

**Testimony by the Under Secretary of State for Political Affairs
Marc Grossman**

The Iraq Transition

Senate Foreign Relations Committee

April 22, 2004

Mr. Chairman, Senator Biden, Members of the Committee, I appreciate the opportunity to report to you today on the progress we are making regarding the June 30 transition in Iraq.

Before I begin, I would like to pay tribute to the men and women who are serving their country and the cause of freedom in Iraq. Secretary Powell, Deputy Secretary Armitage and I are immensely proud of the Americans – civilian and military – who demonstrate the highest degree of dedication, determination and courage as they work to bring security, democracy and prosperity to Iraq. I also want to thank our many Coalition partners for their steadfast support.

Thank you also for your support of the State Department.

I know that you saw the President's announcement on Monday of his nomination of Ambassador John Negroponte to be the first Ambassador to the new Iraq. We are delighted.

I read your letter of invitation to me carefully. Your focus on the plans and preparation for a successful transition on June 30, our coordination with Coalition partners, Iraqis and the United Nations, and the importance of a smooth transition from the CPA to a U.S. Embassy in Baghdad is the right focus.

We too are focused on the need to ensure enough resources, the right people and the right organizational structure to do the job.

While I will report to you today on the tremendous amount of work we have already done on these issues, we do not yet have all the answers. As Secretary Powell said earlier this month to your colleagues here in Congress, "Creating a democratic government in Iraq will be an enormous challenge, but Ambassador Bremer -- with the Iraqi Governing Council, the United Nations and our coalition

partners -- is committed to success.” And what did the Secretary say next? “When the State Department assumes the lead role this summer in representing and managing U.S. interests in Iraq, we will carry on that commitment. We’re already thoroughly involved, and we will succeed.”

We have the guidance we need, the direction required, and a plan for a successful transition in Iraq.

GUIDANCE, DIRECTION, PLAN

Our guidance comes from President Bush. He repeated it last week. “One central commitment” the President said of our mission to liberate Iraq, “is the transfer of sovereignty back to the Iraqi people. We have set a deadline of June 30th. It is important that we meet that deadline. As a proud and independent people, Iraqis do not support an indefinite occupation – and neither does America.”

The President went on to describe that day: “On June 30th, when the flag of free Iraq is raised, Iraqi officials will assume full responsibility for the ministries of government. On that day, the Transitional Administrative Law, including a bill of rights that is unprecedented in the Arab world, will take full effect. The United States, and all the nations of our coalition, will establish normal diplomatic relations with the Iraqi government. An American embassy will open, and an American ambassador will be posted.”

Our specific direction comes from Secretary Powell. The Secretary has set the State Department in motion to support the President’s goal of a smooth transition on June 30.

After the CPA and the Iraqi Governing Council signed the November 15 Agreement and established the June 30 transition date, the Secretary called Ambassador Francis (Frank) Ricciardone back to Washington to head our transition team. In his first day on the job, Ricciardone went to the Pentagon to meet with his counterpart as the Iraq Transition Team leader for the Department of Defense, LTG (ret.) Mick Kicklighter. Ricciardone and Kicklighter head one interagency team.

Our interagency team has established a cell in Baghdad under Ambassador John Holzman. Ambassador Holzman works on transition planning and implementation in immediate consultation with CPA Administrator Bremer and CJTF-7 Commander General Sanchez.

The Secretary's involvement in our transition planning continues daily. Each evening we send the Secretary a consolidated summary of the Department's transition-related activities for the day. The notes demonstrate a broad range of interagency, bilateral and multilateral requirements, and highlight issues to solve and those resolved. We also provide the Secretary a more in-depth weekly report that highlights key challenges and the steps we are taking to address them.

And so, following the President's guidance and Secretary Powell's direction, we have developed a plan to get us to – and through – June 30.

To execute our plan, we have and continue to work closely with our interagency colleagues, and we consult regularly with Congress and Coalition partners in Baghdad, in Washington, and in capitals.

TRANSITION FROM CPA TO EMBASSY

We are proceeding in close coordination with our interagency colleagues and with CPA.

As an early step, the transition planning team established teams in key sectors which we thought critical to ensuring a successful transition on June 30. We also sent interagency assessment teams to Iraq to examine the situation on the ground and report their findings.

