

# CRS Report for Congress

## Iraq: Post-Saddam Governance and Security

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## Summary

Operation Iraqi Freedom overthrew Saddam Hussein's regime, but much of Iraq remains violent because of Sunni Arab resentment and a related insurgency, compounded by Sunni-Shiite violence that a January 2007 national intelligence estimate (NIE) said has key elements of a "civil war." Mounting U.S. casualties and financial costs — without clear overall improvements in levels of violence or political reconciliation among Iraq's major communities — have intensified a debate within the United States over whether to wind down U.S. involvement without completely accomplishing initial U.S. goals.

President Bush announced a new strategy on January 10, 2007 ("New Way Forward") consisting of deployment of an additional 21,500 U.S. combat forces to help stabilize Baghdad and restive Anbar Province. The strategy is intended to provide security conditions conducive to Iraqi government action on a series of key reconciliation initiatives that are viewed as "benchmarks" of political progress. Movement on the reconciliation initiatives has been halting but has not ceased, and the Administration is putting increasing pressure on the Iraqi government to accelerate progress. Senior U.S. military leaders say the 2007 Baghdad security plan has reduced sectarian violence and allowed for an increase in commerce, but it has not, to date, reduced violence Iraq-wide. U.S. officials assert that the security plan builds on important successes: two elections (January and December 2005) that chose an interim and then a full-term parliament and government; a referendum that adopted a permanent constitution (October 15, 2005); progress in building Iraq's security forces; and economic growth.

Some in Congress — as well as the Iraq Study Group — believe that the United States should begin winding down U.S. combat involvement in Iraq. Both chambers adopted a FY2007 supplemental appropriation to fund U.S. operations in Iraq and Afghanistan (H.R. 1591) that would have set an outside deadline of March 31, 2008 for U.S. combat withdrawal if the President did not certify Iraqi progress on the "benchmarks;" President Bush vetoed it on May 1, 2007. A new version (H.R. 2206, P.L. 110-28) links some U.S. reconstruction aid to progress on the benchmarks, but allows for a presidential waiver to continue the aid even if little or no progress is observed. Other bills support the Iraq Study Group's various recommendations, including for intensified efforts to persuade neighboring states to restrain their protegee factions in Iraq. This is a step the Administration has begun to take by participating in a March 10 meeting in Baghdad and a follow-up in Egypt (May 3-4) involving Iraq's neighbors, including Iran and Syria, and then in a highly publicized May 28, 2007 meeting with Iranian diplomats in Baghdad.

This report is updated regularly. See also CRS Report RS21968, *Iraq: Government Formation and Performance*, by Kenneth Katzman; CRS Report RL31833, *Iraq: Recent Developments in Reconstruction Assistance*, by Curt Tarnoff; CRS Report RL31701, *Iraq: U.S. Military Operations*, by Steve Bowman; and CRS Report RL33793, *Iraq: Regional Perspectives and U.S. Policy*, coordinated by Christopher Blanchard.

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# Iraq: Post-Saddam Governance and Security

Iraq has not previously had experience with a democratic form of government, although parliamentary elections were held during the period of British rule under a League of Nations mandate (from 1920 until Iraq's independence in 1932), and the monarchy of the Sunni Muslim Hashemite dynasty (1921-1958). The territory that is now Iraq was formed from three provinces of the Ottoman empire after British forces defeated the Ottomans in World War I and took control of the territory in 1918. Britain had tried to take Iraq from the Ottomans earlier in World War I but were defeated at Al Kut in 1916. Britain's presence in Iraq, which relied on Sunni Muslim Iraqis (as did the Ottoman administration), ran into repeated resistance, facing a major Shiite-led revolt in 1920 and a major anti-British uprising in 1941, during World War II. Iraq's first Hashemite king was Faysal bin Hussein, son of Sharif Hussein of Mecca who, advised by British officer T.E Lawrence ("Lawrence of Arabia"), led the Arab revolt against the Ottoman Empire during World War I. Faysal ruled Iraq as King Faysal I and was succeeded by his son, Ghazi, who was killed in a car accident in 1939. Ghazi was succeeded by his son, Faysal II, who was only four years old.

A major figure under the British mandate and the monarchy was Nuri As-Said, a pro-British, pro-Hashemite Sunni Muslim who served as prime minister 14 times during 1930-1958. Faysal II, with the help of his pro-British Prime Minister Nuri al-Sa'id who had also served under his predecessors, ruled until the military coup of Abd al-Karim al-Qasim on July 14, 1958. Qasim was ousted in February 1963 by a Baath Party-military alliance. Since that same year, the Baath Party has ruled in Syria, although there was rivalry between the Syrian and Iraqi Baath regimes during Saddam's rule. The Baath Party was founded in the 1940s by Lebanese Christian philosopher Michel Aflaq as a socialist, pan-Arab movement, the aim of which was to reduce religious and sectarian schisms among Arabs.

One of the Baath Party's allies in the February 1963 coup was Abd al-Salam Arif. In November 1963, Arif purged the Baath, including Baathist Prime Minister (and military officer) Ahmad Hasan al-Bakr, and instituted direct military rule. Arif was killed in a helicopter crash in 1966 and was replaced by his elder brother, Abd al-Rahim al-Arif, who ruled until the Baath Party coup of July 1968. Following the Baath seizure, Bakr returned to government as President of Iraq and Saddam Hussein, a civilian, became the second most powerful leader as Vice Chairman of the Revolutionary Command Council. In that position, Saddam developed overlapping security services to monitor loyalty among the population and within Iraq's institutions, including the military. On July 17, 1979, the aging al-Bakr resigned at Saddam's urging, and Saddam became President of Iraq. Under Saddam Hussein, secular Shiites held high party positions, but Sunnis, mostly from Saddam's home town of Tikrit, dominated the highest party and security positions. Saddam's regime repressed Iraq's Shiites after the February 1979 Islamic revolution in neighboring

Iran partly because Iraq feared that Iraqi Shiite Islamist movements, emboldened by Iran, would try to establish an Iranian-style Islamic republic of Iraq.

## **Policy in the 1990s Emphasized Containment**

Prior to the January 16, 1991, launch of Operation Desert Storm to reverse Iraq's August 1990 invasion of Kuwait, President George H.W. Bush called on the Iraqi people to overthrow Saddam. That Administration decided not to try to do so militarily because (1) the United Nations had approved only liberating Kuwait; (2) Arab states in the coalition opposed an advance to Baghdad; and (3) the Administration feared becoming bogged down in a high-casualty occupation.<sup>1</sup> Within days of the war's end (February 28, 1991), Shiite Muslims in southern Iraq and Kurds in northern Iraq, emboldened by the regime's defeat and the hope of U.S. support, rebelled. The Shiite revolt nearly reached Baghdad, but the mostly Sunni Muslim Republican Guard forces were pulled back into Iraq before engaging U.S. forces and were intact to suppress the rebellion. Many Iraqi Shiites blamed the United States for not intervening on their behalf. Iraq's Kurds, benefitting from a U.S.-led "no fly zone" set up in April 1991, drove Iraqi troops out of much of northern Iraq and remained autonomous thereafter.

Subsequent to the war, the thrust of U.S. policy was containment, consisting of U.N. Security Council-authorized weapons inspections, an international economic embargo, and U.S.-led enforcement of "no fly zones" over northern and southern Iraq.<sup>2</sup> However, President George H.W. Bush did pursue regime change to some extent, including reportedly sending Congress an intelligence finding that the United States would try to promote a military coup. The Administration apparently believed that a coup could produce a favorable government without fragmenting Iraq. After a reported July 1992 coup failed, there was a U.S. decision to shift to supporting the Kurdish, Shiite, and other oppositionists that were coalescing into a broad movement,<sup>3</sup> but the United States did not take direct military action to help them.

## **The Clinton Administration and Major Anti-Saddam Factions**

During the Clinton Administration, the United States built ties to and progressively increased support for several of the secular and religious opposition factions discussed below. Some of these factions have provided major figures in post-Saddam politics, while also fielding militias that are allegedly conducting acts of sectarian reprisals in post-Saddam Iraq.

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<sup>1</sup> Bush, George H.W., and Brent Scowcroft. *A World Transformed*. Alfred A. Knopf, Inc. 1998.

<sup>2</sup> The implementation of these policies is discussed in CRS Report RL32379, *Iraq: Former Regime Weapons Programs, Human Rights Violations, and U.S. Policy*, by Kenneth Katzman.

<sup>3</sup> Congress more than doubled the budget for covert support to the opposition groups to about \$40 million for FY1993, from previous reported levels of about \$15 million to \$20 million. Sciolino, Elaine. "Greater U.S. Effort Backed To Oust Iraqi." *New York Times*, June 2, 1992.

**Secular Groups: Iraqi National Congress (INC) and Iraq National Accord (INA).** In 1992, the two main Kurdish parties and several Shiite Islamist groups coalesced into the “Iraqi National Congress (INC),” on a platform of human rights, democracy, pluralism, and “federalism” (Kurdish autonomy). However, many observers doubted its commitment to democracy, because most of its groups had authoritarian leaderships. The INC’s Executive Committee selected Ahmad Chalabi, a secular Shiite Muslim, to run the INC on a daily basis. (A table on U.S. appropriations for the Iraqi opposition, including the INC, is an appendix).<sup>4</sup>

Another secular group, the Iraq National Accord (INA), was founded after Iraq’s 1990 invasion of Kuwait, was supported initially by Saudi Arabia but reportedly later earned the patronage of the Central Intelligence Agency (CIA).<sup>5</sup> It is led by Dr. Iyad al-Allawi. The INA enjoyed Clinton Administration support in 1996 after squabbling among other opposition groups reduced their viability,<sup>6</sup> but the INA was penetrated by Iraq’s intelligence services, which arrested or executed over 100 INA activists in June 1996. In August 1996, Baghdad launched a military incursion into northern Iraq, at the invitation of the KDP, to help it capture Irbil from the PUK. The incursion enabled Baghdad to rout INC and INA agents in the north.

**The Kurds.** The Kurds, who are mostly Sunni Muslims but are not Arabs, are probably the most pro-U.S. of all major groups. Historically fearful of persecution by the Arab majority, the Kurds have carved out a high degree of autonomy and run their own three-province region run by a Kurdistan Regional Government (KRG). Through legal procedures as well as population movements, the Kurds are trying to secure the mixed city of Kirkuk, which they covet as a source of oil that would ensure their autonomy or eventual independence. The Kurds achieved insertion of language in the permanent constitution requiring a vote by December 2007 on whether Kirkuk might formally join the Kurdish administered region. (The Iraq Study Group report, released December 6, 2006, in Recommendation 30 believes that this referendum should be delayed.)<sup>7</sup> For now, both major Kurdish factions — the Patriotic Union of Kurdistan (PUK) led by Jalal Talabani, and the Kurdistan Democratic Party (KDP) led by Masud Barzani — are participating in Iraqi politics, the PUK more so than the KDP; Talabani is Iraq’s president. For an extended discussion, see CRS Report RS22079, *The Kurds in Post-Saddam Iraq*, by Kenneth Katzman and Alfred B. Prados.

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<sup>4</sup> Chalabi’s father was president of the Senate in the monarchy that was overthrown in the 1958 military coup, and the family fled to Jordan. He taught math at the American University of Beirut in 1977 and, in 1978, he founded the Petra Bank in Jordan. He later ran afoul of Jordanian authorities on charges of embezzlement and he left Jordan, possibly with some help from members of Jordan’s royal family, in 1989. In April 1992, he was convicted in absentia of embezzling \$70 million from the bank and sentenced to 22 years in prison. The Jordanian government subsequently repaid depositors a total of \$400 million.

<sup>5</sup> Brinkley, Joel. “Ex-CIA Aides Say Iraq Leader Helped Agency in 90’s Attacks,” *New York Times*, June 9, 2004.

<sup>6</sup> An account of this shift in U.S. strategy is essayed in Hoagland, Jim. “How CIA’s Secret War On Saddam Collapsed,” *Washington Post*, June 26, 1997.

<sup>7</sup> The report can be obtained at [<http://www.usip.org>].

**Shiite Islamists: Ayatollah Sistani, SICI, Da'wa Party, and Sadr.**

Shiite Islamist organizations have become dominant in post-Saddam politics; Shiites constitute about 60% of the population but were under-represented in all pre-2003 governments. Several Shiite factions cooperated with the U.S. regime change efforts of the 1990s, but others had no contact with the United States. The undisputed Shiite religious leader, Grand Ayatollah Ali al-Sistani, remained in Iraq, albeit with a low profile, during Saddam Hussein's regime, and he was not involved in U.S.-backed regime change efforts during the 1990s. As the "*marja-e-taqlid*" (source of emulation) and the most senior of the four Shiite clerics that lead the Najaf-based "*Hawza al-Ilmiyah*" (a grouping of seminaries), he is a major political force in post-Saddam politics.<sup>8</sup> He has a network of agents (*wakils*) throughout Iraq and among Shiites outside Iraq.

About 85 years old, Sistani was born in Iran and studied in Qom, Iran, before relocating to Najaf at the age of 21. His mentor, was Ayatollah Abol Qasem Musavi-Khoi, was head of the *Hawza* until his death in 1992. Like Khoi, Sistani generally opposes a direct role for clerics in government, but he believes in clerical supervision of political leaders. He wants Iraq to maintain its Islamic culture and favors modest dress for women, and curbs on sales of alcohol and Western music and entertainment.<sup>9</sup> He was treated for heart trouble in Britain in August 2004.

**Supreme Islamic Council of Iraq (SICI).** SICI (which in May 2007 changed its name from the Supreme Council of the Islamic Revolution of Iraq, SCIRI), considers itself the largest party within the "United Iraqi Alliance" (UIA) of Shiite political groupings. SICI's influence is bolstered by the fielding of a militia force, the "Badr Brigades." SICI founders were in exile in Iran after a major crackdown in 1980 by Saddam, who accused pro-Khomeini Iraqi Shiite Islamists of trying to overthrow him. During Ayatollah Khomeini's exile in Najaf (1964-1978), he was hosted by Grand Ayatollah Muhsin al-Hakim, father of the Hakim brothers (including current leader Abd al-Aziz) that founded SICI. The Ayatollah was then head of the *Hawza*. SICI leaders say they do not seek to establish an Iranian-style Islamic republic, but SICI reportedly receives substantial amounts of financial and other aid from Iran. Although it was a member of the INC in the early 1990s, SICI refused to accept U.S. funds, although it did have contacts with the United States.

**Da'wa Party/Prime Minister Nuri al-Maliki.** The Da'wa (Islamic Call) Party, which did not directly join the U.S.-led effort to overthrow Saddam Hussein during the 1990s, is both an ally and sometime rival of SCIRI. Its leader is Ibrahim al-Jafari, a Da'wa activist since 1966 who fled to Iran in 1980 to escape Saddam's crackdown, later going to London. He was transitional Prime Minister during April 2005-April 2006. His successor as Prime Minister, Nuri al-Maliki, is the number two Da'wa leader. Although there is no public evidence that Jafari or Maliki were involved in any terrorist activity, the Kuwaiti branch of the Da'wa allegedly

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<sup>8</sup> The three other senior Hawza clerics are Ayatollah Mohammad Sa'id al-Hakim (uncle of the leader of the Supreme Council of the Islamic Revolution in Iraq, Abd al-Aziz al-Hakim); Ayatollah Mohammad Isaac Fayadh, who is of Afghan origin; and Ayatollah Bashir al-Najafi, of Pakistani origin.

<sup>9</sup> For information on Sistani's views, see his website at [<http://www.sistani.org>].

committed a May 1985 attempted assassination of the Amir of Kuwait and the December 1983 attacks on the U.S. and French embassies in Kuwait. (It was reported in February 2007 that a UIA/Da'wa parliamentarian, Jamal al-Ibrahimi, was convicted by Kuwait for the 1983 attacks.) Lebanese Hezbollah was founded by Lebanese clerics loyal to Da'wa founder Ayatollah Mohammad Baqr Al Sadr and Khomeini, and there continue to be personal and ideological linkages between Lebanese Hezbollah and Da'wa (as well as with SICI). Hezbollah attempted to link release of the Americans they held hostage in Lebanon in the 1980s to the release of 17 Da'wa prisoners held by Kuwait for those attacks in the 1980s.

***Moqtada al-Sadr Faction.*** Moqtada Al Sadr is emerging as a major — some believe the most powerful — figure in Iraq. After the fall of Saddam Hussein, he was viewed as a young firebrand who lacked religious and political weight, but the more established Shiite factions have since built ties to him because of his large following among poor Shiites who identify with other “oppressed Muslims” and who oppose virtually any U.S. presence in the Middle East. He is now perceived as clever and capable and, by fully participating in the December 15, 2005, elections, Sadr appeared to distance himself from his Mahdi Army uprisings in 2003 and 2004. He repeatedly denounces the “U.S. occupation” — most recently after his May 2007 return from hiding in Iran, and his militia forces have become active against British forces in southern Iraq, against U.S. forces, and against rival Shiite factions and Iraqi security forces in such cities as Diwaniyah, Nassiriyah, Amarah, and Basra. Pro-Sadr candidates won pluralities in several southern Iraqi provinces in the elections held in January 2005. (In Recommendation 35, the Iraq Study Group recommended that the United States try to talk to Sadr, as well as Sistani, as well as with other parties except Al Qaeda-Iraq.)

