, that I think we have to be careful in replacing the military presence we have today with a private mercenary presence, in a sense, adequate to the task. And I think that's going to be a delicate balance. We see how President Karzai is responding to private security forces in Afghanistan, and I think we're going to have to be sensitive to that and, therefore, get the right balance in the overall deployment. And I think those are issues we've put out in the report today. And we can come back to that later.

Finally, let me just say, it's good to hear your Massachusetts-influenced voice and accent here. [Laughter.]

It gives me great confidence.

Senator Lugar.

Senator LUGAR. Well, thank you, Mr. Chairman.

Let me just follow up on some of the comments I made in my opening statement about oil developments in Iraq. I have several questions. I'll put them all together in one composite and ask you, Ambassador Jeffrey, to respond.

First of all, how great a success are the Iraqis having, or will they likely have, over the long term in developing their own capacity given that the international oil companies are bringing in their own personnel from outside the country? Are the IOCs making investments in training Iraqis, or are they likely to do so, as opposed to exclusively utilizing their own national employees?

Second, if Iraq does develop beyond its capacity to produce much more than 2 million barrels per day—and they've been sort of stuck in this range for a while—what will be Iran's reaction to a northern gulf oil market dominated by Iraq, as might be the case, if the Iraqis are as successful as they hope to be?

Now, third, as a part of this, unfortunately an old friend of mine has told me that he has been offered a direct sale of Iraqi oil at a \$10-per-barrel discount. But, coming along with that proposition was a demand that he pay the "advisor," \$5 per barrel of the \$10

discount. Now, the whole problem of corruption and its effects on all sorts of dealings has, in various ways, plagued several countries other than Iraq. What progress can you cite in this area?

So, to summarize, I would like your composite feeling on, first of all, how international oil companies are employing and training personnel, with the hope that investments will be made to train Iraqis to manage their country's petroleum sector; second, the Iranian reaction to increased Iraqi oil production; and finally, the role that problems related corruption are affecting Iraqi oil production capabilities. Is it possible that Iraq will increase its capacity to produce? What should our attitude be on these matters? We're going to be, now, probably among those who are attempting to buy Iraqi oil, although most of the initial contracts seem to have been elsewhere. But, discuss, if you can, for us this overall picture and the confidence that you have.

Ambassador JEFFREY. Thank you, Senator Lugar.

First of all, we think that the Iraqis, so far, have been quite successful—in fact, surprisingly successful, given the difficult operating environment throughout the country—in reaching what is the initial 10-percent increase in oil production. So, Iraq is now up probably well over 2.4 million barrels a day in actual production. Exports are also climbing.

Right now, what is slowing things down is, Iraq needs to complete a major rehaul of its—and buildout—of its offshore terminals—what's called the ICOEE project—by the end of this year, to double the ability to export from the south. They export about 20–25 percent of their oil out of the north, through Turkey. Once that is done, they and the IOCs will be on track to considerably expand to perhaps—within a relatively short period of time, in the order of 3 million barrels a day of exports, roughly equivalent to what Iran is doing, and move forward from there. They have the second largest reserves in the Middle East, we think. Extraordinary capabilities.

The IOCs are doing well. Rather like us, in fact. I went down and visited several of the sites. They have large operating installations that those of you who have visited our FOBs in Iraq or Afghanistan would find quite familiar. They have to do security. They do hire a lot of Iraqis. It's something we're looking at and trying to do, as well. It makes sense, from several standpoints, ranging from cost to local awareness, security, and relations with the local folks.

The question of Iran, I have a hard enough time working out United States policies toward Iraq; I don't know how Iran would react, Senator. That would just be hypothetical.

I will say that, as Iraq's oil exports climb, this has a downward effect on international prices that is quite significant. And so, not only Iran, but other countries in the region, will notice that. There will be some issues related to the quotas under OPEC. Iraq remains an OPEC member state, but it currently does not have a quota on it. At some point, that will become an issue again. So, there are several things that will arise, not just with Iran, but with other countries. But, I think that, in the long run, Iraq's success is a success for everybody in the region, because it will contribute to stability.

And, in terms of the \$10-a-barrel discount, there's a fair amount of corruption, as the Iraqis are the first to acknowledge, in Iraq. And we have various programs. That's one of the things we've been most active on. But, in terms of oil sales, these have been under the supervision and observation of the United Nations since 2003, very closely.

We're transitioning, with the recent lifting of several U.N. Security Council Resolutions on December 15, to an Iraqi mechanism for handling the sale of these quantities of oil. But, in any case, they will still have to be transparent sales, because, among other things, the Iraqis still have to compensate 5 percent of their total sales to Kuwait, under U.N. Security Council resolutions. So, there are very good mechanisms specifically for oil exports. Smuggling and other things, it's a somewhat different story.

In terms of the United States, we, last year, imported almost 10 billion dollars' worth of oil from Iraq. So, we're a major customer, even though we don't have as large an exposure among the IOCs as other countries do. But, still we have ExxonMobil and we have Occidental there, and a lot of oil service companies, as well, active.

Senator LUGAR. Well, I'm glad you touched on the last point, because many American citizens would say that we have given a great deal, in terms of sacrifice, to bring Iraq to this particular point. How ironic it would be, in a world fighting over oil resources, if we came out on the short side of this. Given that we want Iraq to be self-sustaining, we appreciate that this is the revenue that could make it a successful state. Still, in our own way, we would like to see American firms playing a part in the revival of that industry, this country having given as much as we have given. Is there a sense, on the part of the Iraqis, of some equity of that sort?

Ambassador JEFFREY. I wouldn't put it in that direct an equation, Senator. What I would say is that there is great respect for American firms, and great respect for American technology and know-how. The Iraqis have worked closely with us on great variety of things, primarily to the military, but also in the civilian sector.

The Iraqis prequalified, in their set of contract negotiations that you discussed earlier, seven American firms. This was the largest number of firms from any country. In the end, only two American firms engaged in bids, but the reason for that was the firms' decision, in terms of profit loss, engagement, other competing priorities, not that of the Iraqis. I'm very, very confident that the Iraqis—they talk about this all of the time, from Prime Minister Maliki and President Talibani on down—they want to see more American companies come. But, unlike some of the national oil companies, we, in the political and governmental sector, cannot really have much influence on these companies; they're international companies, they take their own decisions. But, we'll do everything we can to make sure they're aware of the opportunities and the benefits of doing this.

Senator LUGAR. Thank you very much.

Thank you.

The CHAIRMAN. Thank you, Senator Lugar.

Senator Cardin.

Senator CARDIN. Well, Mr. Chairman, thank you very much.

And, Ambassador Jeffrey and General Austin, we very much appreciate your service and what you've been able to do on behalf of our country.

At previous hearings, including one with Secretary Clinton, I've raised the issues of the refugees and the internally displaced individuals, and was assured that this is one of the highest priorities of our government, is to make sure that these issues are attended to by the Iraqis and that there is attention given to the plight of the refugees.

It's my understanding that there's still a large number of refugees in Syria, in Jordan, in other neighboring countries, and that there are many Iraqis that have been internally displaced that have not been able to go back to their original communities. The longer this issue is left outstanding, a de facto situation exists that makes it almost impossible for people to be able to return to their communities. Can you give me a status as to where we are and what the United States position is, in regards to making this a priority in our relationship with Iraq?

Ambassador JEFFREY. I'll give it a try, Senator.

First of all, this is one of our largest priorities. In past years, we've put well over \$300 million a year into refugee assistance for Iraq. We also have several programs to bring Iraqi refugees to the United States. Over the past number of years, we've brought at least 78,000 to the United States. Last year, it was approximately 18,000, and it generally stays at about that level.

In terms of the numbers, the UNHCR has registered about 200,000 in Jordan and Syria. We and the Iraqis believe there's considerably more there. These people have family, tribal, professional, and other contacts with their neighboring Arab countries, and it's easy for them to move back and forth. So, the number is considerably larger than that.

In terms of internally displaced folks, there's about 1.5 million that were displaced after the violence, beginning in 2006, in Samarra. And there were about 1.2 million displaced, again internally, prior to that. So, it's a very, very large number of people. Again, we have many programs—health, food, direct grants, and others, through various NGOs, the UNHCR, the IOM, and other programs—to help them.

We're also working with the Iraqis, because as the oil revenues increase and Iraq grows more prosperous, we would expect the Iraqis to do more. They've recently increased, substantially, the amount of money that they're providing the internally displaced refugees. And we are working with them to, over time, take this over.

Senator CARDIN. Well, I appreciate that answer, and I strongly support the relocation of Iraqis who have assisted the United States, here in America, who are at risk in their own country. And we've worked hard to get those numbers up. And I also very much support the efforts of our financial assistance for—along with the international community—to help the refugees.

But, I guess my major focus of the question is: What are we doing so that people who want to return to their original communities can do so safely, and that the Iraqi Government makes that

a priority, to allow the return of families to their community, without fear of safety?

Ambassador JEFFREY. The overarching reason why people do not return, Senator, is concerns about security. And once you have a feeling that security isn't there, even if security has returned and you're living someplace else, you're very reluctant to go back. So, we're working with the Iraqis, first through the efforts of General Austin and the United States and Iraqi security forces, to improve security, and, at the same time, to reach out to people.

There also has been a political issue related to this. Many of the people who fled to Syria and Jordan were not happy with the makeup of the Iraqi Government. They felt that—particularly if they were Sunni-Arabs, that they wouldn't be treated correctly. We think that the inclusive government that we have now, with participation by all Iraqi groups, will be a step in the right direction and will help convince those people that they should return.

It's important to note that several of the people who now have high-level positions in the Iraqi Government, in fact, were basically refugees, not able to come back from Jordan, just a few months ago.

Senator CARDIN. Well, I would hope that you would keep us informed as to the efforts being made by the United States, with the Iraqis and the neighboring countries, to give more opportunities for people to return to their communities. I think that's in their interest, but it also deals with the financial commitments of refugees. It would ease that circumstance.

I want to underscore the point that the chairman made, as far as safety of our personnel. As we do this transition, which we all support, with our military presence being dramatically reduced, we want to make sure that our personnel are safe. So, I hope that you will be very open with this committee as to what we need to do to ensure the safety of U.S. personnel as we move forward with more of our programs to assist in the development of the country, rather than the security of the country.

But, on that same side that—the chairman has talked about a long-term commitment in Iraq—I think we all understand that we're going to be there, from the point of view of helping to rebuild the country—what can you tell us is being put in place to make sure that U.S. funds are being used in the most cost-effective way, that we have protections against U.S. funds being used to help finance corruption—local corruption in the country? How do we avoid that? And what are we doing for promoting U.S. values, including gender equity issues, making sure that we move—continue to make progress? Do we have an accountability system in place that gives us confidence that we should be considering a more permanent, longer term commitment to Iraq?

Ambassador JEFFREY. Yes, sir, on all of those accounts, Senator.

First of all, this is an important priority for us, and it's an important priority for this administration and the last administration. In fact, a unique institution, this Special Inspector General for Iraq, SIGIR, has been set up. And they have a very active program. They have dozens of people, either stationed or TDY, with us out in the field in Iraq. We also have the State Department and other IGs; but SIGIR, in particular, has been very active, looking into assist-



ance programs and how effective and how efficient they are, and to what extent that there is corruption. I meet with the head of it, Stewart Bowen, with his deputy and with other members, frequently.

In addition, since the time of Ryan Crocker, we have organized the Embassy in a unique way, where normally we have the Ambassador and then a Deputy Chief of Mission; but, for the economic and assistance elements of it, we've created, essentially, a second Deputy Chief of Mission, the Assistant Chief of Mission, currently Ambassador Peter Bodde, who looks into that and focuses directly on the issues of, "Are we getting our bang for the buck? Are we looking into corruption?" and these kind of issues.

A good deal of our assistance goes to—and a good deal of our political relationships with the Iraqis and our engagement with them—goes to issues such as gender equality, minorities, the refugee issue. We have a very, very broad dialogue with them. We played a role, behind the scenes, on some of the decisions taken, in the Iraqi Constitution, on gender equality. For example, 25 percent of the Parliament has to be female.