Each of these sectors is broken down into individual tasks or milestones that need to be accomplished. The sectors actually represent more than 500 milestones. And behind these milestones are individual tasks. Responsibility for each task has been assigned to a particular agency or office, and target completion dates have been established.

In the personnel sector, for example, there are twenty-six individual milestones that have been identified to date. All but four are "green," indicating that they are either completed or on schedule.

We at the State Department are glad to brief you or your staff on any of the tasks we have identified. And let me offer full access to our Transition Planning Team intranet website to any of your staff willing to visit us in the Department of State and use computers with access to our intranet.

* * * * *

Today, I would like to spend a few minutes going into some detail on our planning and progress in four key sectors of transition planning: people, security, buildings and money.

PEOPLE

State Department officers have been in Iraq from the beginning, alongside Jay Garner and ORHA and under Jerry Bremer and CPA. We have more than 170 people in Iraq today. These men and women have come from Washington and dozens of missions overseas, Foreign Service and Civil Service, from our newest Junior Officers to sitting Ambassadors. We are proud of their professionalism and sense of service.

How big will our new Embassy in Baghdad be?

The State Department has announced positions for 142 American employees and 155 locally engaged staff.

In addition, in January of this year, the Secretary asked his Cabinet colleagues to identify contributions their agencies might offer in Iraq. As of April 15, ten agencies have requested a presence in Embassy Baghdad for a total of 254 American and 280 locally hired personnel for FY 2005. Long term, we estimate a total of 350-400 permanently assigned Americans from some 12-15 agencies, other than State, will serve under the Chief of Mission in Iraq.

And a number of CPA staff will continue after July 1 in a temporary capacity under Chief of Mission authority to ensure the continuity of the transition process and to support Iraq reconstruction efforts. The transition team, working closely with CPA, is currently identifying the number of staff that will carryover.

Thanks to the eagerness of so many State Department people to volunteer for service in Iraq, we have made excellent progress in assigning them to the future Embassy. More than 200 people have requested to be assigned to the new Embassy. Of the 142 Foreign Service positions announced to date for Embassy Baghdad, we have formally assigned 97 people. Thirty-two more assignments are pending.

We have also already begun interviewing for the local hire positions, and have hired our first employees. These first hires are undergoing training here in

Washington in order to prepare to help us hire others for service in the Embassy. In the short run, however, pending the Embassy's ability to bring on all the direct-hire Iraqi personnel that we ultimately will need, the Embassy will rely on Iraqi and third country staff now under the U.S. Army's "Logcap" contract to provide many basic support services.

We have heard questions about the role of the American ambassador, given the large military presence that will remain in Iraq after July 1.

The American ambassador, once confirmed by the Senate, will carry with him to Iraq a letter from the President – as all our Ambassadors do – that spells out clearly his authority in Iraq. It will say that he, as the Chief of Mission and personal representative of the President, reporting through the Secretary of State, will have full responsibility for the direction, coordination, and supervision of all United States Government executive branch employees in Iraq, regardless of their employment categories or location, except those under command of a U.S. area military commander or on the staff of an international organization.

Of course, the Ambassador and the military commander will have to work closely together to ensure that their respective operations are fully coordinated and best serve the interests of the United States in Iraq.

There are also questions about the command and control of U.S. forces in Iraq after June 30. U.S. forces in Iraq will report to the U.S. commander of the Multinational Force - Iraq (MNF-I), who will report to the President through the military chain of command. We will consult closely with the Interim Iraqi Government and, as General Myers said earlier this week, we will build a partnership with Iraqi security forces.

One last comment on State personnel. The response from the professional men and women in the State Department has been exemplary. Many of those who have asked to serve in the new Embassy have already served in Iraq over the past year. Without the additional personnel made possible through Congressional support for the Diplomatic Readiness Initiative, we would have been unable to provide this kind of support to CPA, or be in such good shape heading for June 30.

We look for your continued support to ensure that new requirements like Iraq are permanently funded to ensure the personnel resources remain available to respond to crises.

SECURITY

Our top priority is to keep our people safe. This is a dangerous mission. We have already begun the security upgrade of the planned interim Embassy buildings, and have selected a site for a future new embassy compound based largely on its security features. We have 51 armored vehicles in Iraq and another 98 are on order. These vehicles have already saved American and Iraqi lives.