**Table 1. Major Factions in Iraq**

<b>Major Shiite and Kurdish Factions</b>	
Iraq National Accord (INA)/Iyad al-Allawi	The INA leads the main secular bloc in parliament. Allawi, about 60 years old (born 1946 in Baghdad), a former Baathist who helped Saddam silence Iraqi dissidents in Europe in the mid-1970s. Subsequently fell out with Saddam, became a neurologist, and presided over the Iraqi Student Union in Europe. Survived an alleged regime assassination attempt in London in 1978. He is a secular Shiite, but many INA members are Sunni ex-Baathists and ex-military officers. Allawi was interim Prime Minister (June 2004-April 2005). Won 40 seats in January 2005 election but only 25 in December 2005. Spends most of his time outside Iraq and reportedly trying to organize a non-sectarian parliamentary governing coalition.
Iraqi National Congress (INC)/Ahmad Chalabi	Chalabi, who is about 66 years old, educated in the United States (Massachusetts Institute of Technology) as a mathematician. One of the rotating presidents of the Iraq Governing Council (IGC). U.S.-backed Iraqi police raided INC headquarters in Baghdad on May 20, 2004, seizing documents as part of an investigation of various allegations, including provision of U.S. intelligence to Iran. Case later dropped. Since 2004, has allied with and fallen out with Shiite Islamist factions; was one of three deputy prime ministers in the 2005 transition government. With no INC seats in parliament, now spends substantial time abroad, but remains chair of the Higher National De-Baathification Commission and has resisted de-Baathification reform efforts. Serves as liaison between Baghdad neighborhood committees and the government in 2007 Baghdad security plan.
Kurds/KDP and PUK	Together, the main factions run Kurdistan Regional Government (KRG) with its own executive headed by “president” Masud Barzani, Prime Minister Nechirvan Barzani, and a 111 seat legislature (elected in January 30, 2005 national elections). PUK leader Talabani remains president, despite March 2007 health problems that required treatment in Jordan and the United States. Barzani has tried to secure his clan’s base in the Kurdish north and has distanced himself from national politics. Many Kurds are more supportive of outright Kurdish independence than are these leaders. Kurds field up to 100,000 <i>peshmerga</i> militia. Their joint slate won 75 seats in January 2005 national election but only 53 in December 2005. Grudgingly supported framework draft oil law sent to parliament, but strongly oppose related draft implementing law that would place 93% of Iraq’s oil fields under control of a revived Iraqi National Oil Company (INOC). Both factions intent on securing control of Kirkuk.
Grand Ayatollah Ali al-Sistani	Undisputed leading Shiite theologian in Iraq. No formal position in government but has used his broad Shiite popularity to become instrumental in major political questions. Helped forge UIA and brokered compromise over the selection of a Prime Minister nominee in April 2006. Strongly criticized Israel’s July 2006 offensive against Lebanese Hezbollah. However, acknowledges that his influence is waning and that calls for Shiite restraint are unheeded as Shiites look to armed parties and militias for defense in sectarian warfare. Does not meet with U.S. officials.

Supreme Islamic Council of (SICI)	Best-organized and most pro-Iranian Shiite Islamist party and generally allied with Da'wa Party in UIA. It was established in 1982 by Tehran to centralize Shiite Islamist movements in Iraq. First leader, Mohammad Baqr Al Hakim, killed by bomb in Najaf in August 2003. Current leader is his younger brother, Abd al-Aziz al-Hakim, a lower ranking Shiite cleric and a member of parliament (UIA slate), but he holds no government position. Hakim currently undergoing lung cancer treatment in Iran, instilling uncertainty in SICI leadership. One of his top aides, Bayan Jabr, is now Finance Minister, and another, Adel Abd al-Mahdi, is a deputy president. Controls "Badr Brigades" militia. Son, Ammar al-Hakim, is a key SICI figure as well. As part of UIA, SICI has about 30 of its members in parliament. Supports formation of Shiite "region" composed of nine southern provinces. Supports draft oil law.
Da'wa (Islamic Call) Party	Oldest organized Shiite Islamist party (founded 1957), active against Saddam Hussein in early 1980s. Its founder, Mohammad Baqr al-Sadr, uncle of Moqtada Al Sadr, was ally of Iran's Ayatollah Khomeini and was hung by Saddam regime in 1980. Da'wa members tend to follow senior Lebanese Shiite cleric Mohammad Hossein Fadlallah rather than Iranian clerics, and Da'wa is not as close to Tehran as is SICI. Has no organized militia and a lower proportion of clerics than does SICI. Within UIA, controls about 28 seats in parliament. Supports draft oil law.
Moqtada Al-Sadr Faction	Young (about 31), the lone surviving son of the revered Ayatollah Mohammed Sadiq al-Sadr (killed, along with his other two sons, by regime security forces in 1999 after he began agitating against Saddam). Inherited father's political base in "Sadr City," a large (2 million population) Shiite district of Baghdad, but also strong in Diwaniyah, Nassiriyah, Basra, Amarah, and other major Shiite cities. Still clouded by allegations of involvement in the April 10, 2003, killing in Iraq of Abd al-Majid Khoi, the son of the late Grand Ayatollah Khoi and head of his London-based Khoi Foundation. Formed "Mahdi Army" militia in 2003. Now part of UIA, faction controls 32 seats in new parliament and the faction, prior to its April 2007 pullout from the cabinet, held ministries of health, transportation, and agriculture and three ministry of state posts. Opposes Shiite "region" in the south, and generally opposes draft oil law.
Fadilah Party	<i>Fadilah</i> (Virtue) won 15 seats parliament as part of the UIA coalition but publicly broke from the UIA on March 6, 2007, possibly to negotiate a new coalition with Allawi. Loyal to Ayatollah Mohammad Yacoubi, who was a leader of the Sadr movement after the death of Moqtada's father in 1999 but was later removed by Moqtada and subsequently broke with the Sadr faction. Holds seats on several provincial councils in the Shiite provinces and dominates Basra provincial council, whose governor is a party member. Also controls protection force for oil installations in Basra, and is popular among oil workers in Basra. Opposes draft oil law as too favorable to foreign firms.
Hezbollah Iraq	Headed by ex-guerrilla leader Abdul Karim Muhammadawi, who was on the IGC and now in parliament. Party's power base is southern marsh areas around Amara (Maysan Province), north of Basra. Has some militiamen.
Tharallah	Led by Sayyid Yusuf al-Musawi. Little known armed Shiite faction operating in southern Iraq.
Islamic Amal	A relatively small faction, Islamic Amal (Action) Organization is headed by Ayatollah Mohammed Taqi Modarassi, a moderate cleric. Power base is in Karbala, and it conducted attacks there against Saddam regime in the 1980s. Modarassi's brother, Abd al-Hadi, headed the Islamic Front for the Liberation of Bahrain, which stirred Shiite unrest against Bahrain's regime in the 1980s and 1990s. One member in the cabinet (Minister of Civil Society Affairs).

Ayatollah Hassani Faction	Another Karbala-based faction, loyal to Ayatollah Mahmoud al-Hassani, who also was a Sadrist leader later removed by Moqtada. His armed followers clashed with local Iraqi security forces in Karbala in mid-August 2006. Hassani, along with <i>Fadilah</i> , are considered opponents of Iran because of Iran's support for SICI and Da'wa Party.
<b>Major Sunni Factions</b>	
Iraqi Consensus Front (Tariq al-Hashimi and Adnan al-Dulaymi)	Front led by Iraqi Islamic Party (IIP), headed by Tariq al-Hashimi, now a deputy president. (Ousted) COR Speaker Mahmoud Mashadani, a hardliner, is a senior member; in July 2006, he called the U.S. invasion "the work of butchers." IIP withdrew from the January 2005 election but led the Sunni "Consensus Front" coalition in December 2005 elections, winning 44 seats in COR. Front, critical but accepting of U.S. presence, also includes Iraqi General People's Council of the hardline Adnan al-Dulaymi, and the National Dialogue Council (Mashadani's party). Hashimi visited the United States in December 2006 and met with President Bush. Opposes draft oil law as sellout to foreign companies and distrusts Shiite pledges to equitably share oil revenues.
Iraqi Front for National Dialogue (Saleh al-Mutlak)	Mutlak, an ex-Baathist, was chief negotiator for Sunnis on the new constitution, but was dissatisfied with the outcome and now advocates major revisions. Holds 11 seats. Opposes draft oil law on same grounds as Consensus Front.
Muslim Scholars Association (MSA, Harith al-Dhari and Abd al-Salam al-Qubaysi)	Hardline Sunni Islamist group, has boycotted all post Saddam elections. Believed to have ties to/influence over insurgent factions. Wants timetable for U.S. withdrawal from Iraq. Iraqi government issued a warrant for Dhari's arrest in November 2006 for suspected ties to the Sunni insurgency, causing Dhari to remain outside Iraq (in Jordan). Opposes draft oil law.
Sunni Tribes	Not an organized faction per se, but one group of about 20 tribes, the National Salvation Council of Shaykh Abd al-Sattar al-Rishawi, credited by U.S. commanders as a source of anti-Al Qaeda support that is helping calm Anbar Province. Some accounts in June 2007 say Council is splintering due to jealousy of Rishawi. Some large tribal confederations include Dulaym (Ramadi-based), Jabburi (mixed Sunni-Shiite tribe), Zobi (near Abu Ghraib), and Shammar (Salahuddin and Diyala regions). (See CRS Report RS22626, <i>Iraq: Tribal Structure, Social, and Political Activities</i> , by Hussein Hassan.)
Iraqi Insurgents	Numerous factions and no unified leadership. Some groups led by ex-Saddam regime leaders, others by Islamic extremists. Major Iraqi factions include Islamic Army of Iraq, New Baath Party, Muhammad's Army, and the 1920 Revolution Brigades; perceived as increasingly opposed to Al Qaeda-Iraq leadership of insurgency, a trend promoting stability in Anbar.
Al Qaeda in Iraq (AQ-I) / Foreign Fighters	Estimated 3,000 in Iraq from many nations, including Egypt and Saudi Arabia, but increasingly subordinate to Iraqi Sunni insurgents under the banner of the "Islamic State of Iraq," led by an Iraqi (Abdullah Rashid al-Baghdadi, aka Abu Umar al-Baghdadi). ISI has named "ministers" of a post-occupation Iraq. AQ-I was led by Abu Musab al-Zarqawi, a Jordanian national, until his death in U.S. airstrike June 7, 2006. Succeeded by Abu Hamza al-Muhajir (Abu Ayyub al-Masri), an Egyptian. Advocates attacks on Iraqi Shiite civilians to accelerate civil conflict. Related foreign fighter faction, which includes some Iraqis, is Ansar al-Sunna, based in/around Mosul.

**Iraq Liberation Act.** During 1997-1998, Iraq's obstructions of U.N. weapons of mass destruction (WMD) inspections led to growing congressional calls to overthrow Saddam, beginning with an FY1998 supplemental appropriations act (P.L. 105-174). The sentiment was expressed more strongly in the "Iraq Liberation Act" (ILA, P.L. 105-338, October 31, 1998). Signed by President Clinton despite doubts about opposition capabilities, it was viewed as an expression of congressional support for the concept of promoting an Iraqi insurgency with U.S. air power. The Bush Administration has cited the ILA as evidence of a bipartisan consensus that Saddam should be toppled. The ILA stated that it should be the policy of the United States to "support efforts" to remove the regime headed by Saddam Hussein. In mid-November 1998, President Clinton publicly articulated that regime change was a component of U.S. policy toward Iraq. Section 8 states that the act should not be construed as authorizing the use of U.S. military force to achieve regime change. The ILA did not specifically terminate after Saddam Hussein was removed from power. Section 7 provides for post-Saddam "transition assistance" to Iraqi groups with "democratic goals." The law also gave the President authority to provide up to \$97 million worth of defense articles and services, as well as \$2 million in broadcasting funds, to opposition groups designated by the Administration.

The signing of the ILA coincided with new crises over Iraq's obstructions of U.N. weapons inspections. On December 15, 1998, U.N. inspectors were withdrawn, and a three-day U.S. and British bombing campaign against suspected Iraqi WMD facilities followed (Operation Desert Fox, December 16-19, 1998). On February 5, 1999, President Clinton made seven opposition groups eligible to receive U.S. military assistance under the ILA (P.D. 99-13): INC; INA; SICI; KDP; PUK; the Islamic Movement of Iraqi Kurdistan (IMIK);<sup>10</sup> and the Movement for Constitutional Monarchy (MCM). In May 1999, the Clinton Administration provided \$5 million worth of training and "non-lethal" defense articles under the ILA. About 150 oppositionists underwent Defense Department-run training at Hurlburt air base in Florida on how to administer a post-Saddam Iraq. However, the Administration judged that the opposition was not sufficiently capable to merit weapons or combat training. These trainees were not brought into Operation Iraqi Freedom or into the Free Iraqi Forces that deployed to Iraq.

## **Post-September 11, 2001: Regime Change and War**

Several senior Bush Administration officials had long been advocates of a regime change policy toward Iraq, but the difficulty of that strategy led the Bush Administration initially to continue its predecessor's emphasis on containment.<sup>11</sup> Some accounts say that the Administration was planning, prior to September 11, to confront Iraq militarily, but President Bush has denied this. During its first year, the

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<sup>10</sup> Because of its role in the eventual formation of the radical Ansar al-Islam group, the IMIK did not receive U.S. funds after 2001, although it was not formally de-listed.

<sup>11</sup> One account of Bush Administration internal debates on the strategy is found in Hersh, Seymour. "The Debate Within," *The New Yorker*, March 11, 2002.

Administration tried to prevent an asserted erosion of containment of Iraq by achieving U.N. Security Council adoption (Resolution 1409, May 14, 2002) of a “smart sanctions” plan. The plan relaxed U.N.-imposed restrictions on exports to Iraq of purely civilian equipment<sup>12</sup> in exchange for renewed international commitment to enforce the U.N. ban on exports to Iraq of militarily-useful goods.

Bush Administration policy on Iraq changed to an active regime change effort after the September 11, 2001, terrorist attacks. In President Bush’s State of the Union message on January 29, 2002, given as major combat in the U.S.-led war on the Taliban and Al Qaeda in Afghanistan was winding down, he characterized Iraq as part of an “axis of evil” (with Iran and North Korea). Some U.S. officials, particularly deputy Defense Secretary Wolfowitz, asserted that the United States needed to respond to the September 11, 2001 attacks by “ending states,” such as Iraq, that support terrorist groups. Vice President Cheney visited the Middle East in March 2002 reportedly to consult regional countries about the possibility of confronting Iraq militarily, although the Arab leaders visited urged greater U.S. attention to the Arab-Israeli dispute and opposed war with Iraq.

Some accounts, including the books *Plan of Attack* and *State of Denial* by Bob Woodward (published in April 2004 and September 2006, respectively), say that then Secretary of State Powell and others were concerned about the potential consequences of an invasion of Iraq, particularly the difficulties of building a democracy after major hostilities ended. Press reports in May 2007 indicate that warnings of such difficulties were issued by the CIA before the invasion. Other accounts include reported memoranda (the “Downing Street Memo”) by British intelligence officials (based on conversations with U.S. officials) saying that by mid-2002 the Administration had already decided to go to war against Iraq and that it sought to develop information about Iraq to support that judgment. President Bush and British Prime Minister Tony Blair deny this. (On December 20, 2001, the House passed H.J.Res. 75, by a vote of 392-12, calling Iraq’s refusal to readmit U.N. weapons inspectors a “mounting threat” to the United States.)

The primary theme in the Bush Administration’s public case for the need to confront Iraq was that Iraq posted a “grave and gathering” threat that should be blunted before the threat became urgent. The basis of that assertion in U.S. intelligence remains under debate.

- *WMD Threat Perception.* Senior U.S. officials, including President Bush, particularly in an October 2002 speech in Cincinnati, asserted the following about Iraq’s WMD: (1) that Iraq had worked to rebuild its WMD programs in the nearly four years since U.N. weapons inspectors left Iraq and had failed to comply with 16 U.N. previous resolutions that demanded complete elimination of all of Iraq’s WMD programs; (2) that Iraq had used chemical weapons against its own people (the Kurds) and against Iraq’s neighbors (Iran), implying that Iraq would not necessarily be deterred from

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<sup>12</sup> For more information on this program, see CRS Report RL30472, *Iraq: Oil For Food Program, Illicit Trade, and Investigations*, by Christopher Blanchard and Kenneth Katzman.

using WMD against the United States; and (3) that Iraq could transfer its WMD to terrorists, particularly Al Qaeda, for use in potentially catastrophic attacks in the United States. Critics noted that, under the U.S. threat of retaliation, Iraq did not use WMD against U.S. troops in the 1991 Gulf war. A “comprehensive” September 2004 report of the Iraq Survey Group, known as the “Duelfer report,”<sup>13</sup> found no WMD stockpiles or production but said that there was evidence that the regime retained the intention to reconstitute WMD programs in the future. The formal U.S.-led WMD search ended December 2004,<sup>14</sup> although U.S. forces have found some chemical weapons caches left over from the Iran-Iraq war.<sup>15</sup> The UNMOVIC work remains formally active,<sup>16</sup> although press reports in June 2007 say that a draft U.N. resolution is circulating that would end its work, which costs \$10 billion per year drawn from Iraqi revenues.