Now, there are problems with this, at times. For example, Iraqis, both men and women, were unhappy with the makeup of the Cabinet. The Prime Minister then decided that he would have to hold off the completion of the Cabinet until he could find more female candidates. And that process is ongoing.

So, Iraqis are sensitive to this, themselves. They have a reputation, in the Middle East, of being a country that understands gender equality, a country that respects the role of women. It's a quite sophisticated country. And it's something that we give a lot of priority to, as well.

Senator CARDIN. Well, thank you for that answer. I would just urge you to be as transparent as you possibly can in the review of how United States involvement in Iraq is being—how the funds are being used to get value for the American taxpayer, and that we are promoting our values. I think the more that you can get that information made public, the easier it will be for legislation, such as our chairman is suggesting, to be favorably considered here.

The CHAIRMAN. Thank you, Senator Cardin.

Senator Lee, you weren't here when I had a chance to welcome everybody, but I want to welcome you personally to the committee. We look forward to working with you. And, hopefully we can be as productive as we were the last 2 years. Good effort. So, welcome aboard. Thank you.

I recognize you now for a question period.

Senator LEE. Great. Thank you.

First of all, I want to thank both Ambassador Jeffrey and General Austin for being with us this morning and for your informative and generous and candid responses. It's been very helpful. As a new member of the committee, I'm very grateful for you being here.

I also want to echo the expression of gratitude and support that's already been articulated by my colleagues this morning. I'm so grateful to you, and to those with whom you labor in Iraq, for all that you do to make this world a better place in which to live. From the bottom of my heart, I thank you.

I also want to thank, in this forum, all freedom-loving Iraqis. I suspect you'll agree that, ultimately, the stability that we're trying to achieve in Iraq rests with them, those who love freedom in Iraq. And I look forward to seeing that come to fruition as they stand up and handle this.

General Austin, I wanted to ask you, having trained extensively, as I understand it, with the Iraqi military forces, what are your biggest areas of concern with regard to their readiness to take the reins, following the troop withdrawal later this year?

General AUSTIN. Well, thanks, Senator.

As I stated earlier, they are in the lead for security, as we speak. And they're doing a pretty good job of standing up to some pretty significant challenges. So, I think at about the time that we draw our forces down, they'll have a pretty good capability to address the internal security. Again, I mentioned earlier, there is a requirement to continue to develop the logistics and sustainment and the intelligence capability.

From the standpoint of providing for defense against an external threat, there is still work to be done. I think they need better equipment. And they have purchased some of that equipment. They need to train on that equipment. And then, at some point, they need to progress to a point where they're doing combined arms training. Tanks and howitzers, you know, used in the training and the maneuvers, and also integrating the capabilities of their aircraft. And so, there's still some work to be done to develop that foundational external capability.

As you know, they don't get their aircraft until 2013 or so. And so, they don't have the ability to provide for the protection for their skies for some time. That's also a concern.

And I think, if you add those things up, you know, they recognize that there are some things that need to be continued. And I think they will continue to focus on those things.

Senator LEE. Now, under what circumstances, if any, do you anticipate that it might become necessary to extend the U.S. troop presence beyond December 2011?

General AUSTIN. Well, sir, as you know, in accordance with the current agreement between the United States and Iraq, you know, the plan is to go to zero. And our forces will exit completely by the end of this year. And so, that's what we're focused on. And, at that point, we'll transition the responsibilities to the Embassy and it'll be a civilian-led effort. And I think the Ambassador's done great work in preparing for this. There's work to be done yet, for sure. But, I would say that, in order for that to be successful, we certainly have to ensure that he is adequately resourced to provide for the security in the future.

Senator LEE. And some of the resource deficiencies that you identified, including some of the equipment, aircraft, and so forth, you think that, from a military standpoint, it's still feasible for us to withdraw without creating a power-vacuum problem? You're comfortable with that, from a military standpoint?

General AUSTIN. Clearly, the Iraqis will have to continue to acquire that equipment and train on that equipment. And, as you know, we have a number of FMS cases where we'll be continuing to provide equipment and training to them in the future. And that

effort will be under the supervision of the Ambassador, through our Office of Security Cooperation.

Senator LEE. OK. Great.

Thank you, Mr. Chairman. No further questions.

The CHAIRMAN. Thank you very much, Senator.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Mr. Ambassador, General, thank you for your service and your testimony.

I want to ask you, Ambassador: the Vice President and the Deputy Assistant Secretary of State, Michael Corbin, have described and characterized our civilian mission in Iraq as the largest since the Marshall Plan. Now, like the Marshall Plan, the implications of its success or failure could alter the balance of power in a crucial region. And while we expect the military-to-civilian transition to be difficult, our efforts will still hinge on the political stability of the Iraqi Government. We certainly need a stable and cooperative partner to implement a civilian mission, so, I want to ask you, Ambassador: How do you see the precarious political arrangement in Iraq after the December Cabinet appointments? Are there things, in the near term, that could jeopardize the Sadrist support for the Maliki government? And, most importantly, I read your testimony, and I am very concerned about the role that Iran plays here in using its political influence in Iraq, and what that means for us, in terms of policy implications. So, could you give me a sense of those three things, for starters?

Ambassador JEFFREY. With almost everything I do, Senator, I start with where I was when I was in Iraq last time. And the government is far more stable and far more capable now than it was then.

Iraqis had to make a decision—after the March elections, when four major blocks essentially split the vote four ways, with all four of them getting roughly 25 percent of the vote—how they would then form a government. They took the decision—it was a decision that we agreed with, but it wasn't our decision to take—that they would try to be as inclusive as possible, to have as many of the different groups—Sunni-Arabs, Shia-Arabs, the Kurdish Alliance—participating in the government. This required a great deal of work, because you had to put a coalition together that wasn't just 51 percent of the Members of Parliament winning votes, but rather, as it is now, about 300 of the 325 Members of Parliament. And they did succeed, after much back and forth, beginning in November and then culminating on the 21st of December.

The government is inclusive. It is focused on power-sharing. We've already seen a number of examples of that, with the decision that I mentioned a bit earlier, about allowing oil to be exported from the Kurdish areas of the north, through Turkey; positions taken on the Central Bank and its role; and the willingness of the various groups to cooperate, on a rolling basis, to move legislation forward and to, basically, tackle problems, such as the independence of some of the institutions that are separate commissions, such as the oil issue, and some of the security questions that are still out there. Also, reconciliation, de-Baathification—the Iraqis took a number of important steps in that regard, basically lifting

the de-Baathification on several people, who are critical now to the government formation.

So, they've come a long way. But, of course, there is still a great deal of—well, there's not a great deal, but there's still some violence in the country. There are still active terrorist groups, and groups—and I'll get to that in a second—supported by Iranian elements, that are active. And this poses problems for the government. It poses problems for the stability of the country.

We are quite confident that this is a partner that we can work with. We believe that, in the near term, this is a coalition that will hold together.

The Sadrists, in particular, are a group that does not like us, but they have committed to staying within the political process. We'll have to see if that, in fact, is correct. In the past, they've tried to do both, be in political process and also run militias and attack us and attack the Iraqi Government. So, that's a question that remains unresolved. But, the rest of the political process is deeply committed to a peaceful working out of the problems between them.

In terms of the Iranians, all of Iraq's neighbors, obviously, are very, very concerned about Iraq. Iraq in "the bad old days" was a threat to Iran, an 8-year war. It was a threat to Kuwait. The Turks have interest in the north, including the PKK presence there. Other countries, also.

The Iranian influence, I would say, is that of an important neighbor. It has probably the highest level of trade of any given country, followed by Turkey. There are a great many theological links between the Shia Center in Najaf and Qom. And many of the people who are now in the Iraqi Government—not just Shia-Arabs, but also Kurds and others—found refuge in Iran during the Saddam regime, so there are personal ties, as well.

What concerns us is, first of all, the general role of Iran in the Middle East. We think that Iran is attempting to expand its influence, and expand it in illegitimate ways, through violence, through support of groups, and such. We're concerned that that will happen or spread in Iraq, as well. But, we do believe that the Iraqi leaders, including Prime Minister Maliki and others, are well aware of threats to their sovereignty, are well aware of threats coming in various directions, and that they can be counted upon to do the right thing.

Senator MENENDEZ. Let me ask you a quick question. Does Iran want this government to succeed or fail?

Ambassador JEFFREY. One of the problems in assessing Iran—and I'm not an Iran expert, but I've worked on and on with it—is that there are different power centers in Iran, Senator. I think some of them probably would like to see an Iraq that is not a threat to them—that's a legitimate concern, given what they went through with Saddam's invasion—and are happy to see an Iran that is—that—an Iraq that is a success, because they feel an affinity for the Shia-Arabs, who make up a majority of the population. I think that there are other people in Iran who probably would like to see much more Iranian influence over Iraq, and would hold Iraq's success hostage to additional Iranian influence. And sorting out that is one of our challenges.

Senator MENENDEZ. One last question. We have spent about \$20 billion to develop Iraqi security forces and increased ministerial capacity. Overall, we spent about \$58 billion on reconstruction in Iraq, including the building of infrastructure, establishment of political and social institutions, and a whole host of other things. Now, I understand the Iraqis have a sense of their own budget crisis, but certainly, with the challenges we are having here at home, at some point one would presume that where we spend our resources will shift to the Iraqis, funded by, let's say, increased oil revenue. How long do you anticipate the United States needs to be engaged in the civilian mission at the currently planned support level? And how accurate are the current estimates of \$5 billion annually, or is it most realistic to say \$7 to \$9 billion annually, as some academics have suggested?

Ambassador JEFFREY. Senator, at this point we're talking about a transition of 3 to 5 years. Several things will happen in those 3 to 5 years. First of all, our assistance will drop. It's already quite low. We're looking at a police training program of roughly a billion dollars a year. The military is doing it now, we'll take it over. The program for FY11, in terms of U.S. military assistance—it's run from the Department of Defense rather than the normal FMF program—that's \$1.5 billion. And there is another roughly \$500 million, not counting the refugees, a separate account, which is ESF and related other things. So, right now we're looking at, in FY11, approximately \$3 to \$3½ billion in assistance, going down from, as you said, well over \$50 billion that we spent on security and reconstruction.

In return, the Iraqis, for example, their investment budget—their capital investment budget—equivalent to what we were doing a few years ago, in water, electricity, oil, and energy, and other projects—is about \$8 billion, or about 15 percent of their budget. Their expenditures on security, again, about \$8 billion, about 15 percent of their budget. And the expenditure level in this fiscal year is about the same. So, the Iraqis are putting a tremendous amount of money into this, far more than we're putting in, at this point.

We also have an agreement with them, over the last year and a half, that on any specific project or activity we do, in the civilian side, they'll provide 50 percent of the funding or other support. So, we're watching that. It is going down. It will go down further as their oil revenues come up and as stability continues to improve.

Senator MENENDEZ. Well, I appreciate that.

And let me close; my time is over.

We will be watching it very closely, because, after \$58 billion, we were told that Iraqi oil would fund the full costs of our invasion. Here in America—given the challenges that we have, our perceived lack of investment on critical issues, and the \$58 billion we spent in Iraq—a continuum of spending between \$3½ and \$5 billion a year, is something that I think is going to be increasingly under a microscope. So, I'll look forward to working with you on that. And thank you for your answers.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Menendez.

Senator Coons.

Senator COONS. Thank you, Chairman Kerry. And thank you for convening this important hearing on the transition from a military-led to a civilian-led role for the United States in Iraq, going forward.

And I want to start by expressing my deep appreciation to our two witnesses today for their service, for their insight, their candor, and for the sacrifice that's been made by thousands of Americans in our Armed Forces, as well as civilians, diplomats, and allied forces. And I think the best way for us to honor both their sacrifice and the investment of over a trillion dollars, here, is to plan adequately for the transition and, hopefully, for a stable and secure ally in Iraq.