Thirty-two Diplomatic Security (DS) staff are already in Iraq to define the Mission's security requirements and to begin to meet them -- as well as to help protect CPA officers and visitors.

There are difficult questions related to security still to be answered. Deputy Secretary Armitage and Assistant Secretary for Diplomatic Security Frank Taylor were just in Baghdad to keep working through these questions in close coordination with people on the ground.

Iraq is, and for some time will remain, a dangerous place to live and work. Protecting our people in a wartime environment is difficult and expensive, but we must spare no effort or expense to meet this challenge.

BUILDINGS

Director of Overseas Building Operations Chuck Williams traveled to Baghdad in February to complete plans for interim and potential permanent mission facilities. We have identified a building in the green zone to serve as the Embassy from July 1 until a more permanent facility can be established. This building, which we refer to as the temporary Chancery, is already under renovation and will be ready for occupancy in advance of the transition.

The temporary Chancery will serve as the office of the Ambassador and a limited number of staff. In addition, until we build a new Embassy compound, we will continue to use the former Republican Palace, where CPA is currently located, for most non-public operations, and we will continue to use the current residence that is being occupied by Administrator Bremer.

Most embassy employees will be housed in trailers currently being occupied by CPA personnel. We have already contracted for an additional 75 trailer units to accommodate 150 personnel to ensure that we have adequate and appropriate space to house our staff until permanent facilities can be established.

We also have begun the planning process to develop a new American Embassy facility. A site, chosen largely for security reasons, has been selected for the new Embassy facility.

FINANCIAL OUTLOOK

Finally, I would like to share our current thinking on the fiscal resources needed to ensure a smooth transition to Embassy Baghdad, and the continued operation of the mission thereafter.

I need to emphasize that the costs I report to you today are only a snapshot.

In order to open an Embassy on July 1, we must meet basic security needs and must make an investment in technology and communications equipment. Congress has provided in FY 2004 \$97 million for an interim embassy facility and interim operations.

In addition, we expect to have available the fourth quarter portion of the operating expense budget appropriated for the CPA (\$195.8 million), and, pursuant to the FY 2004 Supplemental, up to 1% of the Iraq Relief and Reconstruction Fund, available for transfer (\$184 million).

The State Department must be prepared to cover both its initial start-up and operating expenses, as well as follow-on costs from the CPA to assure continuity of operations. There are significant challenges in the funding demands that we are working are way through, and it is clear that we will need to make sure that all agencies cover their respective share of joint costs.

We estimate that those joint mission costs may be in the range of \$500-\$600 million for the balance of FY 2004 and we are working on how those costs will be allocated among agencies. In addition, we estimate that the costs in FY 2005 to operate the U.S. mission could exceed \$1 billion. We are working closely with CPA, DOD, and OMB to refine these estimates and will provide you as much accurate information as quickly as we can. We will consult with you and your colleagues before anything is finalized.

IRAQ'S TRANSITION TO SOVEREIGNTY

About the political process in Iraq, and the restoration of Iraqi self-government on June 30th. Here, too, our guidance and direction is clear.

The President, on the night he announced the start of Operation Iraqi Freedom, March 19, 2003 said: "We come to Iraq with respect for its citizens, for their great civilization and for the religious faiths they practice. We have no ambition in Iraq, except to remove a threat and restore control of that country to its own people."

The plan for restoring Iraqi sovereignty is laid out in the November 15 agreement. That agreement, signed by CPA and the Iraqi Governing Council, called for a Transitional Administrative Law, encompassing a basic bill of rights for all Iraqis. The agreement called for the selection of an interim Iraqi government to oversee the preparation of national elections, and the transfer of governing authority to the interim government by June 30, 2004. And the agreement established a timeline for national elections, the drafting and ratification of a new constitution and the election of a government under that constitution by December 31, 2005.

There have been changes since November 15. But the basic framework and timeline still holds.

TRANSITIONAL ADMINISTRATIVE LAW

The first step was the Governing Council's unanimous agreement on the Transitional Administrative Law, or TAL, nearly two months ago. This marked an important achievement. As Secretary Powell said on March 8, "Just imagine the impact that this document is going to have, not only in Iraq but in that part of the world. The rights of all citizens, to include women, committing this Arab nation to democracy; a free and independent judiciary; the military firmly under civilian controls."