- *Links to Al Qaeda.* Iraq was designated a state sponsor of terrorism during 1979-1982 and was again so designated after its 1990 invasion of Kuwait. Although they did not assert that Saddam Hussein’s regime had a direct connection to the September 11 attacks, senior U.S. officials asserted that Saddam’s regime was linked to Al Qaeda, in part because of the presence of pro-Al Qaeda militant leader Abu Musab al-Zarqawi in northern Iraq. Although this issue is still debated, the report of the 9/11 Commission found no evidence of a “collaborative operational linkage” between Iraq and Al Qaeda.<sup>17</sup> In press interviews related to the release of his book “Center of the Storm” in May 2007, former CIA Director George Tenet indicated that the CIA view was that contacts between Saddam’s regime and Al Qaeda were likely for the purpose of taking the measure of each other rather than collaborating.

## Operation Iraqi Freedom (OIF)

As major combat in Afghanistan wound down in mid-2002, the Administration began ordering a force to Kuwait (the only Gulf country that agreed to host a major U.S. ground combat force) that, by early 2003, gave the President an active option to invade Iraq. In concert, the Administration tried to build up and broaden the Iraqi opposition and, according to the *Washington Post* (June 16, 2002), authorizing stepped up covert activities by the CIA and special operations forces against Saddam

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<sup>13</sup> Duelfer report text is at [<http://news.findlaw.com/hdocs/docs/iraq/cia93004wmdrpt.html>].

<sup>14</sup> For analysis of the former regime’s WMD and other abuses, see CRS Report RL32379, *Iraq: Former Regime Weapons Programs, Human Rights Violations, and U.S. Policy*, by Kenneth Katzman.

<sup>15</sup> Pincus, Walter. “Munitions Found in Iraq Renew Debate.” *Washington Post*, July 1, 2006.

<sup>16</sup> For information on UNMOVIC’s ongoing activities, see [<http://www.unmovic.org/>].

<sup>17</sup> *9/11 Commission Report*, p. 66.

Hussein. In August 2002, the State and Defense Departments jointly invited six major opposition groups to Washington, D.C., and the Administration expanded its ties to several groups, particularly those composed of ex-military officers. The Administration also began training about 5,000 oppositionists to assist U.S. forces,<sup>18</sup> although reportedly only about 70 completed training at Tazsar air base in Hungary, eventually serving as translators during the war. At the same time, the Administration opposed a move by the major factions to declare a provisional government, believing that doing so would prevent the emergence of secular, pro-democracy groups.

In an effort to obtain U.N. backing for confronting Iraq — support that then Secretary of State Powell reportedly argued was needed — President Bush urged the United Nations General Assembly (September 12, 2002) that the U.N. Security Council should enforce its 16 existing WMD-related resolutions on Iraq. The Administration then gave Iraq a “final opportunity” to comply with all applicable Council resolutions by supporting Security Council Resolution 1441 (November 8, 2002), which gave the U.N. inspection body UNMOVIC (U.N. Monitoring, Verification, and Inspection Commission) new powers of inspection. Iraq reluctantly accepted it. In January and February 2003, UNMOVIC Director Hans Blix and International Atomic Energy Agency (IAEA) Director Mohammad al-Baradei briefed the Security Council on WMD inspections that resumed November 27, 2002. Although they were not denied access to suspect sites, they criticized Iraq for failing to actively cooperate to clear up outstanding questions, but also noted progress and said that Iraq might not have retained any WMD.

During this period, Congress debated the costs and risks of an invasion. It adopted H.J.Res. 114, authorizing the President to use military force to “defend the national security of the United States against the continuing threat posed by Iraq” and “to enforce all relevant U.N. Security Council resolutions against Iraq.” It passed the House October 11, 2002 (296-133), and the Senate the following day (77-23). It was signed October 16, 2002 (P.L. 107-243).

In Security Council debate, opponents of war, including France, Russia, China, and Germany, said the pre-war WMD inspections showed that Iraq could be disarmed peacefully or contained indefinitely, and no U.N. resolution authorizing force was adopted. At a March 16, 2003, summit meeting with the leaders of Britain, Spain, and Bulgaria at the Azores, President Bush asserted that Iraq was not complying with Resolution 1441 because it was not pro-actively revealing information, and that diplomatic options had failed. The following day, President Bush gave Saddam Hussein and his sons, Uday and Qusay, an ultimatum to leave Iraq within 48 hours to avoid war. They refused and OIF began on March 19, 2003.

In the war, Iraq’s conventional military forces were overwhelmed by the approximately 380,000-person U.S. and British-led 30-country<sup>19</sup> “coalition of the

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<sup>18</sup> Deyoung, Karen, and Daniel Williams, “Training of Iraqi Exiles Authorized,” *Washington Post*, October 19, 2002.

<sup>19</sup> Many of the thirty countries listed in the coalition did not contribute forces to the combat.  
(continued...)

willing” force assembled, a substantial proportion of which remained afloat or in supporting roles. Of the invasion force, Britain contributed 45,000, and U.S. troops constituted the bulk of the remaining 335,000 forces. Some Iraqi units and irregulars (“Saddam’s Fedayeen”) put up stiff resistance and used unconventional tactics. Some post-major combat evaluations (for example, “Cobra Two,” by Michael Gordon and Bernard Trainor, published in 2006) suggest the U.S. military should have focused more on combating the irregulars rather than bypassing them to take on armored forces. No WMD was used by Iraq, although it did fire some ballistic missiles into Kuwait; it is not clear whether those missiles were of prohibited ranges (greater than 150 km). The regime vacated Baghdad on April 9, 2003, although Saddam Hussein appeared with supporters that day in Baghdad’s mostly Sunni Adhamiya district. (Saddam was captured in December 2003, and subsequently tried in Iraq and, on November 5, 2006, convicted for “willful killing” of Shiite civilians in Dujail in 1982. He was hanged on December 30, 2006.)

## Post-Saddam Transition and Governance

According to recent statements by President Bush, U.S. goals are for an Iraq that can sustain, govern, and defend itself and is a partner in the global war on terrorism. Administration officials have, for the most part, dropped an earlier stated goal that Iraq serve as a model of democratic reform in the Middle East.

### Early Transition Process

The formal political transition has advanced, but has not achieved the level of political reconciliation needed to cause an end to or reduction in levels of violence.

**Occupation Period/Coalition Provisional Authority (CPA).** After the fall of the regime, the United States set up an occupation structure, reportedly grounded in concerns that immediate sovereignty would favor major factions and not produce democracy. The Administration initially tasked Lt. Gen. Jay Garner (ret.) to direct reconstruction with a staff of U.S. government personnel to administer Iraq’s ministries; they deployed in April 2003. He headed the Office of Reconstruction and Humanitarian Assistance (ORHA), within the Department of Defense, created by a January 20, 2003, executive order. The Administration did not make use of the State Department’s “Future of Iraq Project,” that spent at least a year before the war drawing up plans for administering Iraq after the fall of Saddam.<sup>20</sup> Garner, along with then White House envoy Zalmay Khalilzad, tried to establish a representative successor regime by organizing a meeting in Nassiriyah (April 15, 2003) of about 100 Iraqis of varying views and ethnicities. A subsequent meeting of

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<sup>19</sup> (...continued)

A subsequent State Department list released on March 27, 2003 listed 49 countries in the coalition of the willing. See *Washington Post*, March 27, 2003, p. A19.

<sup>20</sup> Information on the project, including summaries of the findings of its 17 working groups, can be found at [<http://usinfo.state.gov/products/pubs/archive/dutyiraq/>]. The project cost \$5 million and had 15 working groups on major issues.

over 250 notables was held in Baghdad (April 26, 2003), ending in agreement to hold a broader meeting one month later to name an interim administration.

In May 2003, the Administration, reportedly preferring what they perceived as stronger leadership in Iraq, named ambassador L. Paul Bremer to replace Garner by heading a “Coalition Provisional Authority” (CPA), which subsumed ORHA. The CPA was an occupying authority recognized by U.N. Security Council Resolution 1483 (May 22, 2003). Bremer discontinued Garner’s political transition process and instead appointed (July 13, 2003) a non-sovereign Iraqi advisory body: the 25-member “Iraq Governing Council” (IGC). In September 2003, the IGC selected a 25-member “cabinet” to run the ministries, with roughly the same factional and ethnic balance of the IGC (a slight majority of Shiite Muslims). Although there were some Sunni figures in the CPA-led administration, many Sunnis resented the new power structure as overturning their prior dominance. Adding to Sunni resentment were some of the CPA’s most controversial decisions, including to pursue “de-Baathification” — a purge from government of about 30,000 Iraqis at four top ranks of the Baath Party (CPA Order 1) and not to recall members of the armed forces to service (CPA Order 2). (Recommendation 27 of the Iraq Study Group says that the United States should encourage reintegration of ex-Baathists.)

**Transitional Administrative Law (TAL).** The Bush Administration initially made the end of U.S. occupation contingent on the completion of a new constitution and the holding of national elections for a new government, tasks expected to be completed by late 2005. However, Ayatollah Sistani and others agitated for early Iraqi sovereignty and direct elections. In November 2003, the United States announced it would return sovereignty to Iraq by June 30, 2004, and that national elections would be held by the end of 2005. That decision was incorporated into an interim constitution — the Transitional Administrative Law (TAL), signed on March 8, 2004.<sup>21</sup> Drafted by the major anti-Saddam factions, it provided a roadmap for political transition, including (1) elections by January 31, 2005, for a 275-seat transitional National Assembly; (2) drafting of a permanent constitution by August 15, 2005, and put to a national referendum by October 15, 2005; and (3) national elections for a permanent government, under the new constitution (if it passed), by December 15, 2005. Under the TAL, any three provinces could veto the constitution by a two-thirds majority. If that happened, a new draft would be written and voted on by October 15, 2006. The Kurds maintained their autonomous KRG and their *peshmerga* militia could still operate.

**Sovereignty Handover/Interim (Allawi) Government.** The TAL did not directly address the formation of the interim government that would assume sovereignty. Sistani’s opposition torpedoed an initial U.S. plan to select a national assembly through nationwide “caucuses.” After considering several other options, the United States tapped U.N. envoy Lakhdar Brahimi to select a government.<sup>22</sup> Dominated by senior faction leaders, it was named and began work on June 1, 2004.

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<sup>21</sup> The text of the TAL can be obtained from the CPA website at [<http://cpa-iraq.org/government/TAL.html>].

<sup>22</sup> Chandrasekaran, Rajiv. “Envoy Urges U.N.-Chosen Iraqi Government,” *Washington Post*, April 15, 2004.

The formal handover ceremony occurred on June 28, 2004, two days before the advertised June 30 date, partly to confuse insurgents. There was a president (Ghazi al-Yawar), and Iyad al-Allawi was Prime Minister, with executive power, heading a cabinet of 26 ministers. Six ministers were women, and the ethnicity mix was roughly the same as in the IGC. The defense and interior ministers were Sunnis.

**U.N. Involvement/Coalition Military Mandate/Status of U.S. Forces/Permanent Basing.** The Administration asserts that it has consistently sought and obtained U.N. and partner country involvement in Iraq efforts. Resolution 1483 (cited above) provided for a U.N. special representative to Iraq, and “called on” governments to contribute forces for stabilization. Resolution 1500 (August 14, 2003) established U.N. Assistance Mission for Iraq (UNAMI).<sup>23</sup> The size of UNAMI in Iraq, headed by former Pakistani diplomat Ashraf Jahangir Qazi, exceeds 100 in Iraq, with at least an equal number “offshore” in Jordan. It is focused on promoting political reconciliation, election assistance, and monitoring human rights practices and humanitarian affairs. U.N. Secretary General Ban Ki Moon visited Baghdad in March 2007 and later said that UNAMI would expand its presence in Iraq and perhaps take on additional duties to promote political reconciliation; some observers speculate that the United States might ultimately tap UNAMI to be lead promoter of political reconciliation in Iraq.

In an attempt to satisfy the requirements of several nations for greater U.N. backing of the coalition force presence, the United States achieved adoption of Resolution 1511 (October 16, 2003), authorizing a “multinational force under *unified* [meaning U.S.] command.” (In Recommendations 7 and 26 and several others the Iraq Study Group calls for increased U.N. participation in promoting reconciliation in Iraq.)

Resolution 1546 (June 8, 2004) took U.N. involvement a step further by endorsing the handover of sovereignty, reaffirming the responsibilities of the interim government, and spelling out the duration and legal status of U.S.-led forces in Iraq, as well as authorizing a coalition component force to protect U.N. personnel and facilities. The Resolution contained the following provisions:

- It “authorize[d]” the U.S.-led coalition to secure Iraq, a provision interpreted as giving the coalition responsibility for security. Iraqi forces are “a principal partner” in the U.S.-led coalition, and the relationship between U.S. and Iraqi forces is spelled out in an annexed exchange of letters between the United States and Iraq. The U.S.-led coalition retained the ability to take prisoners.
- It stipulated that the coalition’s mandate would be reviewed “at the request of the government of Iraq or twelve months from the date of this resolution” (or June 8, 2005); that the mandate would expire when a permanent government is sworn in at the end of 2005; and that the mandate would be terminated “if the Iraqi government so

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<sup>23</sup> Its mandate has been renewed each year since, most recently by Resolution 1700 (August 10, 2006).

requests.” Resolution 1637 (November 11, 2005) and Resolution 1723 (November 28, 2006) each extended the coalition military mandate for an additional year (now lasting until at least December 31, 2007), unless earlier “requested by the Iraqi government.” The renewal resolutions also required review of the mandate on June 15, 2006 and June 15, 2007, respectively. In early June 2007, Iraq’s parliament passed a motion, led by the Sadr faction, to require the Iraqi government to seek parliamentary approval before asking that the coalition military mandate be extended. The interim review was completed on June 14, 2007 and made no changes.

- Resolution 1546 deferred the issue of the status of foreign forces (Status of Forces Agreement, SOFA) to an elected Iraqi government. Secretary of Defense Rumsfeld said in July 2005 that U.S. military lawyers were working with the Iraqis on a SOFA, but no such agreement has been signed to date. Major facilities include Balad, Tallil, and Al Asad air bases, as well as the arms depot at Taji; all are being built up with U.S. military construction funds in various appropriations. P.L. 109-289 (FY2007 DoD appropriations) contains a provision that the Defense Department not agree to allow U.S. forces in Iraq to be subject to Iraqi law.
- On permanent basing, the Defense Appropriation for FY2007 (P.L. 109-289) and the FY2007 supplemental (P.L. 110-28) contain provisions prohibiting use of U.S. funds to establish permanent military installations or bases in Iraq. These provisions comport with Recommendation 22 of the December 2006 Iraq Study Group report, which recommends that the President should state that the United States does not seek permanent military bases in Iraq. The latter law also says that the United States shall not control Iraq’s oil resources, a statement urged by Recommendation 23 of the Iraq Study Group report.

**Post-Handover U.S. Structure in Iraq.** As of the June 28, 2004, handover, the state of occupation ceased, and a U.S. Ambassador (John Negroponte) established U.S.-Iraq diplomatic relations for the first time since January 1991. A U.S. embassy formally opened on June 30, 2004; it is staffed with about 1,100 U.S. personnel.<sup>24</sup> Negroponte was succeeded in July 2005 by Ambassador Zalmay Khalilzad, and he was succeeded in April 2007 by Ryan Crocker, formerly Ambassador to Pakistan. The large new embassy complex, with 21 buildings on 104 acres, is under construction. An FY2005 supplemental appropriations, P.L. 109-13, provided \$592 million of \$658 million requested to construct a new embassy in Baghdad; an FY2006 supplemental appropriation (P.L. 109-234) provided \$1.327 billion for U.S. embassy operations and security. A reported May 2007 memo by Ambassador Crocker asking for experienced State Department personnel to be assigned to Iraq was perhaps foreshadowed by the December 2006 Iraq Study Group report. In Recommendations 73-76, the Iraq Study Group report lays out several

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<sup>24</sup> See CRS Report RS21867, *U.S. Embassy in Iraq*, by Susan B. Epstein.

initiatives that could be taken “to ensure that [the United States] has personnel with the right skills serving in Iraq.” In conjunction with the handover:

- Iraq gained control over its oil revenues and the Development Fund for Iraq (DFI), subject to monitoring for at least one year (until June 2005) by the U.N.-mandated International Advisory and Monitoring Board (IAMB). (Resolution 1723 of November 28, 2006, extends the IAMB monitoring of the DFI until December 31, 2007, subject to review by June 15, 2007. That review made no changes.) Resolution 1546 also gave Iraq responsibility for close-out of the “oil-for-food program;”<sup>25</sup> Resolution 1483 ended that program as of November 21, 2003.
- Reconstruction management and advising of Iraq’s ministries were taken over by a State Department component called the “Iraq Reconstruction and Management Office” (IRMO). With the expiration of that unit’s authority in April 2007, it was renamed the “Iraq Transition Assistance Office,” ITAO, headed since June 2007 by Mark Tokola. ITAO is intended to promote the efficiency of Iraq’s ministries and Iraq’s takeover of management of the projects built with U.S. reconstruction funds. The authority has also expired for a separate DoD “Project Contracting Office (PCO),” headed by Brig. Gen. William McCoy (under the Persian Gulf division of the Army Corps of Engineers). It funded large infrastructure projects such as roads, power plants, and school renovations.