And I'd like to start by just asking, Ambassador, if I could, about how you see relations between Iraq and some of its other neighbors we haven't touched on yet—Syria and Saudi Arabia, in particular. I believe there's still not a Saudi Embassy in Baghdad. How do we transition toward a point where Iraq can play a constructive role, regionally, as we move out of a military-led to a civilian-led presence in Iraq?

Ambassador JEFFREY. Thank you, Senator.

We touched a bit on Iran. Let me go around, counterclockwise, from north toward the west and south.

Turkey, as I mentioned, is a major trading, investment, and energy partner of Iraq's. That relationship is developing in a very, very important, almost dramatic, way. The current Erdogan government has taken a very different approach than earlier governments, with the Kyrgyzstan regional government in the north, and now has a good and close relationship with it, but also, at the same time, primacy to the Central Government, of course, in Baghdad. And we're seeing this in increased energy exports out through Turkey, increased Turkish investments, not just in energy, but particularly in oil and other energy fields: electricity, housing, and, again, two-way trade.

The Turks do have security interests in Iraq, particularly the presence of the PKK-Kurdish guerrilla group in the very north of the country. And we have a trilateral process dealing with military and political aspects of that, where—

Senator COONS. And what's the status of the Syrian border arrangements, at this point?

Ambassador JEFFREY. The Syrian border arrangements are—there are agreements between Iraq and Syria, but, frankly, we're still seeing foreign fighters cross over into Iraq. And General Austin might, perhaps, talk more about the security implications of that. But, this is one of the major problems outstanding between Syria and Iraq.

Jordan relations are very good. Jordan has been very supportive.

More generally in the Arab world, and then I'll touch on Saudi Arabia, Iraq was in a special status, beginning in 1990, 1991, with a variety of Security Council Resolutions, huge debts, compensation for its damages that it created in Kuwait and elsewhere, and it has slowly worked its way out from under them. We had a breakthrough on the 15th of December. Vice President Biden presided over the Security Council as many of these Security Council resolutions were lifted. That sets the foundation for a increasing nor-

malcy in Iraq's relationship with the region, and particularly with its neighbors.

The next step will be to try to deal with some of the issues outstanding still between Iraq and Kuwait. The Kuwaiti Prime Minister recently, for the first time in 20 years, traveled to Iraq. Iraqi leaders are going to be traveling to Kuwait for the anniversary of the liberation coming up here soon. So, that's another positive step.

With Saudi Arabia, that's a complicated issue. I've traveled to Saudi Arabia twice and met with King Abdullah on the Iraq issue. And that's going to be probably the last step that will be taken in the normalcy.

But, again, the Iraqis are trying very hard. We recently had encouraging comments by the Saudi Foreign Minister, Prince Saud. And we want to build on those.

The thing that everybody's focused on, with the Saudis and with the rest of the region, is the Arab League summit that will take place in Baghdad—again, for the first time in 20 years—in March. We'll have to see how the situation in Egypt overshadows that, but, for the moment, this will be another very, very significant step forward.

Senator COONS. Thank you, Ambassador.

And if I might, General Austin, I'm interested in security of the borders with Syria, as well as others. You made reference earlier to the Iraqis' real challenges in maintaining any air superiority for a couple years; I'm interested in that. I'm also interested in hearing your views on what lessons we can learn about our successes or challenges in standing up training and supporting both the Iraqi police and their national security forces, and then what those lessons—on both military and civilian side—what lessons we can then apply to Afghanistan, from that experience.

Please, sir.

General AUSTIN. Well, thank you, Senator.

I would—of all the security forces, I would rate the border security elements as being the least developed. It's simply a matter of the way that we went about our work there. We had to stand up the army, stand up the police, and enable them. The federal police and then the border security forces were the last of the forces that we were able to get to and work with in earnest. Having said that, they have made remarkable progress. There's still a lot to be done yet. The Iraqis fully appreciate that.

With respect to the foreign-fighter flow across the Syrian border, we're probably looking at, somewhere between, five and nine foreign fighters coming across the border, on a routine basis, per month. That's much decreased from what we saw back in 2007, 2008, when the numbers, again, were much, much higher than that. Now, part of that is because of the great work of our CT forces. But also it's because of the work that the Iraqi security forces are doing currently. In working with them and partnering with them, they've learned a lot, they're developing capability; there's still a long way to go, in some cases—and I talked about some of that earlier—with respect to intelligence collection and analysis.

With respect to lessons learned, there are a lot of them. But, I would say some of the key lessons learned are that, you know, by

partnering with the host nation forces and working with them, side by side, on a daily basis, we were able to move things along much more rapidly than we would have been if we had taken another approach. And we're starting to see that some of those techniques have migrated to Afghanistan, in terms of how they're approaching business down at the, you know, battalion-company-platoon level. As you know, General Petraeus is in Afghanistan, and he was a guy that really helped to implement a lot of the techniques that we still use today. And so, you could expect that a lot of that would migrate over to Afghanistan.

But, I think there are numerous lessons learned, and we continue to catalog those and share them with the community at large, and certainly push key lessons learned to Afghanistan, wherever possible.

Senator COONS. And, General, as you transition from a military-led to a civilian-led role, how do you see that transition working, particularly in terms of supporting the police and security forces?

General AUSTIN. I think the transition is going well, Senator. I think, as I mentioned earlier, Ambassador Jeffrey and I really are working closely together on this. We literally are joined at the hip. But, most importantly, our organizations are working well together. With every responsibility and task that we transfer, there's a deliberate process for transferring those responsibilities. And the Ambassador and I, together, oversee the progress of those efforts. And so, I'm pretty confident that we have good processes. And I think our people are working well together.

Senator COONS. That's great. And I was encouraged by your submission of, literally, joint testimony, and by the chairman's opening comments about your joint operations and partnership.

Mr. Chairman, I thank you for your opening positive comments about our Vice President and his long service. I look forward to continuing Delaware's long tradition of service on this committee.

Thank you very much.

The CHAIRMAN. Thank you very much, Senator Coons.

We'll begin a second round now.

Let me bare down, a little bit, on a few things, if I can.

It's my understanding that some requests for critical nonexcess equipment, such as helicopters, has been denied. Ambassador, if that's true, how does that impact the question of readiness and capacity for the civilian side to manage this?

Ambassador JEFFREY. There has been a great many security-related requests we have made. I mentioned the MRAPs. We're working now on the C-RAM system, for early warning and alarms related to indirect-fire attacks, which is very, very important to get people under cover.

And, in addition, while it's not as easy to summarize, we're getting an extraordinary amount of effort by the U.S. military on all of the locations where we will be taking over, because they're all locations where the U.S. military and we are jointly present, at this time, to do engineering, do joint planning, provide equipment, provide, for example, the containerized trailers, if you will, that people are living in. We're getting extraordinary support.

The only thing that I'm aware of that—and you mentioned this—was the helicopters. At one point, we asked for Black Hawk heli-



copters, but the military has, as we well understand, a pressing need for those in Afghanistan and elsewhere. And, therefore, the State Department has gone out and purchased 20 S-61 Sikorsky helicopters, which are on track to arrive. They will more than do the job. We'll also support that with UH-1 helicopters that we already have or we'll be able to get.

The CHAIRMAN. And who's going to pilot those?

Ambassador JEFFREY. Sir, we have what we call the State Department Air Wing, developed in Central and South America some 20 years ago, very active in Colombia. Right now I have about—all told in all Embassy elements, over 20 aircraft operating in a combat environment today in Iraq; we'll more than double that. And we believe that we have the people; we've been doing this for a long time. It's not an easy mission. It's not easy for the military, either. But, the equipment will be there, and we've got some of the world's best pilots operating.

The CHAIRMAN. Help me to pin down this question of need, with respect to the numbers here. The current plan, beyond 2011, calls for 17,000 individuals on 15 different sites with, as I mentioned, three different air hubs, three different police training centers, and two consulates, two Embassy branch offices, five Office of Security Cooperation sites. That strikes me as a—I mean, that's a big footprint. That's a lot. Do we really need all that?

Ambassador JEFFREY. Let me start with the—to answer that with one word: yes, sir.

Right now—it is a big—it's a huge operation—but, right now, to operate under the current circumstances, with the U.S. military as our partner, we have almost 8,000 personnel assigned to the Chief of Mission. We're all over the country. A few months ago, when we still had what we called E-PRTs, we had 22 main sites and we had individual political offices, off with battalions and brigades, in even other places. So, we were literally all over the country, sir. We are ratcheting that down.

Of the 17,000 personnel, the vast majority are going to be contractors. Most importantly, perimeter security contractors, people who don't go out and interact with the Iraqi community, and then a smaller number of personal security details, security contractors. Those people are registered with the Iraqi authorities. The Iraqis regulate them. They're under Iraqi law. And, more importantly, from my standpoint, they are under the direct supervision of our diplomatic security people, who have somebody riding in every convoy.

The CHAIRMAN. Is it more expensive to do that than to maintain effort through the military?

Ambassador JEFFREY. Well, first of all, with the military, Senator, what you get is, if you have a—and General Austin, of course, has a say in this particular issue, too. For example, we have artillery or infantry battalions providing support for our PRTs, but this takes up a company or a battery's worth of troops. Now, of course, these troops are being paid for—they're in the base of the Department of Defense budget—they're being paid, their equipment is being purchased and maintained and such, whether they're in Fort Hood or whether they're in Mosul—

The CHAIRMAN. I understand that, but I'm trying to understand a cost analysis here and whether, on a dollar-for-dollar, person-for-person basis, when you finish costing it out—is one less expensive than the other? Has that analysis been done?

Ambassador JEFFREY. We haven't done that.

The CHAIRMAN. I understand the——

Ambassador JEFFREY. Yes.

The CHAIRMAN. I understand the big rubric, here, of the promise about troops and the drawdown. I got all that. I'm just asking a question, if, notwithstanding all of that, there is a simplicity and a lesser cost, and even perhaps a greater guarantee of success, with a different model.

Ambassador JEFFREY. Certainly, you will have a larger chance of success if you have a U.S. Army combat brigade providing security for you, because you can respond at any level of reaction, including a major, massive, complex ambush. But, for the kind of secure—we haven't seen that, for a long time in Iraq—for the kind of security threats we have, we think we have a model that will work.

In terms of cost, it's expensive to do these PSDs. We have many of them in Iraq, and they do cost a great deal of money. But, it is also very, very expensive just for the incremental cost of our U.S. military in Iraq, as well, Senator.

The CHAIRMAN. Well, fill out what people are going to be doing on one of those 15 different sites.

Ambassador JEFFREY. Yes. First of all, on the 15 different sites, to sketch very quickly, you have a set of sites in Baghdad. You have the Embassy and, across the street, the headquarters of the OSC-I, which will be a Defense Security Assistance Organization under Chief of Mission authority. You will have, at the current police training area, where the military is now training Iraqi police at the police academy, which—we call it FOB Shield—we will take over that operation and have our own civilian police trainers to replace the police trainer civilians that we, under State Department INL, are providing to the military now. So, it's not a, conceptually, major change.

We will have, also in the greater Baghdad area at Basmaya, we will have some OSC-I people doing training for some of the Iraqi heavy-equipment armor and such. At the airport at Sadr, we will have an aviation hub, again, taking over part of the area that the U.S. military is currently operating. Then we will have four major locations: Erbil, Mosul, Kirkuk, and Basrah. Basrah and Erbil will become consulates. Mosul and Kirkuk will be temporary facilities. This, of course, all requires the Iraqis to agree with this. And we're working with them on the dimensions of this in——

The CHAIRMAN. I understand land-use agreements have not yet been signed——

Ambassador JEFFREY. That's right.

The CHAIRMAN [continuing]. And instruction has not yet begun.

Ambassador JEFFREY. Construction—again, these are all sites where we are now operating with the U.S. military, and we've done some preliminary work, and we'll work through with the Iraqis. We've briefed the Iraqis on this; we're waiting for the final approval.

The CHAIRMAN. What's the current cost for this mission?

Ambassador JEFFREY. It's about—the current operations that we have, roughly, not counting the foreign assistance, is about \$2 billion.