The TAL provides for equal rights for all Iraqis, without regard to gender, sect, opinion, belief, nationality, religion or origin. It confirms Iraq as a single state with federal structures, affirms civilian control of the Iraqi security services and the independence of the judiciary. Finally, the TAL establishes the general framework for national elections by January 31, 2005, the drafting of a permanent constitution by August 15, 2005 and the transition to a constitutionally-based post-transition Iraqi government by December 31, 2005.

THE IRAQI INTERIM GOVERNMENT

Following the UN Secretary General's February 23 report and the signing of the TAL on March 8, the Governing Council on March 17 asked the UN to return to Iraq to advise and assist on forming the Iraqi Interim Government and preparing for elections for the Transitional National Assembly. On April 5, Ambassador Brahimi returned to Iraq to resume intensive consultations with Iraqis for this purpose.

As President Bush said last Friday, "We welcome the proposals presented by the U.N. Special Envoy Brahimi. He's identified a way forward to establishing an interim government that is broadly acceptable to the Iraqi people... We thank the U.N. and Secretary General Annan for helping Iraqis secure a future of freedom. We're grateful that Mr. Brahimi will soon return to Iraq to continue his important work."

In our consultations with the UN and Iraqis, we have made clear that while Ambassador Brahimi and Iraqis will chose the specific formula for the interim government, there are fundamental criteria that must be met.

First, the interim government should represent the diversity of Iraq.

Second, it should not have a law-making body. The structure of the government should be effective, simple and, in order to avoid deadlock in the interim period, should not be overly large.

Third, the process of selecting the government should be as simple as possible.

And fourth, the interim government should have the necessary authorities to lead Iraq into the community of nations, undertake agreements to push forward economic reconstruction, and prepare the country for elections.

We were pleased by the sketch Ambassador Brahimi provided of his proposed way forward and believe his idea fits well with our vision.

Ambassador Brahimi envisions establishing by mid-May an interim government led by a Prime Minister that also includes a President and two deputy presidents. A council of ministers would report to the Prime Minister. An Advisory Body, selected in July by a National Conference, would serve alongside the Executive but have no legislative authority.

We look forward to further discussions with Iraqis and in New York with the Secretary General as we consider the way forward. We also look forward to Ambassador Brahimi's return to Iraq in the weeks ahead to continue consultations with Iraqis countrywide.

I would also highlight Ambassador Brahimi's statement regarding the central importance of elections. We agree. In fact, the call for national elections in early 2005 was a key part of the November 15 agreement.

In this regard, we are grateful for the continued work of the UN election team, headed by Carina Perelli. The team has been in Baghdad since late March and is working closely with our officials and experts to accelerate election preparations. As Ms. Perelli has said, the timeline for elections by January 2005 is very tight. A top priority remains establishing an independent Election Commission as soon as possible. We look forward to further discussions with the UN on the way ahead.

UNSCR

President Bush and Secretary Powell have both discussed a new UN Security Council resolution on Iraq. We are considering what kind of resolution might be appropriate and are looking at possible elements that would be in the resolution.

For example, a new resolution could extend a hand to a new Iraqi government. It could deal with reconstruction activities, including the future of the Development Fund for Iraq and with the continuing need for security to enable the Iraqi people to complete the political process. It could encourage other nations to get involved on both the security and reconstruction efforts. And a new resolution could structure a role for the United Nations in the new political framework, particularly in supporting the process towards elections.

JULY 1

So, as I sit before you on April 22, what do I think Iraq will look like on July 1? There will be an American ambassador, running a large but recognizable Embassy. His highly experienced deputy chief of mission and country team will include representatives from a broad range of USG agencies. There will still be more than 100,000 U.S. troops on the ground, helping provide security and train Iraqi army and police forces. And when the Ambassador drives off to call on Iraqis, he will be meeting with the Prime Minister and the President of a sovereign Iraq.

But our work will not be complete. Iraq will still be in transition; elections will need to be held; a permanent constitution will need to be drafted; economic reconstruction will remain unfinished. The United States is committed until we reach our objective – a democratic, prosperous Iraq governed by a duly-elected, representative government, at peace with itself and its neighbors.

We have guidance; we have direction; we have a plan. And we are already executing that plan.

Thank you.

* * * *