## Elections in 2005

After the handover of sovereignty, the United States and Iraq focused on three national votes held in 2005. On January 30, 2005, elections were held for a transitional National Assembly, 18 provincial councils, and the Kurdish regional assembly. Sunnis, still resentful of the U.S. invasion, mostly boycotted, and no major Sunni slates were offered, enabling the UIA to win a slim majority (140 of the 275 seats) and to ally with the Kurds (75 seats) to dominate the provincial and national governments formed subsequently. PUK leader Jalal Talabani was named president; Ibrahim al-Jafari became Prime Minister. Although it had a Sunni Arab as Assembly speaker; deputy president; deputy prime minister; Defense Minister; and five other ministers, it did not inspire Sunni support and violence around Iraq continued to worsen. (See CRS Report RS21968, *Iraq: Government Formation and Performance*, by Kenneth Katzman.)

**Permanent Constitution.** Over Sunni opposition, the constitution drafted by a committee appointed by the elected transition government was approved on October 15, 2005. Sunni opponents achieved a two-thirds “no” vote in two provinces, but not in the three needed to defeat the constitution. The crux of Sunni opposition was the provision for a weak central government (“federalism”): it

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<sup>25</sup> For information on that program, see CRS Report RL30472, *Iraq: Oil-for-Food Program, Illicit Trade, and Investigations*, by Christopher Blanchard and Kenneth Katzman.

allows groups of provinces to band together to form autonomous “regions” with their own regional governments, internal security forces, and a large role in controlling revenues from any new energy discoveries. The Sunnis oppose this concept because their region, unlike those dominated by the Kurds and the Shiites, has thus far lacked significant proven oil reserves and they depend on the central government for revenues, although some new substantial oil and gas fields have recently been reported to lie in Anbar Province. It contained an article (137) that promises a special constitutional review, within a set deadline, intended to mollify Sunnis on key contentious points. (In Recommendation 26, the Iraq Study Group recommends that this review be conducted on an urgent basis. Recommendation 28 says that all oil revenues should accrue to the central government, not regions.)

**December 15, 2005, Election.** In this election, some harder line Sunnis, seeking to strengthen their position to amend the constitution, moved into the political arena: the Sunni “Consensus Front” and Iraqi Front for National Dialogue put forward major slates. With the UIA alone well short of the two-thirds majority needed to unilaterally form a government, Sunnis, the Sadr faction, secular groupings, and the Kurds demanded Jafari be replaced; they subsequently accepted as Prime Minister Nuri al-Maliki (April 22, 2006). Talabani was selected to continue as president, with two deputies Adel Abd al-Mahdi of SICI and Tariq al-Hashimi of the Consensus Front. (The former has lost one and the latter has lost three siblings to sectarian violence in 2006; Abd al-Mahdi was nearly assassinated in a March 2007 bombing.) A COR leadership team was selected as well, with hardline U.S. critic Mahmoud Mashadani of the Consensus Front as speaker.

Amid U.S. and other congratulations, Maliki named and won approval of a 36-member cabinet (including two deputy prime ministers) on May 20, 2006. Among his permanent selections were Kurdish official Barham Salih and Sunni Arab Salam al-Zubaie as deputy prime ministers. (Zubaie was seriously wounded in an assassination attempt purportedly orchestrated by one of his aides on March 22, 2007; he has now recovered.) Four ministers (environment, human rights, housing, and women’s affairs) are women. Of the 34 permanent ministerial posts named, a total of seven are Sunnis; seven are Kurds; nineteen are Shiites; and one is Christian (minister of human rights, Ms. Wijdan Mikha’il). Maliki did not immediately name permanent figures for the major posts of Interior, Defense, and Ministry of State for National Security because major factions could not agree on nominees. But, on June 8, 2006, he achieved COR confirmation of compromise candidates for those posts.

<b>Prime Minister Nuri Kamal al-Maliki</b>
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<p>Born in 1950 in Karbala, has belonged to Da'wa Party since 1968. Fled Iraq in 1980 after Saddam banned the party, initially to Iran, but then to Syria when he refused Iran's orders that he join Shiite militia groups fighting Iraq during the Iran-Iraq war. Headed Da'wa offices in Syria and Lebanon and edited Da'wa Party newspaper. Reputed advocate of aggressive purge of ex-Baathists as member of the Higher National De-Baathification Commission after Saddam's fall. Elected to National Assembly (UIA list) in January 2005 and chaired its "security committee." Publicly supported Hezbollah (which shares a background with his Da'wa Party) during July-August 2006 Israel-Hezbollah conflict, prompting congressional criticism during July 2006 visit to Washington DC. Believed sympathetic to Kurds' efforts to incorporate Kirkuk into the Kurdish region. Has tense relations with SICI, whose activists accuse him of surrounding himself with Da'wa members. Believed to be politically dependent on Sadr's support and had, prior to 2007, repeatedly shielded Sadr's Mahdi Army militia from U.S. military sweeps. In October 2006, said he is a U.S. ally but "not America's man in Iraq." Following Bush-Maliki meeting in Jordan (November 30, 2006), President Bush reiterated that Maliki is "the right guy for Iraq."</p>
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## **Maliki Government, Political Reconciliation, and "Benchmarks"**

Most observers agree that the "troop surge" announced on January 10, 2007 and discussed further below will be judged by whether or not it facilitates political reconciliation. By all accounts, including those of top U.S. commander in Iraq General David Petraeus and U.S. Ambassador Ryan Crocker, progress has been far slower than hoped, and senior Administration officials, including Vice President Cheney (May 9, 2007), deputy Secretary of State John Negroponte (June 13-14, 2007), and Secretary of Defense Robert Gates (June 15, 2007) have visited Iraq recently express U.S. disappointment at the relative lack of progress to date and to urge accelerated efforts. The benchmarks – for which progress is required (as determined in July 15, 2007 and September 15, 2007 Administration reports) to provide some U.S. funds under the FY2007 supplemental (P.L. 110-28) – are discussed below. A presidential waiver to permit the flow of funds is provided for. The dates below indicate the deadlines by which a particular benchmark was to have been completed – *as pledged by the Iraqis in August 2006* – although U.S. officials say they are no longer insisting on specific deadlines, but rather on concrete signs of progress.

(1) *By September 2006, formation of a committee to review the constitution under the special amendment process (Article 137); approval of a law to implement formation of regions; approval of an investment law; and approval of a law establishing the Independent High Electoral Commission (IHEC).* The investment law was adopted in October 2006. The regions law was adopted October 12, 2006, although, to mollify Sunni opposition who fear formation of a large Shiite region in as many as nine provinces of southern Iraq, major factions agreed to delay the formation of new regions for 18 months. The IHEC law was passed on January 23, 2007, and the nine election commissioners have been appointed.

The constitution review committee, chaired by Humam al-Hammoudi, a senior SICI leader, has been formed and is at work on drafting amendments, although it has

missed a self-imposed May 15, 2007 deadline to draft and submit to parliament its amendment. Factions reportedly remain divided over the same fundamental questions that divided Iraq's communities when the permanent constitution was passed in October 2005 - primarily, how much power individual regions will have versus the powers of the central government. Some observers say that Sunni representatives also seek to alter the constitution so as to require or facilitate the appointment of a Sunni Arab as president.

(2) *By October 2006, approval of a provincial election law (which would presumably lead to more Sunnis on provincial councils); and approval of a new oil law.* No agreement on a provincial election law has been evident to date; the term of the existing councils expires in January 2009. The Shiites and Kurds reportedly are opposing early provincial elections because they would presumably lose seats on these bodies when Sunni candidates participate. There also has been little movement on a related law specifying the precise powers of the provincial councils.

On the oil law and related implementing laws, on February 26, 2007, Iraq's cabinet passed a draft oil framework law (core law) that would set up a broad Federal Oil and Gas Council that would review exploration contracts signed with foreign energy companies, including those signed by Iraq's regions. It was formally presented to parliament on May 2, 2007. However, to be fully enacted, implementing laws are needed simultaneously, including a law on sharing oil revenues among Iraq's communities, a law organizing Iraq's Oil Ministry, and a law delineating how Iraq's energy industry will run (Iraq National Oil Company, "INOC"). The three implementing laws have not been fully drafted, by most press accounts, but Iraqi Prime Minister Nuri al-Maliki has promised U.S. officials to complete these laws prior to the September 15, 2007 U.S. assessment of the troop surge. U.S. officials say that, of all the major laws they want the Iraqis to pass, the oil laws are the most likely to achieve adoption in the near term, although other accounts say that fundamental differences remain. The Kurds, for example, are strongly opposing a draft of the INOC law on the grounds that the Kurds believe it places too much of Iraq's oil industry under central government control.

(3) *By November 2006, approval of a new de-Baathification law and approval of a flag and national anthem law.* The De-Baathification reform law reportedly remains stalled; members of the Supreme National De-Baathification Commission, led by Ahmad Chalabi, expressed opposition to a draft reform law reportedly agreed to in late March 2007 by President Talabani and Prime Minister Maliki. Chalabi and his allies have cited Ayatollah Sistani as a supporter of their view, although his exact position has not been made clear. The draft would allow all but members of the three highest Baath Party levels to return to their jobs or obtain pensions. However, on April 7, 2007, Maliki ordered pensions be given to senior officers in the Saddam-era military and permission for return to service of lower ranking soldiers.

(4) *By December 2006, approval of laws to curb militias and to offer amnesty to insurgent supporters.* No progress is evident to date on either of these laws. Observers say that because much of Iraq remains insecure, militias are unwilling to disarm. Others say the Shiite-led government fears that Sunnis are plotting to return to power and that offering amnesty to Sunni insurgent supporters would only accelerate that process. However, the June 2007 Measuring Stability reports says

Maliki has verbally committed to a militia demobilization program, and an executive director of the program was named on May 12, 2007, but committee members have not yet been appointed and the demobilization work plan has not been drafted.

(5) *By January 2007, completion of the constitutional review process.* As noted above, the constitution review committee has not completed drafting proposed amendments to date.

(6) *By February 2007, the formation of independent commissions to oversee governance.* No progress has been reported to date.

(7) *By March 2007, holding of a referendum on the constitutional amendments.*

(8) *By April 2007, Iraqi assumption of control of its military.* Six of the ten Iraqi Army divisions are now under Iraqi control.

(9) *By June 2007, the holding of provincial elections.* As noted above, the relevant laws for these elections have not been drafted.

(10) *By September 2007, Iraqi security control of all 18 provinces.* Iraq Security Forces now have security control for the provinces of Muthanna, Dhi Qar, Najaf, Maysan, Irbil, Sulaymaniyah, and Dohuk - the latter three are Kurdish provinces turned over May 30, 2007.

(11) *By December 2007, Iraqi security self-reliance.* No firm estimates are available on when Iraqi security forces would be able to secure Iraq by themselves. President Talabani puts that time frame at the end of 2008, but most U.S. commanders are hesitant to speculate, given the widely reported difficulties the Iraqi security forces have had.

Other benchmarks mentioned in P.L. 110-28 have been discussed publicly by senior U.S. officials – such as applying law even-handedly among all sects. However, this appears to be a general requirement the implementation of which will be difficult to judge.

As U.S. pressure on the Iraqi government grows while sectarian and Sunni insurgent violence continues, splits within the ruling elite appear to be widening. In March 2007, the Fadilah Party left the UIA on the grounds that it is not represented in the cabinet. In April 2007, President Bush reportedly intervened personally to forestall a pullout from the cabinet of the five Sunni Consensus Front (largest Sunni bloc in parliament) members; the Front is said to believe Maliki is unwilling or unable to advance political reconciliation. As noted above, the six cabinet members from the movement of Moqtada al-Sadr resigned in April 2007 and were replaced in May 2007 by independent Shiites. Sadr - formerly a strong ally of Maliki - returned to Iraq from Iran in May 2007, rhetorically challenging the U.S. “occupation.” After a second bombing of the Grand Mosque in Samarra on June 13, 2007 (see below information on the first bombing of that Shiite shrine), Sadr again pulled his 30 parliament members out of the body. (A previous Sadrist boycott of parliament occurred from November 2006 - March 2007.) On June 12, 2007, the parliament voted to require the resignation of hardline Sunni parliament speaker

Mahmoud Mashhadani, who is a member of the Consensus Front. Mashhadani has thus far refused to submit his resignation, but some reports suggest he might do so if another member of his party, the Dialogue Council is appointed.

To date, Administration officials have maintained that the United States continues to fully support Maliki and his government, but many observers say that U.S. backing could erode if his government continues to fracture or if the Baghdad security plan – in a U.S. assessment planned for September 2007 – is judged a failure. Some speculate that the secular former Prime Minister Allawi is maneuvering to replace Maliki, but he appears to have little chance of winning a vote of confidence in parliament to form a government. His faction only has 25 seats in parliament.

**Regional and International Diplomatic Efforts to Promote Iraq Stability.** The Iraqi government has received diplomatic support, even though most of its neighbors, except Iran, resent the Shiite and Kurdish domination of the regime. There are about 50 foreign missions in Iraq, including most European and Arab countries. Jordan has appointed an ambassador and Kuwait has pledged to do so. Iran upgraded its representation to Ambassador in May 2006. On the other hand, some countries, such as Portugal in March 2007, have closed their embassies because of security concerns. There were attacks on diplomats from Bahrain, Egypt, Algeria, Morocco, and Russia in 2005 and 2006.

Iraq continued its appeal for regional support at the Iraq-sponsored regional conference of its neighbors and major regional and outside powers (the United States, the Gulf monarchy states, Egypt, the permanent members of the United Nations Security Council) in Baghdad on March 10, 2007. Iran and Syria attended, as did the United States. A follow-on meeting in Egypt was held May 3 and 4, 2007, resulting in some additional pledges of aid for Iraq. Regional working groups on Iraq's security, fuel supplies, and Iraqi refugees are being established under this new diplomatic framework. A U.S.-Iran meeting on Iraq on May 28 is discussed later.

**Democracy and Local Governance.** The United States and its coalition partners have tried to build civil society and democracy at the local level. The State Department's report on human rights for 2006, released March 6, 2007, appears to place the blame for much of the human suffering in Iraq on the overall security environment and not on the Maliki government's performance or intentions. It says that "widespread violence seriously compromised the government's ability to protect human rights." U.S. officials say Iraqis are freer than at any time in the past 30 years, with a free press and the ability to organize politically. A State Department report to Congress details how the FY2004 supplemental appropriation (P.L. 108-106) "Iraq Relief and Reconstruction Fund" (IRRF) is being spent ("2007 Report"):

- About \$1.014 billion for "Democracy Building;"
- About \$71 million for related "Rule of Law" programs;
- About \$159 million to build and secure courts and train legal personnel;
- About \$128 million for "Investigations of Crimes Against Humanity," primarily former regime abuses;

- \$10 million for U.S. Institute of Peace democracy/civil society/ conflict resolution activities;
- \$10 million for the Iraqi Property Claims Commission (which is evaluating Kurdish claims to property taken from Kurds, mainly in Kirkuk, during Saddam's regime); and
- \$15 million to promote human rights and human rights education centers.

Run by the State Department Bureau of International Narcotics and Law Enforcement Affairs (State/INL), USAID, and State Department Bureau of Democracy, Human Rights, and Labor (DRL), some of the democracy and rule of law building activities conducted with these funds, aside from assistance for the various elections in Iraq in 2005, include the following:

- Several projects that attempt to increase the transparency of the justice system, computerize Iraqi legal documents, train judges and lawyers, develop various aspects of law, such as commercial laws, promote legal reform, and support the drafting of the permanent constitution.
- Activities to empower local governments, policies that are receiving increasing U.S. attention and additional funding allocations from the IRRF. These programs include (1) the "Community Action Program" (CAP) through which local reconstruction projects are voted on by village and town representatives. About 1,800 community associations have been established thus far; (2) Provincial Reconstruction Development Committees (PRDCs) to empower local governments to decide on reconstruction priorities; and (3) Provincial Reconstruction Teams (PRTs), local enclaves to provide secure conditions for reconstruction, as discussed in the section on security, below. The conference report on an FY2006 supplemental appropriation (P.L. 109-234) designated \$50 million in ESF for Iraq to be used to keep the CAP operating. That level of aid is expected in FY2007 under provisions of a continuing resolution (P.L. 109-383).
- Programs to empower women and promote their involvement in Iraqi politics, as well as programs to promote independent media.
- Some funds have been used for easing tensions in cities that have seen substantial U.S.-led anti-insurgency combat, including Fallujah, Ramadi, Sadr City district of Baghdad, and Mosul. In August 2006, another \$130 million in U.S. funds (and \$500 million in Iraqi funds) were allocated to assist Baghdad neighborhoods swept by U.S. and Iraqi forces in "Operation Together Forward."
- As noted above, according to Iraq's national timetable, a law on elections for provincial councils was to be drafted by the end of October 2006 and provincial elections to be held by June 2007, although it this timetable has not been met. (Recommendation 29

of the Iraq Study Group report says provincial elections “should be held at the earliest possible date.”)