The CHAIRMAN. No, going forward.

Ambassador JEFFREY. Moving forward, the construction is in the order of about a billion dollars over several fiscal years. And then, the operating costs will up it many hundreds of millions of dollars, largely for security and life support.

The CHAIRMAN. And, at this point in time, how much revenue do we anticipate coming from Iraqi oil?

Ambassador JEFFREY. Iraqi oil currently is about——

The CHAIRMAN. That is to say——

Ambassador JEFFREY [continuing]. 50——

The CHAIRMAN [continuing]. Against those costs.

Ambassador JEFFREY. Right.

The CHAIRMAN. Not total, but——

Ambassador JEFFREY. Iraqi oil—the Iraqis are earning about \$50 billion a year from their oil. It'll go up this year, because oil prices have gone up, and, as I said, they're beginning to export more. So, say, \$60–\$60-plus billion would be the upper limit.

The CHAIRMAN. And how much of that will go to defray these expenses?

Ambassador JEFFREY. Well, again, the Iraqis are taking over much of the training and equipping of their own security forces—the vast majority of it, at this point; we figure \$8 billion this year—and they've taken over almost all of the earth-turning reconstruction and capital investment. We don't do that anymore, Senator.

The CHAIRMAN. But, we still have to lay out \$2 billion against \$60 billion of revenue?

Ambassador JEFFREY. Again, to maintain our own presence. Now, for example, all of these sites that we mentioned, and all of the others, where they're basically small satellite sites, are all inside Iraqi military bases. So, the Iraqis have an inherent responsibility to provide security. They're securing themselves, they're securing us. We use Iraqis for our movement through the cities; they support my movements, they support all the movements of our PRTs and the military through the cities, as well. So, they are contributing a considerable slice of combat power to work with us.

The CHAIRMAN. Well, I'm going to pursue that a little more with you at a later time. I've used my time, here.

Senator Lugar and then——

Senator LUGAR. Mr. Ambassador, I want to inquire of you as a person very responsible for the transferring of authority, equipment, and missions from the Defense Department to the State Department as to how this process is going. Now, I do so on the basis that we wrote, last November to Secretary Gates, a letter asking how the Department of State had responded to several letters of request and, likewise, back and forth. And the Department of Defense assured us in a draft response to my staff that these issues had been worked out. But, there appears to be evidence that it is difficult to transfer military materials, such as helicopters and early warning systems to protect facilities, for example. Some have suggested, facetiously, that it's easier for the Department of

Defense to transfer such articles to foreign governments than it is to transfer them to the Department of State.

Now, I'd just ask, how smoothly are these transfers, first of all, of equipment that your mission will need after the military leaves, working out? And what do we need to do, back in the weeds of legislative authority, to make certain that this huge change, which may be unprecedented, works smoothly, even as we look at the overarching policy and change of mission. The Department of Defense has been doing a great number of things, which the Department of State has never been asked or tasked to do before at all. Yet, you've been describing the numbers of personnel that will be on the ground, attempting to do these same things.

I just would like you to discuss from your experience as a diplomat and a person, not only in the Department of State, but someone who has worked with the Defense Department in several capacities—first of all, really, how is it going? What, if anything, can we do in the Congress to help expedite this transfer? Or is this entirely an internal administration proposition of Defense and State Department people needing to get their act together, which they will in due course and getting some transition rules in place that will work for us now and be useful down the trail, in Afghanistan, where we will face the same proposition?

Ambassador JEFFREY. The short answer, Senator, as you probably would expect, is that it's going fine. A longer answer would be, in my 40 years of government service, I have never seen anything done in government go easily, without hiccups and problems and various issues; and you just work through them.

What is important, and what we have here, is commitment of leadership, beginning in the field, in Baghdad, between USFI and the Embassy, but going up to Secretary Clinton, Secretary Gates, and the President and Vice President, and, we hope, the support of the Senate and House, to do this; and then we can overcome these problems. A few months ago, most of these things that you cited were issues, and we were going back and forth, and holding the proverbial government meetings. And we've worked through this.

Secretary Gates recently signed an agreement that has cleared away a lot of this, in terms of the responsibilities for providing security and other support and funding for OSC-I, so that that very big mission—very big part of my mission—will be, basically, overseen by Department of Defense, in conjunction with us, so that we'll have the very powerful support of DOD in making sure that that mission is accomplished correctly.

Again, on the transfer of equipment, everything that we've needed, other than the helicopters, which we have another fix for, that I'm perfectly happy with, has gone forward. There will be issues, for example, on the way the DOD will fund the OSC-I. They'll need some changes in legislation or other things. And so, we'll have to work that, and that'll be an issue, as well. But, I'm absolutely convinced that, at that level, we'll get everything done.

In the field, we have a big job physically doing the construction, deploying the people, and actually getting these things up to, as Senator Kerry said, full operating capability. And that's a challenge that we have before us in the next year.

Senator LUGAR. This is a followup for that. Frequently, over the course of several years, we've had testimony as to how funds have gone, in the minds of some of those who have testified, disproportionately to the Department of Defense, as opposed to the Department of State; how what was once a fairly equal type of funding situation has become very disproportionate. Secretary Gates, recognizing this, has been among the leaders in saying that some things can be done more effectively by the Department of State, offering in a sense, "How can I transfer my money, or what have you, to help you get these things done?"

I raise this because, as we've stated, we are dealing with this in Iraq now, and we're going to be dealing with it in some capacity in Afghanistan; no one knows how many other times. And, just as a veteran of the trail of these sorts of things, now, how can an administration, whether this one or one in the future, better testify to us, as a Congress, as appropriators, which department is best suited to do what? Or, how should we rewrite some laws, regulations, or what have you, to make this sort of thing possible? Or is this going to have to happen, country by country, in the field, depending on circumstances?

Ambassador JEFFREY. It's a big question, Senator.

In the last administration, at the height of combat activity, when we had 150,000 troops in Iraq, decisions were made for certain—what normally would be considered USAID assistance programs, the famous CERP, to go to DOD; the ISIF program for the equipping of Iraqi forces—again, something that would be normally funded by an FMF program—went to DOD; and the police training, which we were doing in 2004–05, also went to DOD for management and funding.

Again, this is an issue that administrations have to take in the heat of combat. What we're doing now is to, basically, migrate those activities back to the normal place where we normally do them. Assistance programs, ESF, our requests of over \$300 million for Iraq, will be done by USAID in the future. We're looking for an FMF program, beginning in FY12. And the police training program, as we've briefed, is already begun to be funded through the State Department, and it will be fully funded through the State Department.

So, without getting into the very detailed and very controversial and complicated issues here, I would say, under a temporary wartime basis, funds and activities responsibilities were shifted to DOD. As soon as we could, in the transition, we're shifting them back to the Department of State.

Senator LUGAR. Well, hopefully, in memos and white papers, or maybe even your memoirs, you'll describe the situation that would be helpful to your successors.

I thank you very much.

The CHAIRMAN. Thank you, Senator.

Senator Rubio.

Senator RUBIO. Thank you, Ambassador and General, for being here with us today, and for your service.

I just wanted to briefly examine the detainee issues. I know that we've turned over several facilities to the Iraqis. What's the status of—and I don't know who the appropriate person to answer that;

maybe both. But, what's the status of those facilities that have been turned over to Iraqi administration, in terms of recidivism rates and things of that nature?

General AUSTIN. As you mentioned, we have turned over all of the detainee facilities with the exception of one. We continue to hold a number of detainees—a little over 200 at Camp Cropper—we plan to transition those detainees in the summer. And we're on track to transition them. So, I don't think there will be any issues there.

But, in terms of recidivism, we continue to see some recidivism. That's to be expected. But, by and large, I think we've been very effective in the way that we transferred the detainees over to the Iraqis. And we didn't have any major issues as a result of that.

Senator RUBIO. General, do you know or have any indication of how many foreign fighters have been released by the Iraqis? And have we had—have we reengaged with them at any point, and so forth?

General AUSTIN. I don't have, at my fingertips, the numbers of foreign fighter or former foreign fighters that were detained and released by the Iraqis. But, there, no question, have been some. And, of course, we detain them. And, based upon the evidence that's available, the Iraqis will determine whether or not they continue to detain them. So, there will no doubt be instances where people have gone through the due legal processes and, as a result of evidence, or lack thereof, may have been released back to the population at large.

Senator RUBIO. And I guess my last question on the detainee issue is—I know we had had some level of success, I think, at dealing with some of the less radicalized prisoners that had come in. And there are some programs set up to kind of pull them away from that sort of stuff. Have the Iraqis continued that? And, if so, with what level of success? I mean, are they doing that, as well?

General AUSTIN. The Iraqis are doing some things, but not—certainly not to the degree that we were doing down in Buqqa and some other places there. And I think, as their system develops, they'll learn from what we did, they'll also learn from what the Saudis have done, and implement more and more of those processes.

Senator RUBIO. And, Ambassador, this question's probably for you. It's a little broader and—but, I do think it ties into kind of what the testimony was about today. I think we're all watching the events in Egypt, and, before that, in Tunisia, Yemen. What is your sense of how that's going to be perceived by the people in Iraq? And, more importantly, how that could kind of manifest itself over the next few months and years, in terms of this government's ability to sustain itself?

And I'm also curious if—I know it's kind of outside the focus today, but I think clearly aligned is—any thoughts you may have as to how this could be perceived in Iran, by people there?

Ambassador JEFFREY. In terms of Iraq, I've been out of the country for a week, and so I haven't been following it as close as we normally do. But, I think that, from what I've seen and from talking with Iraqis, they believe in the democratic system. You remember the purple-finger elections of January 2005. This has become

part of the ethos of that country, a democratic political system. And, frankly, they think that they're a little ahead of most of the rest of the Middle East, and they're proud of their constitution, they're proud of their elections. And I think that they will see, to some degree, what's happening, if it turns in a good direction, toward more a true democracy, as a confirmation of the path they have taken, a path that has been, of course, challenged violently.

How it all plays out, of course—and that's the question that we're still working our way through—is not certain, but we hope for a good solution in Egypt and elsewhere in the Middle East. We support democratic reform throughout the region.

The lesson I take from that, and of some relevance here today, is that we do need to be, first of all, out all around the country. You can't follow what's going on in Egypt or Iraq from Cairo or Baghdad any more than you can try to figure out what's going on in the United States from Washington. And you need to be out.

We closed our consulate in Alexander in 1993, as a budget-saving move, and it turned out probably to be a mistake. I've serve in two consulates as a political officer. I know what it's like to be out there in the countryside. I think that that is very, very important. It's an early-warning system. It's one reason why we're asking for the funds and taking the risks we are, to keep our people out in Iraq, to basically keep our finger on what's going on and try to help our friends, and particularly to help the democratic transformation, to provide a platform for the U.N., which is also out there, and other members of the international community.

In terms of Iran, it's an excellent question, sir. I really can't say how they're reacting. Probably with nervousness. As you know, they had their own street demonstrations a year and a half ago. They were put down with merciless violence. And I think that this is not a good development, from their standpoint. They may try to exploit it, in one or another way, by seeing this as an opening for extremist groups. But, my sense is that that will be fairly hard for them to do.

Senator RUBIO. So, just as a—I don't mean to put words in your mouth or to exaggerate the point, but your sense is that people in Iraq look at what's happening in Egypt and other places, and feel like they're ahead of the curve, that, in essence, those countries are coming their way, in terms of the creation of these democratic institutions. They take pride in the idea that they've begun to build for themselves this society. And, in fact, these other countries are now coming in that direction, to one extent or another.

Ambassador JEFFREY. Yes. As I said, I've been a little bit removed from the past week. But, I think you're on target, Senator.

The CHAIRMAN. Senator Lee.

Senator LEE. Nothing further. Thank you.

The CHAIRMAN. Just a couple of quick questions before we wrap up, unless Senator Lugar has more.

But, General, can you just speak to the uptick in the rise of violence? Recently, in the last week, about 159 Iraqis killed, last week, in one week. What do you attribute that to?

General AUSTIN. Well, thank you, Senator.