In addition to what is already allocated:

- the FY2006 regular foreign aid appropriations (conference report on P.L. 109-102) incorporated a Senate amendment (S.Amdt. 1299, Kennedy) to that legislation providing \$28 million each to the International Republican Institute and the National Democratic Institute for democracy promotion in Iraq.
- The FY2006 supplemental appropriation (P.L. 109-234) provided another \$50 million in ESF for Iraq democracy promotion, allocated to various organizations performing democracy work there (U.S. Institute of Peace, National Democratic Institute, International Republican Institute, National Endowment for Democracy, and others).
- The FY2007 supplemental appropriation (P.L. 110-28) provides \$250 million in “democracy funding.”

## **Economic Reconstruction and U.S. Assistance**

The Administration asserts that economic reconstruction will contribute to stability, although some aspects of that effort appear to be faltering. As discussed in recent reports by the Special Inspector General for Iraq Reconstruction (SIGIR), the difficult security environment has slowed reconstruction,<sup>26</sup> although the SIGIR told Congress in March 2007 that he now has some optimism that coordination with and among the Iraqis has improved. (In Recommendation 64, the Iraq Study Group says that U.S. economic assistance to Iraq should be increased to \$5 billion per year rather than be “permitted to decline.” Recommendation 67 calls on the President to appoint a Senior Advisor for Economic Reconstruction in Iraq.) For more detail, see CRS Report RL31833, *Iraq: Recent Developments in Reconstruction Assistance*, by Curt Tarnoff.

A total of about \$34 billion has been appropriated for reconstruction funding (including security forces), of which \$20.917 billion has been appropriated for the “Iraq Relief and Reconstruction Fund” (IRRF) in two supplemental appropriations: FY2003 supplemental, P.L. 108-11, which appropriated about \$2.5 billion; and the FY2004 supplemental appropriations, P.L. 108-106, which provided about \$18.42 billion. Of the IRRF funds, about \$20.029 billion has been obligated, and, of that, about \$17.95 billion has been disbursed. According to State Department reports, the sector allocations for the IRRF are as follows:

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<sup>26</sup> The defense authorization bill for FY2007 (P.L. 109-364) set October 1, 2007, for termination of oversight by the SIGIR. However, P.L. 109-440 extends that term until 10 months after 80% of the IRRF have been expended but includes FY2006 reconstruction funds for Iraq in the definition of the IRRF. The SIGIR’s mandate is therefore expected to extend until some time in 2008.

- \$5.03 billion for Security and Law Enforcement;
- \$1.315 billion for Justice, Public Safety, Infrastructure, and Civil Society;
- \$1.014 billion for Democracy;
- \$4.22 billion for Electricity Sector;
- \$1.724 billion for Oil Infrastructure;
- \$2.131 billion for Water Resources and Sanitation;
- \$469 million for Transportation and Communications;
- \$333.7 million for Roads, Bridges, and Construction;
- \$746 million for Health Care;
- \$805 million for Private Sector Development (includes \$352 million for debt relief for Iraq);
- \$410 million for Education, Refugees, Human Rights, Democracy, and Governance (includes \$99 million for education); and
- \$213 million for USAID administrative expenses.

**FY2006 Supplemental/FY2007/FY2008.** The FY2006 supplemental appropriation (P.L. 109-234) provides \$1.485 billion for Iraq reconstruction. The regular FY2007 appropriation (P.L. 109-383, as amended) provides approximately: \$182 million in ESF for Iraq reconstruction, and \$20 million for counter-narcotics. The FY2007 Defense Appropriation (P.L. 109-289) provides another \$1.7 billion for the Iraqi security forces (discussed further below) and \$500 million in additional funds for the Commanders Emergency Response Program (CERP) under which U.S. military can expend funds for small construction projects intended to build good will with the Iraqi population. For FY2007 supplemental funds, P.L. 110-28 provide: \$3.842 billion for the security forces; \$1.574 billion in ESF; \$50 million in a DoD “Iraq Freedom Fund”; \$250 million in a “democracy fund;” \$150 million for counter-narcotics; and \$456.4 million in CERP funds (includes for Afghanistan as well). These are close to requested amounts.

For FY2008 (regular), the Administration requested: \$2 billion for the security forces; \$298 million in ESF; and \$75.8 million for counter-narcotics and law enforcement. For FY2008 (supplemental): \$772 million in ESF; \$159 million in counter-narcotics and law enforcement; and \$35 million for Iraq refugees. The FY2008 request asks for \$1 billion in CERP funds (DOD funds). The House Appropriations Committee version of the FY2008 foreign aid appropriation cuts the Administration requested amounts by \$456 million on the grounds that the Administration has not yet told Congress how it would spend the FY2007 supplemental funds.

Iraq provides some additional funds for reconstruction. In 2006 the Iraqi government allocated \$2 billion in Iraqi revenues for development activities. Iraq’s 2007 budget, adopted February 8, 2007, allocates \$10.5 billion in unspent funds for reconstruction under President Bush’s January 10 plan, discussed further below.

**Oil Revenues and Hydrocarbons Law.** The oil industry is the driver of Iraq’s economy, and rebuilding this industry has received substantial U.S. and Iraqi attention, as encapsulated in the U.S. push for the Iraqi political structure to pass the draft oil law and annexes to be considered by the COR (see above under Maliki government). Complicating passage of these laws has been vociferous Kurdish

opposition in April 2007 to a draft of one of the related laws – the “INOC law,” as discussed above. Poorer Shiites have opposed the draft on the grounds that it would yield too much control over Iraq’s main natural resource to foreign firms – a provision of the draft gives seats on the Federal Oil and Gas Council to foreign energy firms. Many Sunnis oppose the basic hydrocarbons law because the Federal Oil and Gas Council established by the law is certain to be Shiite dominated. The draft law allows foreign firms to sit on the Council, thus resulting in opposition from those in Iraq (Sadr faction, Fadilah, Sunnis) who say this will inevitably cause foreign domination of Iraq’s energy sector, but others say that because of Iraq’s security situation, Iraq has to offer foreign firms favorable treatment to attract needed investment.

Before the war, it was widely asserted by Administration officials that Iraq’s vast oil reserves, believed second only to those of Saudi Arabia, would fund much, if not all, reconstruction costs. The oil industry infrastructure suffered little damage during the U.S.-led invasion (only about nine oil wells were set on fire), but it has become a target of insurgents and smugglers. Insurgents have focused their attacks on pipelines in northern Iraq that feed the Iraq-Turkey oil pipeline that is loaded at Turkey’s Mediterranean port of Ceyhan. (Iraq’s total pipeline system is over 4,300 miles long.) The U.S. military reports in the June 2007 Measuring Stability report that elements of the protection forces for the oil sector (Strategic Infrastructure Battalions and Facilities Protection Service for the Oil Ministry) are suspected of complicity for smuggling as much as 70% of the output of the Baiji refinery, cost Iraq as much as \$2 billion in revenue per year. The northern export route is operating, although it is only exporting about 300,000 barrels per day, about half its pre-war capacity. On the other hand, high world oil prices have compensated for the output shortfall. The Iraqi government needs to import refined gasoline because it lacks sufficient refining capacity. (In Recommendation 62, the Iraq Study Group says that the Iraqi government should accelerate oil well refurbishment and that the U.S. military should play a greater role in protecting oil infrastructure.)

A related issue is long-term development of Iraq’s oil industry and which foreign energy firms, if any, might receive preference for contracts to explore Iraq’s vast reserves. Some are concerned that the draft oil law, when implemented, will favor U.S. firms because the draft does not give preference to development contracts signed during the Saddam era, such as those signed with Russian and Chinese firms. Even before the hydrocarbons law has been enacted, some investors began entering Iraq’s energy market, primarily in the Kurdish north. South Korea and Iraq signed a preliminary agreement on April 12, 2007, to invest in Iraq’s industrial reconstruction and, potentially, its energy sector as well. Poland reportedly is negotiating with Iraq for possible investments in Iraq’s energy sector. Several small companies, such as Norway’s DNO, Turkey’s Genel; Canada’s Western Zagros; Turkish-American PetPrime; and Turkey/U.S.’s A and T Energy have already contracted with the Kurdistan Regional Government to explore for oil (potential output of 100,000 barrels per day) near the northern city of Zakho. The Kurds’ position is that these deals will go forward even though they were signed before a formal hydrocarbons law has been enacted. (In Recommendation 63, the Iraq Study Group says the United States should encourage investment in Iraq’s oil sector and assist in eliminating contracting corruption in that sector.)

**Table 3. Selected Key Indicators**

Oil						
Oil Production (weekly avg.)	Oil Production (pre-war)	Oil Exports	Oil Exports (pre-war)	Oil Revenue (2005)	Oil Revenue (2006)	Oil Revenue (2007 to date)
2.04 million barrels per day (mbd)	2.5 mbd	1.28 mbd	2.2 mbd	\$23.5 billion	\$31.3 billion	\$13.2 billion
Electricity						
Pre-War Load Served (MWh)	Current Load Served	Baghdad (hrs. per day)	National Average (hrs. per day)			
102,000	100,000	5.6	10.9			
Other Economic Indicators						
GDP Growth Rate (2006 estimate by IMF)			10.6%			
GDP	\$18.9 billion (2002)		\$33.1 billion (2005)			
New Businesses Begun Since 2003			30,000			
U.S. oil imports from Iraq			approx. 660,000 bpd			

**Note:** Figures in the table are provided by the State Department "Iraq Weekly Status Report" dated June 13, 2007. Oil export revenue is net of a 5% deduction for reparations to the victims of the 1990 Iraqi invasion and occupation of Kuwait, as provided for in U.N. Security Council Resolution 1483 (May 22, 2003). That 5% deduction is paid into a U.N. escrow account controlled by the U.N. Compensation Commission to pay judgments awarded.

**Lifting U.S. Sanctions.** In an effort to encourage private U.S. investment in Iraq, the Bush Administration has lifted most U.S. sanctions on Iraq, beginning with Presidential Determinations issued under authorities provided by P.L. 108-7 (appropriations for FY2003) and P.L. 108-11 (FY2003 supplemental):

- On July 30, 2004, President Bush issued an executive order ending a trade and investment ban imposed on Iraq by Executive Order 12722 (August 2, 1990) and 12724 (August 9, 1990), and reinforced by the Iraq Sanctions Act of 1990 (Section 586 of P.L. 101-513, November 5, 1990 (following the August 2, 1990 invasion of Kuwait.) The order did not unblock Iraqi assets frozen at that time.
- On September 8, 2004, the President designated Iraq a beneficiary of the Generalized System of Preferences (GSP), enabling Iraqi products to be imported to the United States duty-free.
- On September 24, 2004, Iraq was removed from the U.S. list of state sponsors of terrorism under Section 6(j) of the Export Administration Act (P.L. 96-72). Iraq is thus no longer barred from receiving U.S. foreign assistance, U.S. votes in favor of international

loans, and sales of arms and related equipment and services. Exports of dual use items (items that can have military applications) are no longer subject to strict licensing procedures.<sup>27</sup>

- The FY2005 supplemental (P.L. 109-13) removed Iraq from a named list of countries for which the United States is required to withhold a proportionate share of its voluntary contributions to international organizations for programs in those countries.

**Debt Relief/WTO Membership.** The Administration is attempting to persuade other countries to forgive Iraq's debt, built up during Saddam's regime, with mixed success. The debt is estimated to total about \$116 billion, not including reparations dating to the first Persian Gulf war. In 2004, the "Paris Club" of 19 industrialized nations agreed to cancel about 80% of the \$39 billion Iraq owes them. The Persian Gulf states that supported Iraq during the Iran-Iraq war have resisted writing off Iraq's approximately \$50 billion in debt to those countries (Saudi Arabia, Kuwait, United Arab Emirates, and Qatar). In mid-April 2007, Saudi Arabia agreed to write off 80% of the \$15 billion Iraq owes it, but no new debt relief commitments by the UAE (\$4 billion in Iraq debt) or Kuwait (\$15 billion) were reported at the May 3-4, 2007, meetings on Iraq in Egypt. On December 17, 2004, the United States signed an agreement with Iraq writing off 100% of Iraq's \$4.1 billion debt to the United States; that debt consisted of principal and interest from about \$2 billion in defaults on Iraqi agricultural credits from the 1980s.<sup>28</sup> On December 13, 2004, the World Trade Organization (WTO) agreed to begin accession talks with Iraq.

## Security Challenges, Responses, and Options

Since the fall of Saddam Hussein, the United States has employed a multi-faceted approach to stabilizing Iraq. However, the January 2007 National Intelligence Estimate (unclassified key judgments) said: "... in the coming 12 to 18 months, we assess that the overall security situation will continue to deteriorate at rates comparable to the latter part of 2006."<sup>29</sup> The Iraq Study Group said in its December 6, 2006, report that the "situation in Iraq is grave and deteriorating."<sup>30</sup> President Bush, in his January 10, 2007, speech on Iraq, said, "The situation in Iraq is unacceptable to the American people and it is unacceptable to me." The deterioration in security is, at least partly, the result of continuing sectarian violence

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<sup>27</sup> A May 7, 2003, executive order left in place the provisions of the Iran-Iraq Arms Non-Proliferation Act (P.L. 102-484); that act imposes sanctions on persons or governments that export technology that would contribute to any Iraqi advanced conventional arms capability or weapons of mass destruction programs.

<sup>28</sup> For more information, see CRS Report RL33376, *Iraq's Debt Relief: Procedure and Potential Implications for International Debt Relief*, by Martin A. Weiss.

<sup>29</sup> Text of key judgments at [<http://www.dni.gov>].

<sup>30</sup> See p. xiii of the Executive Summary of the Iraq Study Group Report. December 6, 2006.

superimposed on a tenacious Sunni-led insurgency, and prompted the revision of U.S. strategy as discussed in subsequent sections below.

Congress has mandated two major periodic Administration reports on progress in stabilizing Iraq. A Defense Department quarterly report, which DOD has titled “Measuring Stability and Security in Iraq,” was required by an FY2005 supplemental appropriation (P.L. 109-13), and renewed by the FY2007 Defense Appropriation (P.L. 109-289). The latest version was issued in March 2007 and provides some of the information below. Another report (“1227 Report”), is required by Section 1227 of the Defense Authorization Act for FY2006 (P.L. 109-163).

## **Sunni Arab-Led Insurgency**

The duration and intensity of a Sunni Arab-led insurgency has defied many expectations, probably because, in the view of many experts, it is supported by a large segment of the Iraqi Sunni population who feel humiliated at being ruled by the Shiites and their Kurdish partners. Many Sunni insurgents are motivated by opposition to perceived U.S. rule in Iraq, to democracy, and to Shiite political dominance; others want to return the Baath Party to power, while others would accept a larger Sunni political role without the Baath. Still others are pro-Al Qaeda fighters, either foreign or Iraqi, that want to defeat the United States and spread radical Islam throughout the region. The insurgent groups are believed to be loosely coordinated within cities and provinces, although several factions, purportedly including Al Qaeda in Iraq, are now grouped under a banner calling itself “The Islamic State of Iraq.”

The insurgency failed to derail the political transition,<sup>31</sup> but it has caused high levels of sectarian violence and debate in the United States over the continuing U.S. commitment in Iraq. Sunni insurgent groups are conducting increasingly complex and well-coordinated attacks on police stations and other fixed positions, suicide attacks on markets frequented by Shiites, and occasional mass kidnappings of 50 or more people at a time from fixed locations. One attack in April 2007 in Diyala Province was directed at a U.S. base and killed nine U.S. soldiers. Since January 2007, insurgent groups have, on about ten occasions, exploded chlorine trucks to cause widespread civilian injury or panic. Targets of insurgent grenades, IEDs (improvised explosive devices), mortars, and direct weapons fire are U.S. forces and Iraqi officials and security forces, as well as Iraqi civilians of rival sects, Iraqis working for U.S. authorities, foreign contractors and aid workers, oil export and gasoline distribution facilities, and water, power, and other facilities. A growing trend in mid-2007 has been attacks on bridges, particularly those connecting regions of differing sectarian domination. A *New York Times* report of December 19, 2006, said that Sunni insurgents had succeeded in destroying many of the power stations that feed electricity to Baghdad. The April 12, 2007, bombing of the Iraqi

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<sup>31</sup> For further information, see Baram, Amatzia. “*Who Are the Insurgents?*” U.S. Institute of Peace, Special Report 134, April 2005; and Eisenstadt, Michael and Jeffrey White. “*Assessing Iraq’s Sunni Arab Insurgency.*” Washington Institute for Near East Policy, Policy Focus No. 50, December 2005.

parliament, coming amid increasing mortar attacks on the heavily fortified International Zone, demonstrate the ability of the insurgency to operate in Baghdad.

Whole Sunni-dominated neighborhoods of Baghdad, including Amiriya, Adhamiya, Fadhil, Jihad, Amal, and Dora (once a mostly Christian neighborhood) apparently serve as Sunni insurgent bases. Sunni insurgents – as well as AQ-I – have also made substantial inroads into the mixed province of Diyala thus far in 2007, pushing out Shiite inhabitants.

The U.N. Security Council has adopted the U.S. interpretation of the insurgency in Resolution 1618 (August 4, 2005), condemning the “terrorist attacks that have taken place in Iraq,” including attacks on Iraqi election workers and foreign diplomats in Iraq. The FY2006 supplemental (P.L. 109-234) provides \$1.3 million in Treasury Department funds to disrupt insurgent financing.

**Al Qaeda in Iraq (AQ-I).**<sup>32</sup> A numerically small but politically significant component of the insurgency is non-Iraqi, mostly in a faction called Al Qaeda-Iraq (AQ-I). The faction was founded by Abu Musab al-Zarqawi, a Jordanian Arab who reputedly fought against the Soviet occupation of Afghanistan alongside other Arab volunteers.<sup>33</sup> He was killed in a June 7, 2006, U.S. airstrike. AQ-I has been a U.S. focus from very early on in the war because, according to U.S. commanders in April 2007, it is responsible for about 90% of the suicide bombings against both combatant and civilian targets. This trend began with major suicide bombings in 2003, beginning with one against U.N. headquarters at the Canal Hotel in Baghdad (August 19, 2003),<sup>34</sup> followed by the August 29, 2003, bombing in Najaf that killed SICI leader Mohammad Baqr Al Hakim. The faction, and related factions, have also kidnapped over 300 foreigner workers, killing a substantial proportion of them.

Zarqawi’s strategy was to spark Sunni-Shiite civil war, an outcome that President Bush has said largely succeeded. In actions intended to spread its activities outside Iraq, AQ-I reputedly committed the August 19, 2005, failed rocket attack in the Jordanian port of Aqaba against two U.S. warships docked there, as well as the November 10, 2005, bombing of Western-owned hotels in Amman, Jordan. Others link AQ-I to some of the fighting in May - June 2007 in Lebanon, in which government forces are battling alleged Al Qaeda activists from the Fatah al-Islam group, purportedly composed of guerrillas previously fighting in Iraq. Under

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<sup>32</sup> See CRS Report RL32217, *Iraq and Al Qaeda: Allies or Not?*, by Kenneth Katzman.

<sup>33</sup> Zarqawi went to Iraq in late 2001, along with several hundred associates, after escaping the U.S. war effort in Afghanistan, settling in northern Iraq, after transiting Iran and Saddam-controlled Iraq. He took refuge with a Kurdish Islamist faction called Ansar al-Islam near the town of Khurmal. After the Ansar enclave was destroyed in OIF, Zarqawi went to the Sunni Arab areas of Iraq, naming his faction the Association of Unity and Jihad. He then formally affiliated with Al Qaeda (through a reputed exchange of letters) and changed his faction’s name to “Al Qaeda Jihad in Mesopotamia (Iraq).” It is named as a Foreign Terrorist Organization (FTO), assuming that designation from the earlier Unity and Jihad title, which was designated as an FTO in October 2004.

<sup>34</sup> Among the dead in the latter bombing was the U.N. representative in Iraq, Sergio Vieira de Mello, and it prompted an evacuation of U.N. personnel from Iraq.

Muhajir, however, the organization appears to be more integrated with Sunni Iraqi factions in operations. In some parts of Anbar Province, Sunni tribes are trying to limit Al Qaeda's influence, which they believe is detrimental to Iraq's interests, by cooperating with U.S. counter-insurgency efforts. In other cases, including in June 2007, there were clashes between AQ-I and Iraqi insurgent groups in the Amiriyah neighborhood of Baghdad, apparently representing differences over targets and insurgency methods. U.S. commanders say they are trying to enlarge this wedge between Sunni insurgents and AQ-I by selectively arming some Sunni insurgents - a strategy that is controversial because of the potential of the Sunni Iraqis to later train their weapons on U.S. forces and Iraqi Shiites.

**Outside Support for Sunni Insurgents.** Numerous accounts have said that Sunni insurgents are receiving help from neighboring states (money and weapons),<sup>35</sup> although others believe that outside support for the insurgency is not decisive. Largely because of this outside support, the first 17 recommendations of the Iraq Study Group report call for intensified regional diplomacy, including multi-lateral diplomacy with Syria and Iran, in an effort to persuade outside parties not to stoke the violence in Iraq by aiding protege factions in Iraq.

In September 2005, then-U.S. ambassador Khalilzad publicly accused Syria of allowing training camps in Syria for Iraqi insurgents to gather and train before going into Iraq. These reports led to U.S. warnings, imposition of additional U.S. sanctions against Syria, and U.S. Treasury Department's blocking of assets of some suspected insurgent financiers. Syria tried to deflect the criticism by moves such as the February 2005 turnover of Saddam Hussein's half-brother Sabawi to Iraqi authorities. The latest DOD "Measuring Stability" report says that Syria provides help to Sunni insurgents, mainly Baathist factions, and remains a foreign fighter gateway into Iraq. However, some U.S. commanders said in May 2007 that they had recently observed some Syrian tightening of the border.

Other assessments say the Sunni insurgents, both Iraqi and non-Iraqi, receive funding from wealthy donors in neighboring countries such as Saudi Arabia,<sup>36</sup> where a number of clerics have publicly called on Saudis to support the Iraqi insurgency. Press reports say that Saudi officials told visiting Vice President Cheney in November 2006 that the Saudis might be compelled to assist Iraq's Sunnis if the United States withdraws from Iraq.

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<sup>35</sup> Blanford, Nicholas. "Sealing Syria's Desolate Border," *Christian Science Monitor*, December 21, 2004.

<sup>36</sup> Krane, Jim. "U.S. Officials: Iraq Insurgency Bigger." Associated Press report published in the *Philadelphia Inquirer*. July 9, 2004; Schmitt, Eric, and Thom Shanker. "Estimates By U.S. See More Rebels With More Funds," *New York Times*, October 22, 2004.

**Table 4. Key Security/Violence Indicators**

Indicator	Current Level
Number of U.S. forces in Iraq	Includes all of “surge” of 21,500 U.S. combat forces (five combat brigades plus 4,000 Marines) now in place. Almost all 10,000 extra ISF are in place, bringing total to about 90,000 U.S. and Iraqi forces in Baghdad. Roughly the same U.S. level as most of 2005 during election periods.
U.S./Other Casualties	3,529 U.S. forces; about 260 coalition (including 155 British). Of U.S. deaths, 3,383 since end to “major combat operations” declared May 1, 2003. 2,897 by hostile action. 300 U.S. contractors.
U.S. Casualties by “Explosively-Forced Projectiles”	170+
Partner forces in Iraq	11,637 from 25 other countries. Down from 28,000 in 2005
Number of Iraqi Insurgents	25,000 U.S. estimates; Iraqi estimates run to 40,000, plus 150,000 supporters
AQ-I fighters	1,300 - 3,500
Number of Iranian Qods Forces in Iraq	150+
Number of all Attacks/day	150/day in Feb-May 2007, up from about 120/day in mid-2006
Attacks on Infrastructure	1.5/day in 2006 but increasing in 2007
Sectarian murders/day	20 - 30 per day, down from 50/day pre-surge, but up from 10-15/day just after surge began
Iraqi Police Killed since 2004	12,000 +
Number of Shiite militiamen	80,000 (60,000 Mahdi, 15,000 Badr, 5,000 other); up from 20,000 (2003)
Internally Displaced Persons	2 million, up from 300,000 in Aug 2006
Iraqis Leaving Iraq since fall of Saddam	2 million (incl. 700,000 to Jordan, 1 million o Syria)
Iraq Civilian Deaths	about 100/day; no overall nationwide change produced by surge
Iraqi Army and Police Battalions in operations	128; up from 104 in November 2006
Total ISF Equipped and Trained	348,700, with new reported goal of 395,000
Iraqi Army Battalions in the Lead or Fully Independent	92; up from 57 in May 2006
National Police Battalions in the Lead	6; same as level in May 2006
Number of Provinces Under ISF Control	7: Muthanna, Dhi Qar, Najaf, Maysan, Irbil, Dahuk, and Sulaymaniyah (latter three in May 2007). All turned over since 2005

**Sources:** Information provided by a variety of sources, including U.S. government reports on Iraq, Iraqi statements, the Iraq Study Group report, DoD Measuring Stability report, and press reports. See **Tables 5** and **6** for additional figures on total numbers of Iraqi security forces, by force component.

## Sectarian Violence and Shiite Militias/Civil War?

The security environment in Iraq became more complex since 2006 as Sunni-Shiite sectarian violence increased. Top U.S. officials said in late 2006 that sectarian-motivated violence — manifestations of an all-out struggle for political and economic power in Iraq — had displaced the Sunni-led insurgency as the primary security challenge. According to the January 2007 National Intelligence Estimate, “... the term ‘civil war’ does not adequately capture the complexity of the conflict in Iraq, [but] the term ‘civil war’ accurately describes key elements of the Iraqi conflict....”

U.S. officials date the escalation of sectarian violence to the February 22, 2006, Al Qaeda-Iraq bombing of the Askariya Shiite mosque in Samarra. The attack set off a wave of purported Shiite militia attacks on Sunni mosques and civilians in the first days after the mosque bombing. Since then, Shiite militias have retaliated through attacks on Sunni insurgents and Sunni civilians, intended in part to drive Sunnis out of mixed neighborhoods. Press accounts say the attacks have largely converting mixed Sunni-Shiite districts of Baghdad, such as Hurriya, into predominantly Shiite districts and that the Sunnis have largely “lost” the “battle for Baghdad.” Many of those abducted turn up bound and gagged, dumped in about nine reported sites around Baghdad, including in strainer devices in the Tigris River. Sunnis are accusing the Shiites of using their preponderant presence in the emerging security forces, as well as their party-based militias, to commit the atrocities, but many Shiites, for their part, blame Sunni insurgents for the instigation. The Samarra mosque was bombed again on June 13, 2007 and their were reprisal attacks on Sunni mosques in Basra and elsewhere, although the attack did not spark the large wave of reprisals that the original attack did.

Iraqi Christians and their churches and church leaders have become major targets of Shiite and Sunni armed factions, viewing them as allies of the United States. Since the fall of Saddam Hussein, as many as 100,000 Christians might have left Iraq, leaving the current size of the community in Iraq at about 600,000 - 800,000. The two most prominent Christian sects in Iraq are the Chaldean Catholics and the Assyrian Christians.

Discussed below are the three major organized militias in Iraq: the Kurdish Peshmerga, the Badr Brigades, and the Mahdi Army.

- *Kurdish Peshmerga.* Together, the KDP and PUK may have as many as 100,000 *peshmergas* (fighters), most of which are providing security in the Kurdish regional area (Dahuk, Sulaymaniyah, and Irbil Provinces). Some are in the Iraqi Security Forces (ISF) and deployed in such cities as Mosul, Tal Affar, and Baghdad (as part of the 2007 Baghdad security plan). Peshmerga units have sometimes fought each other; in May 1994, the KDP and the PUK clashed with each other over territory, customs revenues, and control over the Kurdish regional government in Irbil. *Peshmerga* do not appear to be involved in the Sunni Arab-Shiite Arab sectarian violence gripping Iraq.

- *Badr Brigades.* This militia is led by Hadi al-Amiri (a member of parliament). The Badr Brigades were recruited, trained, and equipped by Iran's Revolutionary Guard, aligned with Iran's hardliners, during the Iran-Iraq war, during which Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials. Most Badr fighters were recruited from the ranks of Iraqi prisoners of war held in Iran. However, many Iraqi Shiites viewed SICI as an Iranian puppet and Badr operations in southern Iraq during the 1980s and 1990s did not shake Saddam's grip on power. The Badr "Organization" is under the UIA as a separate political entity, in addition to its SICI parent. Many Badr militiamen have now folded into the ISF, as discussed further later in this paper.
- *Mahdi Army.* Recent "Measuring Stability" reports say this militia "has replaced Al Qaeda in Iraq as the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq." It is purportedly the main perpetrator of the killings of Sunni civilians. This U.S. assessment is evolving as the Mahdi Army has largely ceased patrolling since the U.S. "troop surge" began in mid-February 2007. Still, Mahdi assertiveness is evident in southern Iraq and might increase its activity there as Britain reduces its forces during 2007. At least 40 British soldiers have died in suspected Mahdi attacks in southern Iraq since mid-2006; Mahdi forces also shelled a British base near Amarah in August 2006, contributing to a British decision to leave the base, and killed 11 British soldiers in southern Iraq in April 2007 alone. The militia took over Amarah briefly for a few days in late October 2006, and violence there resumed in June 2007. Some experts, citing independent-minded Mahdi commanders such as one named Abu Deraa, believe Sadr himself has tried to rein in Mahdi violence but no longer has full control of his armed following.

**Iranian Support.** U.S. officials, most specifically in a February 11, 2007, U.S. defense briefing in Baghdad, have repeatedly accused Iran of aiding Shiite militias. More specifically, they assert that the Qods (Jerusalem) Force of Iran's Revolutionary Guard is providing armed Iraqi Shiite factions (most likely Sadr's Mahdi forces) with explosives and weapons, including the highly lethal "explosively forced projectiles" (EFPs). A new development came on April 11, 2007, when U.S. military officials said they had found evidence that Iran might also be supplying Sunni insurgent factions, presumably in an attempt to cause U.S. casualties and promote the view that U.S. policy in Iraq is failing.

Iran's support for Shiite militias contributed to a U.S. decision to conduct direct talks with Iran on the issue of stabilizing Iraq. The December 2006 Iraq Study Group (Recommendations 9, 10, and 11) said that the United States should engage Iran multilaterally to enlist its assistance on Iraq. The Administration initially rejected that recommendation — the President's January 10, 2007, Baghdad security initiative included announcement of an additional aircraft carrier group and additional Patriot anti-missile systems to the Gulf, moves clearly directed against Iran. He also said that U.S. forces would work to dismantle Iranian (and Syrian) networks that are

aiding armed elements in Iraq, and a *Washington Post* report of January 26, 2007, said that the Administration has altered its policy to allow for U.S. forces to combat Iranian agents in Iraq directly if they are observed actively assisting Iraqi armed factions. Also in December 2006 and January 2007, U.S. forces arrested alleged Iranian Revolutionary Guard Qods Forces agents — two at a SICI compound in Baghdad and five more at a compound in Irbil. The Iraqi government compelled the release of the first two; the others are still held and their incarceration will be reviewed in July 2007.

However, in an apparent shift, the Administration supported and participated in the March 10, 2007, regional conference in Baghdad and the follow-up regional conference held in Egypt on May 3 and 4, 2007. Subsequently, the two sides announced and then held high profile direct talks, at the Ambassador level, on May 28, 2007. The two sides said they shared similar visions for Iraq, but the U.S. side said it would judge the potential to continue the dialogue on Iran's performance "on the ground" - restraint in arming Iraqi militias. No further meetings have been scheduled, to date. (For more information, see CRS Report RS22323, *Iran's Influence in Iraq*, and CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, both by Kenneth Katzman.)

## **Iraq's Northern Border**

At the same time, security on Iraq's northern border appears to be increasingly complex. Turkey is complaining that Iraq's Kurds are harboring the anti-Turkey PKK guerrilla group in northern Iraq, and Turkey's top military leader called on April 12, 2007, for a military operation into northern Iraq to quash the group. That call came several days after Barzani, in comments to journalists, claimed that Iraqi Kurds were capable of stirring unrest among Turkish Kurds if Turkey interferes in northern Iraq. Previously, less direct threats by Turkey had prompted the U.S. naming of an envoy to Turkey on this issue in August 2006 (Gen. Joseph Ralston (ret.), former Vice Chairman of the Joint Chiefs of Staff). On February 8, 2007, Turkish Foreign Minister warned against proceeding with the December 31, 2007, referendum on Kirkuk's affiliation with the Kurdish region, reflecting broader concerns that the referendum could set off additional sectarian violence and pave the way for Kurdish independence. The most serious crisis to date occurred on June 6, 2007 when Turkish military sources said that several thousand Turkish troops had crossed into Iraq to conduct "hot pursuit" of PKK guerrillas, although Iraqi and U.S. officials denied there had been any Turkish incursion.

## **U.S. Efforts to Restore Security**

For the nearly four years since the fall of Saddam Hussein, the Administration has tried to refine its stabilization strategy, with increasing focus on curbing sectarian violence. The Administration position is that the U.S. stabilization mission requires continued combat operations. U.S. military headquarters in Baghdad (Combined Joint Task Force-7, CJTF-7) is a multi-national headquarters "Multinational Force-Iraq, MNF-I," headed by Gen. Petraeus, who previously led U.S. troops in the Mosul area and the training and equipping program for the ISF.

As of December 2006, the head of Multinational Corps-Iraq is Lt. Gen. Ray Odierno. Options for further alterations are discussed later in this paper.

In prior years, a major focus of U.S. counter-insurgent combat was Anbar Province, which includes the cities of Fallujah and Ramadi (provincial capital), the latter of which was the most restive of all Iraqi cities and in which the provincial governor's office was shelled or attacked nearly daily. In the run-up to the December 15, 2005, elections, U.S. (and Iraqi) forces conducted several major operations (for example Operations Matador, Dagger, Spear, Lightning, Sword, Hunter, Steel Curtain, and Ram) to clear contingents of foreign fighters and other insurgents from Sunni cities in Anbar, along the Euphrates River. None of these operations succeeded, causing the Administration to examine other options.