I attribute it to, in one word, opportunity. As I stated earlier, last week was the week of a annual religious observation or celebration,

the Arbaeen observation. And, during that religious event, millions of pilgrims—Shia pilgrims get on the road and walk to Karbala. Now, we anticipated that, during the celebration or observance, we would see al-Qaeda use that as an opportunity to try to foment sectarian violence by striking at innocent Shia pilgrims. And they did, much as they have done in years past.

And as we look at the numbers of pilgrims that were on the road this year—there were about 9 million pilgrims this year—as you compare that to last year, it was about 3 million, so that indicates that there is probably a greater sense of security on the part of the Iraqi citizens. But, the numbers of attacks were about the same, or exactly the same, as we count them: eight major incidents last year, eight major incidents this year. The numbers of casualties, however, were down this year from what we saw last year.

So, with a much increased number of pilgrims out there, so a much bigger target, less—they were less effective in their attacks. And that speaks the diligence and professionalism of the Iraqi security forces. They continue to improve. Again, they planned and conducted—coordinated and conducted the security for this event themselves.

The CHAIRMAN. Well, that is encouraging. Let's hope that that can continue.

Obviously, one of the biggest threats to long-term stability is the relationship of Kurds to the Arab community. And I think it's accepted that you had a pretty good success with the combined security mechanism, in which you have the Arabs, the Kurds, and U.S. forces coordinating in order to provide the checkpoints, et cetera—and the joint patrols; I guess that's taking place in four provinces. Is that going to be able to continue when you have completed the drawdown? Is the State Department going to have the ability to maintain this combined security mechanism which has been successful?

General AUSTIN. Certainly, the Embassy is taking a hard look at how they would go about doing this. And I'll let the Ambassador speak to that piece.

But, there are options. It depends on how the Iraqis want to address the issue in the future. You could seek a third party, like the U.N., to come in and fill that void. Or you could seek another element to come in; perhaps NATO may look at that and say that that's a place that they would like to contribute. Or you could approach the management of those combined security positions differently and go to bilateral arrangements with an oversight element, at a higher level, that routinely visited these sites and made sure that we kept our finger on the pulse.

So, there are a number of options to address our departure.

And I'll let the Ambassador speak to—

The CHAIRMAN. The bilateral would be the Arab and the Kurd, and then we'd come in as the oversight?

General AUSTIN. Correct.

The CHAIRMAN. Ambassador, do you want to speak to that?

Ambassador JEFFREY. The CSMs, Mr. Chairman, have been extraordinarily successful, but they are an important tactical tool in the field to suppress possible violence or possible disputes or possible, frankly, sparks that then ignite a confrontation.



Let me talk about the strategic and the operational level. At the strategic level, much of what we're doing on—and what the Iraqis, more importantly, are doing—on an inclusive government is aimed at reconciliation between the Kurds and the Sunni-Arabs up in that region. We've seen some very encouraging developments, including the Iraqiya Party, which is largely Sunni-Arab, traveling to Erbil to meet and come up with a common position on government formation, 2 months ago, with President Barzani, of the Kurdistan Regional Government. That's a first. The compromise on the oil exports, that's another development; the agreement to move forward on the hydrocarbons.

At the strategic level, as you begin to develop these cooperative steps between the political forces and between Baghdad and Erbil, you create an environment where people are less willing to let, you know, a curse or a chambered round start a conflagration along that line.

At the operational level, there is a new effort to resolve these problems, which are related to where you draw the boundary, who has security, where these territories go. Some of them are associated with Kirkuk and what's called the Article 140, relating to the Iraqi Constitution process, to come up with a negotiated solution that would then be confirmed by a referendum. The U.N.—head of UNAMI, the U.N. organization in Iraq, has just launched another round of visits in the region to try to kickstart that. We'll support that and try to work that out at every level.

Back to the tactical level, our hope is that—and we haven't worked out the details yet—that the Iraqi military and the Peshmerga would continue these. There are a number of Coordination Centers we would like, through the Embassy, to still have eyes on in these Coordination Centers and provide as much of a role as possible in supporting it. But, again, to do that, we have to be in Kirkuk and we have to be in Mosul, where two of the centers are.

The CHAIRMAN. Well, fair enough.

It's a process still in the making, obviously, that particular component of it. But, I respect the dynamics that you have described.

The final question I would have is simply regarding the integration of the Sunni. We've received some reports that the integration of the Sons of Iraq into the army is sort of an uneven process. And obviously, if the new government were to break down into sectarian divisions, which is always a possibility, the question then is whether the extremists have an opportunity to pull people back into insurgency. And I wondered if you'd just sort of—can you speak to the question of the Iraqi Government's determination to continue this integration, and how you see that proceeding?

General AUSTIN. Yes, Senator, I think the Iraqi Government is committed to continuing this migration of the Sons of Iraq into the jobs, either for the government or into the civilian sector. As you know, we were making progress and, at one point, we stopped that transition, because we needed the Sons of Iraq to help with the security for the elections. And certainly, as the new administration solidifies and comes on board, I have every reason to believe that they'll continue with the work that they've done up to this point.

There are some good signs out there. The Sons of Iraq are getting paid routinely now, versus a year and a half ago; we really

had to struggle to work to make sure that people were being paid. And, of course, as the economy begins to improve, there will be more opportunities to transfer from the Sons of Iraq into meaningful civilian employment. So, I think that that will be a great help, as well.

The CHAIRMAN. Well, gentlemen—Senator Lugar, I don't know if you have additional questions.

Senator LUGAR. No, thank you.

The CHAIRMAN. Want to thank you very, very much. We've covered a fair amount of territory. And I think you've been very helpful, with respect to the committee's concerns. There are obviously a lot of things that you'll be tracking, and so will we. And it's going to be a challenging year, with enormous consequences.

So, we look forward to working with you, as we go forward. I'll look forward to getting out there, I hope fairly soon, to visit, get up to speed again on some of these issues.

But, I want you to know that we're here, ready and willing to be helpful to try to break through any of these logjams and/or to help think through some of these solutions.

And again, on behalf of everybody here—I think you heard it from everybody, but let me just reiterate—we are enormously grateful for your personal service and for your efforts, here, which are of huge consequence to our country's national security interest.

And, of course, we are, as I said in my opening comments, grateful, beyond words, to the sacrifices made by a lot of families, a lot of folks who are on third, fourth, even some fifth tours. It's a pretty incredible demand that's been made of our Armed Forces. And we're both grateful and proud.

Thank you very, very much.

We stand adjourned.

[Whereupon, at 12:05 p.m., the hearing was adjourned.]

#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

##### RESPONSES OF AMBASSADOR JAMES F. JEFFREY TO QUESTIONS SUBMITTED BY SENATOR JOHN F. KERRY

*Question.* Describe the primary mission and goals of each of the various 15 different embassy-managed sites planned for 2012 including the three different air hubs, three different police training centers, two consulates, two embassy branch offices, and five Office of Security Cooperation sites.

- Why are all of these locations critical to achieving the administration's goals in Iraq?

*Answer.* USF-I is currently operating in all but one province in Iraq, conducting extensive training and equipping of Iraqi Armed Forces and police, and, along with 16 State-led PRTs, engaging with Iraqis on a multitude of governance, political, human rights, rule of law, economic, cultural, development, and media activities and assistance. In planning for continued engagement following the withdrawal of U.S. forces, the Department has worked hard to include only essential elements of this massive U.S. engagement which the U.S. Mission could be staffed and funded to carry out. There are currently 14 planned Chief of Mission sites: The Embassy, two consulates in Erbil and Basrah, Embassy Branch Offices (EBO) in Mosul and Kirkuk, air hubs at Baghdad Airport, Basrah and Erbil, police training centers at Contingency Operating Station (COS) Erbil and Joint Security Station (JSS) Shield (the third INL site is collocated with consulate Basrah) and four OSC-I sites at Forward Operating Base (FOB) Union III, Besmaya, Taji and Um Qasr (OSC-I also plans to collocate on several of the above consulates, EBOs, and hubs). We need secure, centrally placed locations to conduct the broad engagement required to achieve our policy goals.

In Baghdad, JSS Shield will serve as the main hub for INL's Police Development Program (PDP). This site is located adjacent to the Ministry of Interior and Baghdad Police College, where the Bureau of International Narcotics and Law Enforcement (INL) will conduct substantial mentoring, training, and advising.

Erbil will serve as a platform for U.S. economic programs in the Kurdistan region of Iraq. Erbil will also be our focal point for engagement with the Kurdistan Regional Government (KRG). KRG participation in the coalition government is critical to foster national unity, political reconciliation, and stability. Consulate Erbil will also provide a platform for engagement by USAID, the Department of Justice (DOJ), INL, and other government agencies and possibly the U.N.

Not all personnel and operations can be housed at the existing consulate site in Erbil. Therefore INL's PDP hub in the north, a small number of DOJ personnel, all Embassy Air aviation personnel, and logistics and management personnel will be housed at COS Erbil.

Development of Iraq's hydrocarbon industry is essential to providing revenues to improve basic services like power, water, security, and education. Our consulate in Basrah will continue to assist development efforts of reserves in southern Iraq. Consulate Basrah will also house State USAID, DOJ, INL (including the PDP), and DHS personnel.

Unresolved Arab-Kurd disputes in northern Iraq have the potential to destabilize the country as a whole. EBOs in Mosul and Kirkuk will function as dual epicenters for mitigating Arab-Kurd tensions, in particular outreach to Arab, Turkmen, and minority populations in the disputed territories.

EBO Mosul will provide a platform to promote reconciliation efforts among Arab, minority, and Kurdish populations in Ninewa province, home to Iraq's largest concentration of minorities. Mosul is also a center of Sunni political activism. Our counterterrorism cooperation with local military and law enforcement authorities will be important to mitigate the risk of a resurgent Al-Qaida in Iraq (AQI) or other extremist activity in the north. Finally, EBO Mosul will support INL, DOJ, the U.N., and other agencies.

The status of Kirkuk remains one of the most volatile issues in Arab-Kurd relations. EBO Kirkuk, along with the U.N., will continue to address political, economic, and governance issues designed to support a political agreement on the status of Kirkuk. EBO Kirkuk will also provide a platform for engagement by INL, DOJ, and other agencies.

The four OSC-I sites will provide engagement on critical security cooperation and security assistance programs at strategic centers where key FMS cases continue. The OSC-I headquarters is planned for FOB Union III across from the Embassy and close to the Ministry of Defense. It will manage security cooperation and assistance activities throughout Iraq. The Besmaya OSC-I site will be located within the Iraqi Army's Besmaya training complex—the primary center for Iraqi ground forces training and delivery location for several major FMS cases.

The OSC-I Taji site is at the Iraqi Army's logistics center, and will facilitate the development of the ISF's logistical and sustainment capability and manage rotary-wing FMS cases. Finally, the OSC-I site at Umm Qasr is in Iraq's only naval base, which is critical to protecting Iraq's oil infrastructure. The site will support security cooperation activities with the Iraqi Navy as well as manage FMS naval cases.

Three aviation hubs are being established, to provide transportation of personnel to and from the sites listed above and to other sites (including PDP visits). Air operations will also provide security for Chief of Mission personnel, quick reaction capabilities, and medical evacuation. The three sites (Baghdad, Erbil, and Basrah) are required to provide coverage based on locations supported and range of aircraft, using a hub and spoke concept that employs fixed- and rotary-wing aircraft for maximum efficiency.

*Question.* What specific steps were taken to more readily facilitate the transfer of critical nonexcess equipment from DOD to the State Department in Iraq?

- Are the authorities needed for such transfers now in place and are they available to use in future similar military-to-civilian transitions such as Afghanistan?

*Answer.* The Department of State (DOS) and the Department of Defense (DOD) have been working on the military-to-civilian transition for more than 2 years, both in Washington and in Iraq. Over the past year, DOS has submitted a number of written requests to DOD for equipment and support services. All these issues are being actively worked through the DOS-DOD Ad Hoc Senior Executive Steering Group, which coordinates all joint logistic issues associated with the transition.