**“Clear, Hold, and Build” Strategy/Provincial Reconstruction Teams.**

In its November 2005 “National Strategy for Victory in Iraq,” the Administration publicly articulated a strategy called “clear, hold, and build,” intended to create and expand stable enclaves by positioning Iraqi forces and U.S. civilian reconstruction experts in areas cleared of insurgents. The strategy, based partly on an idea advanced by Andrew Krepinevich in the September/October 2005 issue of *Foreign Affairs*,<sup>37</sup> stipulates that the United States should devote substantial resources to preventing insurgent re-infiltration and promoting reconstruction in selected areas, cultivating these areas as a model that could eventually expand throughout Iraq. The strategy formed the basis of Operation Together Forward (I and II) as well as the President's January 10, 2007, Baghdad security plan.

In conjunction with the U.S. strategy, the Administration began forming Provincial Reconstruction Teams (PRTs), a concept used extensively in Afghanistan. Each PRT in Iraq is civilian led, to be composed of about 100 U.S. State Department and USAID officials and contract personnel, to assist local Iraqi governing institutions, such as the provincial councils, representatives of the Iraqi provincial governors, and local ministry representatives. The concept ran into some U.S. military objections to taking on expanded missions, but the debate was resolved with an agreement by DOD to provide security to the U.S.-run PRTs. Initially, ten PRTs were inaugurated, of which seven are run by the United States: Mosul, Kirkuk, Hilla, Baghdad, Anbar Province, two in Salah ad-Din Province, and Baquba. Of the partner-run PRTs, Britain has formed a PRT in Basra, Italy has formed one in Dhi Qar province, and South Korea runs one in Irbil. In conjunction with the President's “New Way Forward” January 10, 2007, strategy announcement, another ten PRTs have been opened, including six more in Baghdad and three more in Anbar. This necessitated adding 400 diplomats and contractors to staff the new PRTs, although about half of these new positions are filled with military personnel at least temporarily.

**PRT Funding.** An FY2006 supplemental request asked for \$400 million for operational costs for the PRTs, of which the enacted version, P.L. 109-234, provides \$229 million. The requested \$675 million for development grants to be distributed by the PRTs is fully funded through the ESF appropriation for Iraq in this law. The

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<sup>37</sup> Krepinevich, Andrew. “How to Win in Iraq,” *Foreign Affairs*, September/October 2005.

FY2007 supplemental (P.L. 110-28) provides about \$700 million (ESF) for PRT security, operations, and PRT-funded reconstruction projects.

## **Baghdad Security Plan (“Fardh Qanoon”) and “Troop Surge”**

Acknowledging that the initiatives above had not brought security or stability, the President’s January 10, 2007, Baghdad security initiative (referred to in Iraq as *Fardh Qanoon*, Arabic for “Imposing Law”) is intended primarily to bring security to Baghdad and create conditions under which Iraq’s communities can reconcile. The plan, which in many ways reflects recommendations in a January 2007 report by the American Enterprise Institute entitled “Choosing Victory: A Plan for Success in Iraq,”<sup>38</sup> was announced as formally under way on February 14, 2007, and includes the following components:

- The infusion of an additional 28,700 U.S. forces to Iraq – 17,500 combat troops (five brigades) to Baghdad; 4,000 Marines to Anbar Province; and the remainder are support troops and military police. The plan envisioned that these forces, along with additional Iraqi forces, would secure and hold neighborhoods and areas cleared of insurgents and thereby cause the population not to depend on militias or other armed elements for security. The plan envisions that these forces, along with additional Iraqi forces, will be able to secure and hold neighborhoods and areas cleared of insurgents and thereby cause the population not to depend on militias or other armed elements for security. The forces are being based, along with Iraqi soldiers, in about 100 fixed locations around Baghdad, of which about 33 are so-called “Joint Security Stations.”
- cooperation from the Iraqi government, such as progress on the reconciliation steps discussed earlier, and the commitment of the Iraqi forces discussed previously 3 brigades (about 6,000 soldiers), plus about 4,000 police commandos and regular police.
- provision of at least \$1.2 billion in new U.S. aid, including funds for job creation and CERP projects, in part to revive long-dormant state-owned factories.

In an apparent attempt to demonstrate cooperation with President Bush’s security plan, Maliki reportedly communicated to Sadr that Maliki would not stand in the way of operations against the Mahdi forces. This was a contrast with 2006, when U.S. commanders expressed frustration with Maliki for forcing them to release suspected Mahdi militia commanders and to dismantle U.S. checkpoints in Sadr City, set up to try to prevent Shiite sectarian militiamen from operating. U.S. officers blamed these restrictions, in part, for the failure of “Operation Together Forward I and II,” Baghdad security operations involving about 4,000 additional U.S. troops deployed in Baghdad (supplementing the 9,000 U.S. forces there previously),

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<sup>38</sup> The two principal authors of the report are Frederick W. Kagan and Jack Keane (General, U.S. Army, ret.).

focused on such violent districts as Doura, Amiriyah, Rashid, Ghaziliyah, and Mansour. Also apparently contributing to the previous failures were Iraq's deployment of only two out of the six Iraqi battalions committed to the operation, which was only 1,500 soldiers out of 4,000 pledged.

Perhaps suggesting new ability to operate against Shiite elements, U.S. forces arrested the deputy Health Minister on February 8, 2007, for allegedly funneling money to Mahdi Army forces engaged in sectarian killings. As the Baghdad security plan began to operate, U.S. forces began to pressure Mahdi forces and to patrol at least the outskirts of Sadr City, and the Mahdi Army largely ceased active patrolling. Sadr himself fled, or at least visited, Iran as the U.S.-Iraqi plan began, perhaps fearing that he would be a U.S. target, even though he is based in Kufa (near Najaf), not Baghdad; he returned in late May 2007. On the other hand, the Mahdi Army is reviving somewhat in concert with Sadr's April 2007 call for the ISF and militias to join hands to combat U.S. "occupation" forces (but not Iraqis). Some fighting between the U.S., partner, and Iraqi forces and the Mahdi Army have taken place since April 2007 in Diwaniyah, Nassiriyah, Basra, Amarah and parts of Sadr City.

In briefings in Washington D.C. on April 25-26, 2007, and since, General Petraeus, Secretary of Defense Gates, and Lt. Gen. Douglas Lute (named in May 2007 to be the new White House aide to coordinate policy toward Iraq and Afghanistan), as well as press reports, have given preliminary assessments of the surge, while noting that the last of the five combat brigades only arrived in June 2007. Preliminary assessments are also offered in the latest "Measuring Stability" report, although the report says that "It is too soon to assess results." These tentative assessments present a mixed picture, including the following:

- an initial two-thirds reduction in the number of sectarian murders per day, although in June 2007 Gen. Petraeus said murders are increasing again;
- Some press reports say that the surge has thus far made substantial progress in calming only one third of Baghdad. However, in a June 14, 2007 USA Today interview, Gen. Petraeus said that he sees "astonishing signs of normalcy" in half, or perhaps two thirds, of Baghdad, as indicated by soccer games, amusement parks in operation, and vibrant markets.
- the return of some displaced families to their Baghdad homes;
- no overall, Iraq-wide reduction in the civilian deaths per day;
- continuing setbacks to progress produced by AQ-I and other car and suicide bombs that cause mass casualties. The June 2007 Measuring Stability report says the number of suicide attacks across Iraq increased from 26 in January to 58 in March and remained at that higher level in April;
- substantial progress in Anbar Province that Gen. Petraeus has called "breathtaking," including a substantial reduction of violence; although violence picked up in previously quiet Fallujah in May-June 2007;
- little overall progress on political reconciliation
- U.S. commanders, including Gen. Petraeus and commander of Multi-National Division-North Benjamin Mixon, are expressing

increasing concern about violence in Diyala Province and in the towns in “belts” around Baghdad where insurgents have moved to in order to regroup and try to thwart the “surge.” This necessitated a move in April 2007 by the commander of Multi-National Division-North, Benjamin Mixon, to deploy 3,000 additional U.S. forces to Diyala. In addition, “Operation Arrowhead Ripper” was begun on June 18, 2007, involving about 10,000 U.S. soldiers, to try to capture AQ-I fighters in Diyala.

There is an emerging consensus that a September 2007 assessment of the surge by Gen. Petraeus will be key to policymakers judging how, if at all, to alter U.S. policy. Some speculate that, based on observations of the security and political situation to date, the assessment will not be as positive as some supporters of the surge had hoped. Some reports say that, in advance of the September assessment, Gen. Petraeus and U.S. civilian officials are formulating a strategy – a so-called “joint campaign plan” – to press the Iraqi political structure harder on political reconciliation. Other reports suggested that some U.S. commanders, including Gen. Odierno, do not want the results of the surge to be judged as early as September 2007, saying that the surge might have to continue into 2008 in order to give it an adequate chance of success. Options that might follow the September assessment are discussed later in this paper.

### **Building Iraqi Security Forces (ISF)<sup>39</sup>**

A major pillar of U.S. policy had been to equip and train Iraqi security forces (ISF) that could secure Iraq by themselves, although the 2007 Baghdad security plan moves away from reliance on this strategy. President Bush stated in a June 28, 2005 speech, “Our strategy can be summed up this way: As the Iraqis stand up, we will stand down.”<sup>40</sup> However, the Baghdad security plan relies more heavily on combat by U.S. forces than on transferring security responsibilities to the ISF. Still, the Defense Department plans to increase the number of U.S. forces embedded with or mentoring the ISF from 4,000 to well over 10,000, a plan endorsed by the Iraq Study Group report (Recommendations 43 and 44). The commander of the ISF training mission, the Multinational Transition Security Command-Iraq (MNSTC-I), is Lt. Gen. James Dubik, who in June 2007 replaced Gen. Martin Dempsey.

Iraqi leaders are holding to proposed timetables for Iraqi security control. President Talabani said in a June 2007 press interview that he expected the ISF could assume full security responsibilities by the end of 2008. The degrees to which the Iraqi government has assumed operational ISF control, and of ISF security control over territory, are shown in the security indicators table. A map showing areas under Iraqi control and ISF lead can be found in the Iraq Weekly Status Report of the State Department, available online at [<http://www.state.gov/p/nea/ci/c3212.htm>]. However, areas under ISF control or leadership are not necessarily pacified or stable.

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<sup>39</sup> For additional information, see CRS Report RS22093, *Iraq’s New Security Forces: The Challenge of Sectarian and Ethnic Influences*, by Jeremy Sharp.

<sup>40</sup> Speech by President Bush can be found at [<http://www.whitehouse.gov/news/releases/2005/06/20050628-7.html>].

The Iraq Study Group recommends that the training and equipping of the ISF be completed by the first quarter of 2008 (Recommendation 42.)

With the total ISF goal of 325,000 reached in early 2007, the target level of the ISF was increased to 362,000 to try to compensate for the forces' weaknesses. However, press reports in June 2007 say that U.S. commanders believe that the force might need to grow to 395,000. Some observers go so far as to say that the ISF is part of the security problem in Iraq, not the solution, because of incidents of involvement in sectarian involvement or even possible anti-U.S. activity. The most recent DOD "Measuring Stability" report and other accounts reiterate previously reported criticisms of the ISF, including

- that the ISF continue to lack an effective command structure or independent initiative, and that there continues to be a culture of corruption throughout the ISF structure.
- as much as one-third of ISF members are absent-without-leave or might have deserted at any given time, significantly reducing the actual fielded forces.
- that the ISF are unbalanced ethnically and by sect, penetrated by militias or even insurgents, and involved in sectarian violence, particularly among the police forces. Widely reported is that many ISF members view themselves as loyal to their former militias or party leaders, and not to a national force. In late 2005, U.S. forces uncovered militia-run detention facilities ("Site 4") and arrested those (Badr Brigade and related Iraqi police) running them.
- press reports in June 2007 said that some roadside bombs intended for U.S. forces were being planted near police stations, presumably by Iraqi police.
- most of the ISF, particularly the police, are Shiites, with Kurdish units mainly deployed in the north, and many Sunnis distrust the ISF as instruments of repression and responsible for sectarian killings.
- one controversial element of the Baghdad security plan is its apparent reliance on several mostly Kurdish brigades, a deployment reportedly resented by both Shiite and Sunni Arabs in the capital.
- there are several press reports and official comments that the members of the "Facilities Protection Force," (FPS), which are security guards attached to individual ministries, are involved in sectarian violence. U.S. and Iraq began trying to rein in the force in May 2006 by placing it under some Ministry of Interior guidance, including issuing badges and supervising what types of weapons it uses. (In Recommendation 54, the Iraq Study Group says the Ministry of Interior should identify, register, and otherwise control FPS.)

On the other hand, U.S. officials have praised Interior Minister Jawad Bolani for trying to remove militiamen and death squad participants from the ISF; in October 2006, he fired 3,000 Ministry employees for alleged sectarian links, along with two commanders of National Police components. That same month, an entire brigade of National Police were taken out of duty status for retraining for alleged toleration of sectarian killings in Baghdad.

Another positive trend noted by U.S. officials, even before the troop surge, is what they say is increasing tribal cooperation in Anbar Province, particularly from the National Salvation Council of an anti-Al Qaeda tribal leader, Abd al Sattar al-Rishawi. According to press reports, he has persuaded 13,000 men (almost all Sunni) to join police forces in the province, and these forces are participating in securing the border with Syria as well as helping secure Ramadi and other parts of Anbar, particularly against AQ-I. U.S. commanders are reported to be attempting a similar strategy to try to stabilize Diyala, Salahuddin, and Nineveh provinces.

The Iraq Study Group (Recommendations 50-61) contain several suggestions for reforming and improving the police. Among the recommendations are: assigning the lead role in advising and training the anti-crime portions of the police forces to the U.S. Department of Justice; and transferring those police forces that are involved in anti-insurgency operations to the Ministry of Defense from their current organizational structure under the Ministry of Interior.

**Weaponry.** Most observers say the ISF are severely underequipped, dependent primarily on donations of surplus equipment by coalition members. The Iraqi Army is using mostly East bloc equipment, including 77 T-72 tanks donated by Poland, but has now received about 2,500 up-armored Humvees from the United States. The October 2006 report of the SIGIR (<http://www.sigir.mil/reports/quarterlyreports/default.aspx>) notes problems with tracking Iraqi weapons; of the approximately 370,000 weapons turned over to Iraq by the United States since Saddam's fall, only 12,000 serial numbers were properly recorded. Some fear that some of these weapons might have fallen into the hands of insurgents or sectarian militias, although it is also possible the weapons are still in Defense and Interior Ministry stocks but are not catalogued. (In Recommendation 45, the Iraq Study Group said the United States should encourage the Iraqi government to accelerate its Foreign Military Sales requests for U.S. arms and that departing U.S. combat units should leave behind some of their equipment for use by the ISF.)

**ISF Funding.** The accelerated training and equipping of the Iraqis is a key part of U.S. policy. The Administration has been shifting much U.S. funding into this training and equipping mission:

- According to the State Department, a total of \$5.036 billion in IRRF funds has been allocated to build (train, equip, provide facilities for, and in some cases provide pay for) the ISF. Of those funds, as of June 4, 2007, about \$4.975 billion has been obligated and \$4.797 billion of that has been disbursed.
- An FY2005 supplemental appropriation (P.L. 109-13) provided an additional \$5.7 billion to equip and train the ISF, funds to be controlled by the Department of Defense and provided to MNSTC-I. Of that amount, about \$4.7 billion has been obligated.
- The FY2006 supplemental (P.L. 109-234) provided another \$3 billion for the ISF.

- The FY2007 Defense appropriations law (P.L. 109-289) provides an additional \$1.7 billion to train and equip the ISF.
- The FY2007 supplemental (P.L. 110-28) provides the requested \$3.84 billion for this purpose. The FY2008 request is for \$2 billion.

**Table 5. Ministry of Defense Forces**

<b>Force</b>	<b>Size/Strength</b>	<b>IRRF Funds Allocated</b>
Iraqi Army	146,500 total. Forces in units are in 129 battalions (about 90,000 personnel), with new goal of 132 battalions. Remainder not in formed units. Trained for eight weeks, paid \$60/month.	\$1.097 billion for facilities; \$707 million for equipment; \$656 million for training, personnel, and operations
Special Operations Forces	About 1,600 divided between Iraqi Counter-Terrorist Force (ICTF) and a Commando Battalion. Trained for 12 weeks, mostly in Jordan.	
Strategic Infrastructure Battalions	About 2,900 personnel in seven battalions to protect oil pipelines, electricity infrastructure. The goal is 11 battalions.	
Mechanized Police Brigade	About 1,500. Recently transferred from Ministry of Interior control.	
Air Force	About 900, its target size. Has 9 helicopters, 3 C-130s; 14 observation aircraft. Trained for six months. UAE and Jordan to provide other aircraft and helos.	\$28 million allocated for air fields (from funds for Iraqi Army, above)
Navy	About 1,100, the target size. Has a Patrol Boat Squadron and a Coastal Defense Regiment. Fields about 35 patrol boats for anti-smuggling and anti-infiltration. Controls naval base at Umm Qasra, Basra port, and Khor al-Amaya oil terminals. Some training by Australian Navy.	
<b>Totals</b>	<b>154,500</b>	
U.S./Other Trainers	U.S. training, including embedding with Iraqi units (10 per battalion), involves about 4,000 U.S. forces (increasing to 10,000), run by Multinational Security Transition Command - Iraq (MNSTC-I). Training at Taji, north of Baghdad; Kirkush, near Iranian border; and Numaniya, south of Baghdad. All 26 NATO nations at NATO Training Mission - Iraq (NTM-I) at Rustamiyah (300 trainers). Others trained at NATO bases in Norway and Italy. Jordan, Germany, and Egypt also have done training.	