To date, DOD has transferred to DOS a large number of excess and expendable items in theater and is actively working on transferring selected nonexcess items

on a reimbursable basis through sales from stock. In cases where sales from stock are not feasible, requests for items will be addressed on a case-by-case basis within existing authorities. For example, DOS has already taken possession of 171 sets of excess Night Vision Goggles; the Army is considering loaning State 60 Caiman Plus MRAPs (mine-resistant, ambush-protected tactical vehicles) under the Economy Act (31 U.S.C. 1535), and three CT scanners (two are excess and one is to be purchased from stock ) are being processed to support DOS.

U.S. Forces–Iraq has actively supported the transfer of “T-walls,” water purification units, generators, existing hardened buildings, furniture and furnishings, fuel tanks, and containerized housing and office units (CHUs) to ensure that DOS’s facilities are up and operational in a timely manner. The United States Embassy is completely satisfied with, and appreciative of, the generous support provided by DOD , and particularly CENTCOM and USFI.

DOS and DOD have found that existing authorities are sufficient to effect the necessary equipment transfers or loans in Iraq. These same authorities can be used to undertake a similar effort in Afghanistan in the future.

*Question.* What initiatives will the U.S. Embassy take to maintain peace along the disputed internal boundaries after the U.S. military withdrawal in 2012? What is the future of the combined security mechanisms beyond 2011? To what extent will the U.S. Embassy be involved in direct engagement with the Iraqi and Kurdish military in maintaining the combined security mechanisms?

*Answer.* In January 2010, USF–I established the Combined Security Mechanisms (CSMs) in consultation with Iraqi and Kurdish security leaders, to promote integration and national reconciliation and to prevent violent extremists from exploiting the tensions between Iraqi Army and Peshmerga positions in Ninewa, Kirkuk, and Diyala provinces in the runup to the March parliamentary elections. The CSMs have largely succeeded in maintaining security along these disputed internal boundaries (DIBs) that run through these provinces and in improving coordination between Iraqi Army, Peshmerga, and Iraqi Police units. At the end of 2011, in accordance with the drawdown of troops outlined in the Security Agreement, U.S. Forces will cease to be a part of this mechanism.

At that point, Embassy Baghdad and the Embassy’s planned Office of Security Cooperation will continue our efforts to bolster cooperation between local security forces and integrate the Peshmerga Regional Guard Brigades more fully into the Iraqi Security Forces. Our efforts will build on progress achieved this summer when Prime Minister Maliki designated four Peshmerga Brigades as Regional Guard Brigades (RGBs) in order for them to transition more fully into the national Iraqi Armed Forces. This was an important first step toward the total integration of the two security forces. We are planning civilian-led programs with Iraqi partners to support the continued professionalization of all Iraqi forces which will also reduce tensions among the constituent elements of Iraq’s emerging security architecture .

Because an enduring resolution to the disputed boundaries will ultimately require a political solution, our current planning is significantly focused on transitioning our efforts in the DIBs to a civilian-led framework. From Embassy Baghdad and its planned consulate in Erbil and Embassy Branch Offices in Ninewa and Kirkuk, our civilian leadership will continue vigorous Arab-Kurd engagements with Iraqi civilian and military leaders across a spectrum of operations, including along the DIBs. Provincial leaders and influential Council of Representatives members will be critical to eventual political negotiations And Embassy Baghdad will include them in discussions on CSM transitions. We will also continue to support UNAMI’s efforts to promote dialogue on the DIBs in accordance with relevant U.N. Security Council resolutions. We look forward to engaging in a variety of efforts to encourage further integration and cooperation along the DIBs, particularly as U.S. Forces complete their drawdown at the end of 2011.

*Question.* As State Department private security contractors (PSC) engage in functions previously conducted by DOD, how will decisions be made to return fire or engage in the event of hostile fire?

- Have rules on the use of force been established and are they part of the PSC contracts?

*Answer.* Policies, procedures, and principles for the use of force have been established and are in place for all armed Department of State (DOS) personnel, including contractors. Policies and procedures for contractors are included as provisions of the DOS Worldwide Protective Services (WPS) contract, the U.S. Embassy Baghdad Mission Firearms Policy dated August 2010, and the Policy Directives for Armed Private Security Contractors in Iraq dated May 2008. These documents provide guidance and rules applicable to armed contract security personnel to enable

them to make sound decisions concerning the use of both lethal and nonlethal force, including a series of steps of increased graduated force in response to threats contractors over the past several years, in thousands of tactical movements, adhered to these guidance and rules.

WPS personnel also receive training on the use of force before they are deployed to Iraq and while in Iraq. By contractual terms, the contractor is required to maintain records of all training and qualifications of their personnel. These records are available to DOS.

*Question.* According to SIGIR, more than \$2.5 billion in INL-implemented police assistance funds to Iraq may have been vulnerable to waste and fraud. What has INL done to address these concerns for currently existing police assistance contracts?

*Answer.* The State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) seeks to meet high standards of contract management and oversight and to improve them through regular Bureau initiatives and in response to recommendations from the oversight community. INL has instituted a number of improvements such as: (1) establishing a comprehensive invoicing review process; (2) using the Quality Assurance Surveillance Plans (QASP) for contractor accountability; (3) increasing contract oversight personnel; and (4) drafting standard operating procedures for further specificity in oversight roles and responsibilities. We are pleased that SIGIR indicated there were no reports of significant fraud or waste, and SIGIR's recommendations will help strengthen oversight as we move forward.

In October 2006, base CIVPOL contracts were modified to allow INL to demand repayment for any improper payments later identified in a detailed invoice review conducted in Washington, DC. INL currently makes only provisional payment after a detailed review of invoice documentation is conducted and the valid invoice is certified. This process includes rigorous controls over program execution and invoice payments. INL's tougher management controls have led to results such as the rejection of 23 percent of vendors' invoices with current reduced billings of \$91 million and the recovery of more than \$40 million in refunds for the period 2004 to the present.

To minimize the U.S. Government's risk for fraud and mismanagement, INL instituted the use of Quality Assurance Surveillance Plans (QASP) to systematically ensure that the contractor is meeting performance-based requirements. The plan details how and when the U.S. Government will survey, observe, test, sample, evaluate, and document the contractor's performance in accordance with the Statement of Work (SOW). By employing the QASP, INL and the contractor achieve an understanding of performance expectations and how performance will be measured against those expectations.

INL has significantly increased contract oversight staff. Currently, we have nine In-country Contracting Officer's Representatives (ICORs) deployed in Iraq, and an additional ICOR is in training whose deployment is pending. INL anticipates increasing these staff to a total of 15 ICORs by July 2011. ICORs function as Government Technical Monitors and are responsible for carrying out quality assurance responsibilities as specified in the QASP. Also, INL is providing greater specificity in ICOR responsibilities as delineated in the ICOR delegation letters and 14 FAH-2 H-100, the COR Handbook. INL drafted standard operating procedures for ICORs. We are in the process of drawing conclusions resulting from our recent field testing of the draft guidance which covers: Invoice Validation; Receiving and Inspection; and COR File Maintenance. INL will continue to refine and update this guidance based on the field test results.

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RESPONSES OF AMBASSADOR JAMES F. JEFFREY TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Back in November, I sent Secretary Gates a letter asking how the Department of Defense had responded to several letters of request from the Department of State for material assistance. A draft response sent to my staff shows most of those issues have been worked out, but the process seems laborious. Do you have to become involved in these matters, or would you benefit from having a senior unified coordinator to resolve these transition issues? Has the Department considered naming a senior coordinator to help manage the transition issues back here in Washington?

*Answer.* The Secretary of State has appointed Ambassador Patricia M. Haslach as Iraq Transition Coordinator. Ambassador Haslach will be responsible for coordi-

nating State Department aspects of the U.S. transition from military to civilian operations in Iraq. As we move forward under Ambassador Haslach's leadership, we will remain focused on building on the excellent working relations between General Austin and Ambassador Jeffrey.

Embassy leadership and multiple Bureaus of the Department of State are in constant contact with the Department of Defense on transition issues, including material transfers. Senior leadership at the Department of State, including Deputy Secretary Nides, is also heavily engaged. This close collaboration has paved the way for the successful transfer of military excess materials, and some nonexcess materials deemed critical to continuing Department of State operations following the military withdrawal.

Collaboration between the Department of State and the Department of Defense has produced several important milestones, including State's use of Defense's logistics contracting mechanism, the pending transfer of 60 mine resistant ambush protective vehicles, and plans for engagement on medical services and equipment and security systems.

*Question.* With most diplomatic personnel at the U.S. Embassy in Baghdad serving only 1 year and rotating out every summer, how will the Embassy ensure that institutional memory regarding contextual information, contacts, etc., is not lost? How large is the current cadre of Foreign Service nationals? How many 3161-type employees are employed in Iraq, and what is the average length of their experience in Iraq?

*Answer.* Embassy Baghdad, supported by NEA/I, the Iraq office in the State Department, is committed to the continuity of information and operations. For many years, the Embassy has ensured that there is overlap between transitioning employees and has insisted that employees do not all depart at the same time.

The Embassy uses a variety of technologies to support smooth transitions as well. It is currently deploying eContacts, a web-based application used at embassies around the world. This system is being implemented embassywide in order to capture commonly used and useful information about Iraqi contacts in one location. Each Embassy section will designate a Contact Management Representative responsible for maintaining information about the contacts of that section. The Embassy has paid close attention to the Provincial Reconstruction Teams (PRTs) to ensure that the most important contacts are maintained by the Embassy after they close, and included in the eContacts system.

Embassy Baghdad has gone to great lengths to fully implement the Department of State's new State Messaging and Archive Retrieval Toolset (SMART) system as well. This system allows for the archiving of e-mails and other electronic documents. All State personnel, including contract staff members, in Iraq currently have the ability to archive their records and information via SMART. SMART has been made available to all other agency personnel throughout the mission as well.

As the committee knows, we are currently undergoing a transition from a military to a civilian-led mission. In the process, our PRTs will close, several of our reconstruction programs will end, and our military colleagues will drawdown. Because we take the continuity and preservation of critical information so seriously, we have set up an interagency Knowledge Management Transition Steering Committee (KMTSC), with a full-time Knowledge Management Coordinator. The KMTSC is charged with ensuring that essential information from USF-I, PRTs and other agencies and departments remains available. In the most recent phase of this effort, on February 23, the Embassy hosted a very successful interagency Knowledge Management Transition Conference with over 100 registered participants from around Iraq.

At present, there are approximately 180 Locally Engaged Staff (LES) positions in Iraq, approximately 160 are filled by a mix of Iraqi Locally Engaged Staff and by volunteer TDY LES from other U.S. embassies around the world. This staffing scheme provides vetted personnel with language skills and experienced volunteer FSNs who provide subject matter expertise and serve as mentors/trainers for newly hired Iraqi staff during the military to civilian transition.

There are currently 126 personnel in Iraq hired under the 3161 employment mechanism throughout the mission providing continuity for important programs. The average length of service of individuals hired under the 3161 employment mechanism is between 18 and 24 months.

*Question.* Tell us how you will train the civilian contractors who will join the Iraq mission. What program do you put them through?

*Answer.* We are planning to have three primary categories of contract personnel who will be engaged under chief of mission authorities in Iraq after December 31, 2011. (1) One category will cover facilities and personnel protection for our diplo-

matic facilities; (2) a second category will handle logistical support for diplomatic missions; (3) the third category is comprised of subject matter experts for our police training programs. Additionally, there will be a number of contractors covering facilities and personnel protection for our Office of Security Cooperation (OSC) stand-alone sites which will be under CENTCOM security standards.

Private security contractors working under the State Department's new Worldwide Protective Services (WPS) contract will provide both static guard and personal protective security, to U.S. diplomatic missions in Iraq. The WPS contract requires 315 hours of training for contractor personnel who provide protective security. Static guards receive 120 hours of training, 80 hours of general training plus 40 hours of specialized firearms training. Training for all personnel covers roles and responsibilities under host government law, laws and regulations on the use of force, instructions on dealing with the public, and operational responsibilities. All WPS contractors are also required to attend country-specific cultural awareness training prior to deployment. All instruction is from Department-provided or Department-approved lesson plans. Program office representatives vet each training site, and they review and approve each instructor. Frequent onsite oversight visits are made to training venues to ensure compliance with contract responsibilities. Training records are maintained for all contract personnel, and no personnel are permitted to deploy until all training requirements have been met.

Pursuant to the contractual language, life-support contractors, contracted under the U.S. Army's Logistics Civil Augmentation Program, are responsible for ensuring that personnel hired to perform the requirements identified in the contract documents have all training, degrees, or certifications necessary to perform the work assigned to them. This requirement applies whether the prime or subcontract employees perform the work. The contracting officer must approve any exceptions.

INL's Police Development Program will employ some contracted experts and plans for these advisers to participate in the same predeployment courses at the National Foreign Affairs Training Center that are required for all direct-hire USG employees deploying to Iraq. The courses include country-specific cultural awareness training and Iraq familiarization, along with some functional area instruction.

The January decision by the Secretary of Defense to accept the delegation of Security responsibility for the OSC-I field sites also means that CENTCOM will rely on Private Security Contractors for both static and movement security of OSC-I personnel. We are now working with DOD to identify functional and country-specific cultural training requirements for those contractors.

*Question.* What new mechanisms will the State Department employ to ensure that the large contracts are managed in a way to minimize waste, fraud, or abuse? Will State's OIG have permanent presence? Should they?

*Answer.* The State Department will have several types of large contracts in Iraq: providing life support, medical services, security and construction.

For life support, State Department will utilize the Army LOGCAP contract with a Task Order specifically designed to support the U.S. Embassy footprint throughout Iraq. Also, State Department will use an Army contract for the maintenance of tactical vehicles and security equipment. Contract administration will include the following: State Department will assign Contracting Officers' Representatives at the Embassy and Assistant CORs at each location. Army Sustainment Command presence in Iraq to administer the contract may include Program Director, Contracting Officer(s), Program Manager(s) and Administrative Contracting Officers. Additionally, the Defense Contract Management Agency (DCMA) will oversee the LOGCAP and other contracts. The presence will include DCMA officers, quality assurance representatives and other personnel. The Defense Contract Audit Agency will also provide auditing for the LOGCAP and other DOD contracts as required.

For the medical services contracts in Iraq, AQM has a contracting team with three acquisition personnel to work the Iraq projects. The team consists of one contracting officer with an unlimited warrant and two contract specialists. Furthermore, the members of the acquisition team are available for travel to Iraq to monitor contractor performance. After the contract is awarded, the Office of Medical Services will identify a qualified individual who will serve as the Contracting Officer's Representative and his/her staff will assist in overseeing the medical services contracts in Iraq.

For security contracts, a direct hire DS employee is present in every motorcade to provide operational oversight for each movement. Additionally, DS has implemented several technical measures to monitor protective details, including the use of tracking devices in each protective movement, allowing the Tactical Operations Center to monitor the location of each motorcade, the installation of recording equip-

ment to archive radio communications, and the installation of video cameras in protective vehicles.

In order to augment the contract oversight provided by RSOs designated as Contracting Officer's Representatives (CORs), DS is establishing new positions in the Embassy, Consulates and Embassy Branch Offices to be designated as Government Technical Monitors (GTM). These personnel will assist the RSO CORs to ensure full compliance with all contract requirements. In many cases, the GTM will live in the same facility as the contract employees, assist with the verification of personnel rosters used by the contractor to create its labor invoice, confirm qualifications of personnel, hours worked, adherence to Standards of Conduct, inventory control verifications and other contract oversight needs as directed by DS and the RSO COR.

Additionally, the DS program office has hired personnel in Washington to assist in reviewing invoices and maintaining day-to-day communications with the COR/GTMs at each task order location. Moreover, a number of "lessons learned" from the current Worldwide Personal Protective Services II (WPPS II) contract were incorporated into the new Worldwide Protective Services (WPS) contract. This includes additional training for all personnel, the use of DOD's Synchronized Pre-Deployment and Operational Tracker (SPOT) and Joint Asset Movement Management System (JAMMS) databases to track personnel in country, and limits on the number of consecutive hours/days that any individual may work.

For construction contracts in Iraq, AQM has a dedicated, full-time contracting team with five acquisition personnel that work the Iraq projects. The team consists of one contracting officer with an unlimited warrant and four contract specialists. Additionally, the members of the acquisition team are available for travel to Iraq to monitor contractor performance. After the contracts are awarded, OBO intends to staff personnel in Baghdad to provide project director oversight to the pending contract awards.

OIG has realized significant oversight results relating directly to the establishment of an OIG presence in Baghdad, Iraq. Posting OIG employees in Baghdad enabled an immediate response to issues originating in Iraq requiring audit, investigation or other oversight reviews.

OIG made a determination it would operate pursuant to a 5-year presence at Embassy Baghdad to oversee what was determined to be the most critical events at that time. The current 5-year period will expire in December 2013. OIG will reassess its need to maintain a presence in Baghdad based on the situation at that time. OIG is establishing a long-term presence within the region with offices in Cairo, Egypt, and Amman, Jordan, which can also assist in conducting future oversight of Department of State activities in Iraq and other surrounding countries.

#### INL CONTRACT OVERSIGHT

In order to support operations from its three hub locations in Erbil, Baghdad, and Basrah, INL will pay for services under the same contracts that the Embassy is planning to use—primarily LOGCAP, OBO IDIQ Construction contracts and WPS. The cost of contract oversight provided by M, OBO and DS in support of the Police Development Program will therefore be paid by INL as part of INL's related funding requirement for obtaining these contracted services. The mechanisms employed to manage contracted services in support of INL, and to minimize waste, fraud, or abuse, will be identical to those described above for the State Department at large.

INL is currently awaiting the award of the Criminal Justice Program Support (CJPS) contract. The CJPS contract may be used to obtain services for other aspects of Iraq Police Development Program operations except Construction, Security and IT/Communications infrastructure. CJPS contracted services could therefore include gap coverage for Life and Mission Support not provided under Embassy contract, or it could include Civilian Police Advisers. INL has an existing cadre of In-country Contracting Officer's Representatives (ICORs) to manage contracted services and to minimize waste, fraud, or abuse. INL ICORs have been deployed to Iraq since 2007 to perform contract oversight for INL's in-country operations. INL will continue to utilize its ICOR cadre in Iraq for direct contract oversight of stand-alone INL contracts and will assign ICORs at our hubs to assist with oversight of the Embassy's contracts.

*Question.* Why not put all that funding into FMF? What levels of FMF, and IMET assistance do you anticipate will be needed beyond FY 2011? For what specific purposes and for how long?

*Answer.* To achieve President Obama's strategic objective of a sovereign, stable, and self-reliant Iraq that contributes to peace and stability in the region, we must continue to support Iraq's efforts to develop capable Iraqi Security Forces that pro-



vide for Iraq's own internal security and can defend against external threats. FMF and IMET are two of our key policy tools to help shape the Iraqi military forces to meet these security needs and play a positive role in the region.

Consistent with the drawdown of U.S. forces and the stand up of the Office of Security Cooperation, FY 2012 will represent the first year of a normalized security assistance relationship with Iraq, namely through the inaugural use of State's FMF programming. Our use of FMF follows on the final year of DOD's Iraq Security Forces Funding in FY 2011. This funding will provide an important vehicle for helping the Iraqi Security Forces achieve minimum essential capabilities (MEC) and for cementing our enduring partnership with Iraq during an important period of transition.

Funding for FY 2012 broadly focuses on helping the Iraqis increase capacity and professionalism of Iraqi security forces and complements the efforts made through U.S., coalition, and Iraqi military operations and initiatives since 2003. The FMF program will help ensure that a strong bilateral relationship is in place by the time Iraq is able to fully utilize its own fiscal resources to contribute to peace and security in the region. Core objectives for the proposed programming include: achieving minimum essential capabilities; building enduring sustainment capabilities; enabling strategic transitions and creating enduring partnerships; and, developing a quick response capability. This funding will assist with the fielding of critical equipment such as vehicles; Intelligence, Surveillance, and Reconnaissance platforms; and weapons systems; and the development of organic Iraq logistics and maintenance structures; as well as support sustainment and training that will ensure a modernized, professional, and interoperable Iraqi military.

In FY 2012, IMET will fund professional development courses that will continue to further the goal of regional stability by fostering effective, mutually beneficial military-to-military relations. These courses will increase the institutional capacity within the GOI, strengthen the leadership ability of key civilian and military personnel, and enhance exposure to the necessity for basic democratic values and protection of internationally recognized human rights.

*Question.* Ambassador, what frequency of in-person interaction are you planning for the large police training mission you described?

*Answer.* Intensive in-person advising and mentoring between our trainers and senior-level Iraqi police officials is one of the distinguishing features of our planned Police Development Program (PDP). The planned frequency of our advising and mentoring will vary by site, but multiperson teams will visit approximately one to two times per week at sites accessible by air and three to five times per week at sites reachable by ground.

The State Department-led PDP will build upon the successes of the DOD training effort. It will consist of approximately 190 subject matter advisers who will be based out of three geographic hubs: Baghdad, Basrah, and Erbil. These advisers will conduct outreach to an estimated 28 advisory sites in 10 of Iraq's 18 provinces. In the eight provinces not directly engaged by the PDP, Government of Iraq police personnel can travel and receive training in any one of the 10 provinces covered by our program. The targeted provincial police headquarters encompass and manage approximately 55 percent of the nearly 300, 000 police assigned to the Iraqi Police service (IPS), which protect approximately 65 percent of the Iraqi population.

*Question.* What are the desired outcomes in the police program? What is your baseline in those areas? What impact to the desired outcomes will result from reducing the number of INL-funded police advisers from the originally requested 350 advisers to 190?

*Answer.* The desired outcomes of the Iraq Police Development Program (PDP) are to assist the Government of Iraq (GOI) in developing a professional, competent, and effective Ministry of Interior (MOI) fully capable of providing internal security and supporting the rule of law; maintaining a capable police force through continued training, education, professional development, and recruitment; and adhering to civilian police practices ensuring human rights for its citizens.

In addition to the planning efforts with MOI officials to design this program to meet Iraqi needs, we are performing an assessment of the current state of the criminal justice sector in Iraq in order to establish a baseline for measuring the success of our training programs. The assessment will help us pinpoint issues of concern and direct resources to those areas that need the most improvement and are most ripe for professional international police assistance.

The assessment will involve extensive consultations with GOI and U.S. Government officials, other donor nations, international organizations, program implemen-

ters, and nongovernmental organizations both in the United States and in Iraq. Consultations will occur on the ministerial, regional, and provincial levels.

We are also working with a consulting firm with expertise in performance monitoring and evaluation to develop a results framework, indicators, and metrics that will monitor the success of the PDP by measuring the quantifiable product of outputs and the degree of change brought about by the outcomes. Though the specific outputs will be refined over time in conjunction with the GOI, examples of potential outputs include: (1) A well-developed train-the-trainer program; (2) improved processes for developing strategic plans, policies, procedures, and supporting legislation and regulations; (3) operational forensics labs established and used by the Iraqi police; and (4) functional IT systems developed and maintained by the Iraqi police. Outcomes include: (1) Improved effectiveness of the Iraq Police at national and provincial levels; (2) increased capabilities of Special Operations Units, the Intelligence Division, and canine units; and (3) strengthened training academies to serve all levels of police personnel and their ongoing professional development.

The decision to reduce the PDP from its original size of 350 advisers to 190 advisers will not adversely impact our desired results for the Iraqi police, but will limit INL's reach throughout Iraq. Under the 350 model, our plans were to conduct training and mentoring at over 50 GOI sites in all 18 Iraqi provinces. In the current 190 adviser model, our outreach will occur in 10 provinces, and the number of GOI advisory sites has correspondingly been reduced to an estimated 28. To maximize its effectiveness, the PDP will focus in the most populated cities in Iraq, plus a number of other locations chosen for programmatic and strategic importance. However, we are also developing plans to ensure that key Iraqi police personnel based in the eight other provinces will also have the opportunity to receive advanced training at one of the other 28 GOI advisory sites by travelling to a site closest to them or by participating in training at the main police colleges.

Using this approach, we will focus the resources of the PDP on GOI sites which account for and manage approximately 55 percent of the nearly 300,000 personnel assigned to the Iraq police, who protect about 65 percent of the total Iraqi population.

*Question.* Both State and DOD have been delinquent in providing congressionally mandated quarterly reports on Iraq Stability and Security (9204 report, 1227 report). The last we received were in the summer of 2010. These reports are essential to our oversight obligations. What is the cause for this delay and what will you do to improve this record?

*Answer.* The 1227 report is in clearance, and we expect to submit it within the next several days.

*Question.* Mr. Ambassador, do you raise the issue of refugees and internally displaced persons (IDPs) with Prime Minister Maliki? In the past, even meeting with members of this committee, he has been dismissive of the issue. Has he shown any commitment? Is there a long-term comprehensive strategy on the part of his government, and regional governments to bring this file to a close? How much help are we appealing for/getting from European states?

*Answer.* We regularly engage with the Iraqi Government on refugee and IDP issues, and I have personally committed to elevating awareness by visiting a squatter settlement and discussing displacement with Prime Minister Maliki at the earliest opportunity. Senior Embassy officials have recently met with the newly appointed Minister of Displacement and Migration (MoDM) Dindar Najman, as well as senior officials in the Prime Minister's office and the Council of Representatives. We are cautiously optimistic that the new Iraqi Government will be more engaged in identifying durable solutions for its displaced citizens, including developing a comprehensive strategy to address displacement. MoDM Minister Najman has publicly announced that he will work to improve the lives of IDPs and coordinate with his regional partners to continue to support Iraqi refugees.

The Iraqi Government has undertaken a number of initiatives to assist displaced Iraqis and encourage voluntary returns. For example, the Iraqi Government increased the budget for the MoDM by 250 percent in 2010, which has permitted an increase in the grants offered to returning refugees and displaced persons from 1 million dinars (\$800) to 1.5 million dinars (\$1,200). In addition, the GOI has assisted 2,200 Iraqis in Egypt to return over the past month, providing free flights and reintegration assistance upon their return. The Iraqi Government has begun to disperse the \$32 million it pledged for compensation to displaced persons in Diyala province. This is a positive signal of Iraqi Government support for returning refugees and IDPs since Diyala had experienced significant displacement. Through the initiative, the Iraqi Government is investing in agricultural and other infrastructure

programs and basic services in areas with large numbers of returnees. While the international community is partnering with the Iraqi Government to provide targeted assistance for returnees in this province, we continue to press for greater contributions by the international community to sustain humanitarian and development assistance in all areas of displacement.

Although Iraq has made progress on assisting displaced Iraqis, we continue to urge them to do much more, including providing land grants to the most vulnerable IDP squatters, providing a local integration stipend to IDPs who choose not to return home, and providing greater assistance to its citizens who are displaced in neighboring countries.

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RESPONSES OF AMBASSADOR JAMES F. JEFFREY TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT P. CASEY, JR.

*Question.* On January 2, 2008, Staff Sergeant Ryan Maseth, of Shaler, PA, and on September 1, 2009, Adam Hermanson, a Defense contractor, whose wife is a resident of Muncy, PA, were both electrocuted while showering in Iraq. These are 2 of the 19 servicemembers or defense contractors who have been killed, not by al-Qaeda or an insurgent group, but by deficient electrical work performed by contractors. While I applaud the efforts of U.S. Forces-Iraq's standards and inspection team, named Task Force Safe, for their diligence in inspecting electrical work throughout Iraq, I continue to have grave concerns over the safety of our military and State Department personnel. How are we ensuring that contractors, specifically those installing or uninstalling electrical equipment, follow the proper electrical standards?

*Answer.* In 2008, Embassy Baghdad completed its transition from the Republican Palace, realizing full occupancy of the 27 buildings at the New Embassy Compound (NEC), including the Chancery, Annexes 1 and 2, staff apartments, Marine Security Guard Quarters, and Chief of Mission and Deputy Chief of Mission residences. In addition, two complexes were subsequently added at the NEC site to house and provide food service to local guards and maintenance personnel. The entire NEC provides safe, secure, and functional working and living space for U.S. Government personnel serving in Iraq.

The construction and installation of electrical service for the Department of State's (the Department) buildings in Iraq has not resulted in any fatalities or injuries.

Additional facilities are planned for the Baghdad NEC, as well as two consulates general and two embassy branch offices in Iraq, as the mission increases in size as the result of the military drawdown and civilian uplift. All of these facilities will be constructed in accordance with U.S. electrical standards and with appropriate contract oversight, as described below.

The effectiveness of the Department's safety program is borne out by the record: As in Iraq, electrical installation and service for our buildings has not resulted in fatalities/injuries at any of the more than 288 capital and major renovation works completed by the Department's Bureau of Overseas Buildings Operations (OBO) since 2001. These projects represent contracts worth well over \$1 billion annually, for NECs and structures that include both office buildings and residential complexes, whether temporary or permanent in nature.

To ensure that electrical work meets standards for work performed under contract for the Department, the contract specifications required by the Department adhere to U.S. electrical codes, specifically the National Electrical Code. As part of these requirements, OBO's construction emphasizes proper grounding and includes the installation of Ground Fault Circuit Interrupters (GFCIs) in bathrooms, kitchens, and outdoors. Furthermore, work is done by contractors familiar with U.S. standards, and all contracts include a requirement for quality control. Contractor designs are reviewed in Washington, DC, by the Department's electrical engineers for code compliance. During construction, each contract has onsite supervision by the Department's Construction Managers, who have electrical supervisors among their onsite staff. These personnel oversee the quality assurance program and the commissioning and testing of all electrical work. Work that is underway in Iraq adheres to this process, as will any future work.

*Question.* The provided joint testimony noted that: "If the Department of State is to effectively take the lead from our military colleagues, we need the support and resources to finish the job." General Austin, during your testimony you said that we must "fully resource Embassy Baghdad." Why is it important to have a fully resourced Embassy, and what does it mean in terms of personnel and funding?

Answer. We face numerous challenges in Iraq. It is vital that our staff is able to move securely and live in safe and functional facilities as they seek to identify, advance, and defend U.S. interests. A fully resourced mission is the only way we can do this effectively.

Our presence at U.S. Embassy Baghdad has undergone a long right-sizing process and is continuously reviewed. The manpower, equipment, and capabilities allow for what is absolutely necessary for Embassy Baghdad to safely continue diplomatic engagement with Iraqi political, religious and civil society leaders within Iraq's challenging security environment. A key part of the USG strategy in Iraq includes the establishment of two consulates (Basrah and Erbil) and two Embassy Branch Offices (Kirkuk and Mosul) in addition to the Embassy. These offices positioned along key faultlines of potential Arab-Kurd or Sunni-Shia crises, can balance foreign interference, and promote opportunities for investment, stimulating economic opportunity for Iraq's growing population. The security environment and ethnic and sectarian dynamics of Iraq dictate vigorous local engagement in these areas.

The mission will employ approximately 16,500 direct hire and contractor personnel to support post-transition diplomatic operations. We have requested \$4.8 billion in FY 2012 for setup and operating costs for facilities throughout Iraq.

*Question.* Your testimony predicts that "Shia extremists will continue to be funded, trained, and equipped by Iran. Violence will be masked by criminality, illicit smuggling, and extortion—a blend of extremism and crime." What measures can Embassy Baghdad take to counter Iranian influence in Iraq's political and security affairs?

Answer. Although Iraq desires mutually beneficial relations with Iran, polls show that Iraqis are deeply opposed to overweening Iranian influence in Iraq. The previous government, also led by Prime Minister Maliki, confronted Iranian-backed Shia militant groups in the March 2008 Charge of the Knights campaign, and the Iraqi Government signed the Security Agreement and the Strategic Framework Agreement with the United States despite intense opposition from Tehran.

In our view, the best way to counter the negative exercise of Iranian or any other outside influence is by supporting a self-reliant, democratic, and stable Iraq that pursues its own national interest and develops its oil resources. This includes supporting Iraq's security forces, expanding the country's governmental capacity, strengthening its democratic institutions and promoting its economic development. The transition from a military to civilian led operation is crucial to this effort. The Department of State and Embassy Baghdad will assume responsibility for police training and mentoring programs previously managed by the Department of Defense and the U.S. military. Similarly, the Office of Security Cooperation-Iraq (OSC-I), responsible for security assistance and security cooperation with Iraq, will facilitate of Foreign Military Sales cases designed to strengthen the Iraqi military. Through efforts such as the State Department-led Police Development Program, OSC-I, and continued assistance to promote the rule of law, governance, and other important initiatives, we will be able to help Iraq strengthen its institutions, improve the lives of its citizens, and preserve its independence from Iran and other negative regional influences.

*Question.* Will the 190 State Department INL advisers to the Iraqi police forces be made up solely of full-time Department of State employees, and will the 28 advisory locations be permanent DOS-controlled facilities used solely for training the Iraqi police?

Answer. The Department's police development program is a police professionalization program that builds on the current work being done by the U.S. military's police training program in Iraq. It will provide senior level ministerial advisers in key organizational areas, such as human resource management and strategic planning, senior level police mentors to provincial chiefs of police, and subject matter experts (e.g., forensics, crime scene management, EOD, community policing, etc.) to Iraqi trainers. We are seeking to hire as many U.S. Government personnel pursuant to employment authorities under 5 U.S.C. §3161 as possible to serve as INL police advisers. In addition, direct hire personnel from state and local police departments and other Federal agencies such as the Department of Homeland Security will be detailed to INL to serve as police advisers. We may also use contracted subject matter experts, depending upon our specific requirements for expertise, to serve as advisers.

All of the 28 advisory sites at which INL police advisers will be mentoring and training Iraq police are Government of Iraq facilities, and are not DOS-controlled sites. These include the Ministry of Interior, provincial police headquarters, and police colleges and training academies.

*Question.* The Special Inspector General of Iraq's latest quarterly and semiannual report notes that the Government of Iraq promised to hire over 95,000 SOI members, but has only offered positions to nearly 40,000. Why is this the case? What will Embassy Baghdad do to ensure these instrumental allies are able to continue contributing to the stability of Iraq?

*Answer.* We agree that the transition of Sons of Iraq (SOI) to long-term employment remains vital to maintaining security gains in Iraq. A history of pay problems and slow transition to other employment, though coincidental, contribute to perceptions among the SOI that Sunnis are being discriminated against. Embassy Baghdad and U.S. Forces-Iraq continue to work with the Government of Iraq (GOI) to meet its commitments to pay SOI on time and transition the SOI into the Iraqi security forces and civilian ministries.

Prior to the March 2010 parliamentary elections, the GOI had transitioned 43 percent of the approximately 95,000 SOI into the Iraqi security forces or various civil ministries. During the elections, the GOI put the transition of SOI into civilian and Iraqi security forces jobs on hold to afford extra security during and after the elections. Security needs during government formation extended this pause in SOI transition. Planning continues for transitioning the remaining SOI.

Despite these delays, the GOI continues to support the Sons of Iraq. Since May 2009, the GOI has been responsible for paying all SOI salaries, and timeliness continues to improve. In 2 of the last 4 months (September and December), SOI were paid early, with only minor delays in four provinces in October and November. Further, the GOI's draft 2011 budget includes \$195 million for salaries and other payments for the SOI.

Embassy Baghdad and USF-I remain engaged on the issue of transition, and continue to partner with GOI officials, provincial leaders, and Sunni tribes on SOI issues. This persistent effort is succeeding. A new SOI Joint Coordination Center (JCC) has recently been formed within the Ministry of Defense, which aims to enhance interagency cooperation and increase responsiveness to SOI concerns. The JCC will facilitate the GOI's renewed focus on SOI pay issues and transitions.