**Table 6. Ministry of Interior Forces**

<b>Force/Entity</b>	<b>Size/Strength</b>	<b>IRRF Funds Allocated</b>
Ministry of Interior	Total size unknown. 3,000 employees dismissed in October for corruption/sectarianism.	
Iraqi Police Service (IPS)	135,000, including 1,300 person Highway Patrol. (About the target size.) Gets eight weeks of training, paid \$60 per month. Not organized as battalions.	\$ 1.806 billion
Dignitary Protection	About 500 personnel	
National Police	About 26,300. Comprises “Police Commandos,” Public Order Police,” and “Mechanized Police.” Organized into 28 battalions. Overwhelmingly Shiite. Gets four weeks of counter-insurgency training. Iraq Study Group (Recommendation 50) proposes transfer to MOD control.	
Emergency Response Unit	About 300, able to lead operations. Hostage rescue.	
Border Enforcement Department	32,100. Controls 258 border forts built or under construction. Has Riverine Police component to secure water crossings. Iraq Study Group (Recommendation 51) proposes transfer to MOD control.	\$437 million (incl. \$3 million for stipends to 150 former WMD workers.
Totals (all forces)	194,300	
Training	Training by 2,000 U.S. personnel (DOD-lead) as embeds and partners. Pre-operational training mostly at Jordan International Police Training Center; Baghdad Police College and seven academies around Iraq; and in UAE. Iraq Study Group (Recommendation 57) proposes U.S. training at local police station level. Countries doing training aside from U.S.: Canada, Britain, Australia, Sweden, Poland, UAE, Denmark, Austria, Finland, Czech Republic, Germany (now suspended), Hungary, Slovenia, Slovakia, Singapore, Belgium, and Egypt.	
Facilities Protection Service (FPS)	Accounted for separately, they number about 145,000, attached to individual ministries.	\$53 million allocated for this service thus far.

## Coalition-Building and Maintenance<sup>41</sup>

Some believe that the Bush Administration did not exert sufficient efforts to enlist greater international participation in peacekeeping originally and that the U.S. mission in Iraq is being complicated by diminishing foreign military contributions. The Administration view is that partner drawdowns reflect a stabilizing security environment in the areas those forces are serving. A list of contributing countries, although not force levels, can be found in the Department of State's "Iraq Weekly Status Report" referenced earlier. Britain continues to lead a multinational division in southern Iraq, based in Basra, but Prime Minister Tony Blair said on February 21, 2007, that British forces would be reduced from 7,100 currently to about 5,500 by mid-2007, and possibly to below 5,000 by the end of 2007, and that Basra Province would be turned over to ISF control. The British forces are now at about the 5,500 level. A Poland-led force (Polish forces number 900, down from a high of 2,600 in 2005) has been based near Diwaniyah and includes forces from the following foreign countries: Armenia, Slovakia, Denmark, El Salvador, Ukraine, Romania, Lithuania, Latvia, Mongolia, and Kazakhstan.

The coalition shrinkage began with Spain's May 2004 withdrawal of its 1,300 troops. Spain made that decision following the March 11, 2004, Madrid bombings and subsequent defeat of the former Spanish government that had supported the war effort. Honduras, the Dominican Republic, and Nicaragua followed Spain's withdrawal (900 total personnel), and the Philippines withdrew in July 2004 after one of its citizens was taken hostage. On the other hand, many nations are replacing their contingents with trainers for the ISF or financial contributions or other assistance to Iraq. Among other changes are the following.

- Ukraine, which lost eight soldiers in a January 2005 insurgent attack, withdrew most of its 1,500 forces after the December 2005 elections.
- Bulgaria pulled out its 360-member unit after the December 2005 elections. However, in March 2006 it sent in a 150-person force to take over guard duties of Camp Ashraf, a base in eastern Iraq where Iranian oppositionists are located.
- South Korea withdrew 270 of its almost 3,600 troops in June 2005, and, in line with a November 2005 decision, withdrew another 1,000 in May 2006, bringing its troop level to about 2,200 (based in Irbil in Kurdish-controlled Iraq). The deployment has been extended until the end of 2007, but a Foreign Ministry official said on April 13, 2007, that it is putting together a "mission termination plan" to be put to parliament in June 2007.
- Japan completed its withdrawal of its 600-person military reconstruction contingent in Samawah on July 17, 2006, but it

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<sup>41</sup> For additional information on international contributions to Iraq peacekeeping and reconstruction, see CRS Report RL32105, *Post-War Iraq: Foreign Contributions to Training, Peacekeeping, and Reconstruction*, by Jeremy Sharp and Christopher Blanchard.

continues to provide air transport (and in June 2007 its parliament voted to continue that for another two years). The Australian forces protecting the Japanese contingent (450 out of the total Australian deployment in Iraq of 1,350) moved to other areas, and security in Muthanna was handed over to ISF control.

- Italy completed its withdrawal in December 2006 after turning over Dhi Qar Province over to ISF control.
- Romanian leaders are debating whether to withdraw or reduce their 890 forces.
- On February 21, 2007, the same day as the British drawdown announcement, Denmark said it will likely withdraw its 460 troops from the Basra area by August 2007, and Lithuania said it is “seriously considering” withdrawing its 53 troops from Iraq. On the other hand, Georgia said on March 10, 2007, that it would greatly increase its current Iraq force of 850 to about 2,000 to assist the policing the Iran-Iraq border, a move that Georgian officials said was linked to its efforts to obtain NATO membership.

***NATO/EU/Other Civilian Training.*** As noted above, all NATO countries have now agreed to train the ISF through the NTM-I, as well as to contribute funds or equipment. Several NATO countries and others are offering to also train civilian personnel. In addition to the security training offers discussed above, European Union (EU) leaders have offered to help train Iraqi police, administrators, and judges outside Iraq. At the June 22, 2005 Brussels conference discussed above, the EU pledged a \$130 million package to help Iraq write its permanent constitution and reform government ministries. The FY2005 supplemental appropriations (P.L. 109-13) provided \$99 million to set up a regional counter-terrorism center in Jordan to train Iraqi security personnel and civil servants.

## **President’s January 10 Initiative, Iraq Study Group Report, Legislation, and Other Options**

In formulating the new strategy announced on January 10, 2007, President Bush said he weighed the December 6, 2006, report of the Iraq Study Group, as well as input from several other reviews, including one directed by outgoing Chairman of the Joint Chiefs of Staff Peter Pace and another under direction of the National Security Council. In the time surrounding the speech, a number of senior personnel shifts were announced: U.S. Ambassador Khalilzad’s replacement by Ambassador to Pakistan Ryan Crocker, Gen. Abizaid’s replacement by CENTCOM Commander by Admiral William Fallon; Gen. Casey’s replacement as head of MNF-I by General David Petraeus. Robert Gates replaced Donald Rumsfeld as Defense Secretary in December 2006. In May 2007, the White House named Lt. Gen Douglas Lute, subject to Senate confirmation, as a new aide to focus on promoting rapid and effective inter-agency cooperation on the combat and policy in Iraq and Afghanistan.

In June 2007, Gen. Pace was not put forward for another term as Joint Chiefs Chairman.

## **Iraq Study Group Report**

The President's Baghdad security plan appeared to deviate from many aspects of the Iraq Study Group report, although the differences have narrowed since January. The Administration has noted that the Study Group report said the Group might support a temporary surge along the lines proposed by the President. The Iraq Study Group itself was launched in March 2006; chosen by mutual agreement among its congressional organizers to co-chair were former Secretary of State James Baker and former Chairman of the House International Relations Committee Lee Hamilton. The eight other members of the Group are from both parties and have held high positions in government. The group was funded by the conference report on P.L. 109-234, FY2006 supplemental, which provided \$1 million to the U.S. Institute of Peace for operations of the group.<sup>42</sup> Some of the specific recommendations have been discussed throughout this paper and, among the major themes of the 79 recommendations, along with comparable or contrasting features of the President's plan, are the following.

- Foremost, transition from U.S.-led combat to Iraqi security self-reliance by early 2008 (Recommendations 40-45), with continued U.S. combat against AQ-I and force protection, in addition to training and equipping the ISF. The Administration has rejected any timetable for winding down U.S. combat.
- Heightened regional and international diplomacy, including with Iran and Syria, and including the holding of a major international conference in Baghdad (Recommendations 1-12). As noted above, the Administration, after initially appearing to reject this recommendation, has backed the series of regional conferences on Iraq.
- As part of an international approach, renewed commitment to Arab-Israeli peace (Recommendations 13-17). This was not a major feature of the President's plan, although he has authorized stepped up U.S. diplomacy by Secretary of State Rice on this issue.
- Additional economic, political, and military support for the stabilization of Afghanistan (Recommendation 18). This was not specified in the President's January 10 plan, although, separately, there have been increases in U.S. troops and aid for Afghanistan.
- Setting benchmarks for the Iraqi government to achieve political reconciliation, security, and governance, including possibly withholding some U.S. support if the Iraqi government refuses or fails to do so (Recommendations 19-37). The President initially

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<sup>42</sup> Full text at [<http://www.usip.org>].

opposed threatening to reduce support for the Iraqi government if it fails to uphold its commitments but signed P.L. 110-28 which does support linkage of U.S. economic aid to progress on the benchmarks.

- Giving greater control over police and police commando units to the Iraqi Ministry of Defense, which is considered less sectarian than the Ministry of Interior that now controls some of these forces, and reforming the Ministry of Interior (Recommendations 50-58). The President's plan, according to a White House fact sheet released on January 10, requires reform of the Ministry of Interior.
- Securing and expanding Iraq's oil sector (Recommendations 62-63). The President's plan expects Iraq to pass the pending oil laws, which would, in part, encourage foreign investment in Iraq's energy sector.
- Increasing economic aid to Iraq and enlisting more international donations of assistance (Recommendations 64-67). The President's plan includes increases in aid, as discussed above.
- Ensuring that the United States has the right skills serving in Iraq and has sufficient intelligence on developments there (Recommendations 73-79). This is not specifically addressed in the President's plan.

## Reaction to Troop Surge

Congressional reaction to the President's Baghdad security plan was somewhat negative, and appears to remain so, judging from congressional votes. In House action, on February 16, 2007, the House passed (246-182) a non-binding resolution (H.Con.Res. 63) expressing opposition to the sending of additional forces to Iraq. However, on February 17, 2007, the Senate did not vote to close off debate and did not vote on a version of that resolution (S. 574). Earlier, a Senate resolution opposing the troop increase (S.Con.Res. 2) was reported out of the Senate Foreign Relations Committee on January 24 (12-9 vote). A cloture motion on this measure failed on February 1, 2007. After these actions, the Senate leadership introduced S.J.Res. 9, a measure that would require the president to redeploy U.S. combat forces by March 31, 2008, for all except the same functions as recommended by the Iraq Study Group.

The House leadership subsequently inserted a binding provision of FY2007 supplemental appropriations legislation (H.R. 1591) that would require the president, as a condition of maintaining U.S. forces in Iraq, to certify (by July 1, 2007) that Iraq had made progress toward several political reconciliation benchmarks. Even if he certifies by October 1, 2007, that the benchmarks have been met, the provision amendment would require the start of a redeployment from Iraq by March 1, 2008, and to be completed by September 1, 2008. The whole bill passed the House on March 23, 2007. In the Senate-passed version of H.R. 1591, a provision would set a non-binding goal for U.S. withdrawal of March 1, 2008, in line with S.J.Res. 9 cited above. The conference report adopted elements of both bills, retaining the benchmark certification requirement and the same dates for the start of a withdrawal

but making the completion of any withdrawal (by March 31, 2008, not September 1, 2008) a goal rather than a firm deadline. President Bush vetoed the conference report on May 1, 2007, and the veto was sustained. The revised FY2007 supplemental (H.R. 2206, P.L. 110-28) would withhold the ESF for Iraq if, in reports required by July 15 and September 15, the president could not certify progress on the “benchmarks” discussed previously. However, a waiver is provided for to provide the aid if the president decides doing so is necessary and so certifies to Congress. He is required to report on actions taken to bring Iraq into compliance on the benchmarks. Following the passage of the supplemental, legislation was introduced (H.R. 2574, unnumbered Senate resolution) calling for U.S. policy to implement the recommendations of the Iraq Study Group.

The sections below discuss options that have been under discussion even before the report of the Iraq Study Group. Some of the ideas discussed may be similar to some of the recommendations of the Study Group as well as the President’s plan.

### **Further Options: Altering Troop Levels or Mission**

President Bush has repeatedly opposed major reductions in troop levels, stating that the United States must uphold its “commitment” to the Iraqi government and maintaining that the Iraqi government would collapse upon an immediate pullout. Other consequences, according to the Administration, would be full-scale civil war, safehaven for AQ-I and emboldening of Al Qaeda more generally, and increased involvement of regional powers in the fighting in Iraq. Supporters of the Administration position say that Al Qaeda terrorists might “follow us home” - conduct attacks in the United States – if the United States were to withdraw. However, in light of numerous polls showing declining public support for the effort, and reported expressions of concern over policy by Administration supporters, there are indications that the Administration might consider a major change in course in late 2007, should the troop surge be judged unsuccessful.

**Further Troop Increase.** Some argue that the “surge” was too small – limited only to Baghdad and Anbar – and that the United States should consider increasing troops levels in Iraq even further to tamp down sectarian violence and prevent Sunni insurgents from re-infiltrating areas cleared by U.S. operations. However, this option appears increasingly unlikely in light of trends in public and congressional support for the overall Iraq effort.

**Immediate and Complete Withdrawal.** Some Members argue that the United States should begin to withdraw immediately and nearly completely, maintaining that the decision to invade Iraq was a mistake in light of the failure to locate WMD, that the large U.S. presence in Iraq is inflaming the insurgency, and that remaining in Iraq will result in additional U.S. casualties without securing U.S. national interests. Other Members argue that U.S. forces are now policing a civil war rather than fighting an insurgency. Based on the arguments discussed above, the Administration has largely ruled out this option even if the troop surge is judged a failure.

Those who support a withdrawal include most of the approximately 70 Members of the “Out of Iraq Congressional Caucus,” formed in June 2005. In the

110<sup>th</sup> Congress, some have introduced legislation (H.R. 508 and H.R. 413) that would repeal the original authorization for the Iraq war. In the 109<sup>th</sup> Congress, Representative John Murtha, ranking member (now chairman) of the Defense Appropriations Subcommittee, introduced a resolution (H.J.Res. 73) calling for a U.S. withdrawal “at the earliest practicable date” and the maintenance of an “over the horizon” U.S. presence, mostly in Kuwait (some say U.S. troops could be based in the Kurdish north) from which U.S. forces could continue to battle AQ-I. A related resolution, H.Res. 571 (written by Representative Duncan Hunter, chairman of the House Armed Services Committee), expressed the sense “that the deployment of U.S. forces in Iraq be terminated immediately;” it failed 403-3 on November 18, 2005. Representative Murtha has introduced a similar bill in the 110<sup>th</sup> Congress (H.J.Res. 18); a Senate bill (S. 121) as well as a few other House bills (H.R. 663, H.R. 455, and H.R. 645) contain similar provisions.

**Withdrawal Timetable.** The Iraq Study Group suggests a winding down of the U.S. combat mission by early 2008 but does not recommend a firm timetable. The vetoed FY2007 supplemental legislation containing binding timetables is discussed above, but some Members, such as Senate majority leader Harry Reid say they will continue to try to enact such legislation in future bills, such as the FY2008 Defense appropriation. Also in the 110<sup>th</sup> Congress, Senator Obama has introduced S. 433, setting a deadline for withdrawing combat troops by March 31, 2008. The Administration opposes a withdrawal timetable on the grounds that doing so would allow insurgents to “wait out” a U.S. withdrawal.

In the 109<sup>th</sup> Congress, the timetable issue was debated extensively. In November 2005, Senator Levin, who takes the view that the United States needs to force internal compromise in Iraq by threatening to withdraw, introduced an amendment to S. 1042 (FY2006 defense authorization bill) to compel the Administration to work on a timetable for withdrawal during 2006. Reportedly, on November 10, 2005, Chairman of the Senate Armed Services Committee John Warner reworked the Levin proposal into an amendment that stopped short of setting a timetable for withdrawal but requires an Administration report on a “schedule for meeting conditions” that could permit a U.S. withdrawal. That measure, which also states in its preamble that “2006 should be a period of significant transition to full Iraqi sovereignty,” achieved bi-partisan support, passing 79-19. It was incorporated, with only slight modifications by House conferees, in the conference report on the bill (H.Rept. 109-360, P.L. 109-163). On June 22, 2006, the Senate debated two Iraq-related amendments to an FY2007 defense authorization bill (S. 2766). One, offered by Senator Kerry, setting a July 1, 2007, deadline for U.S. redeployment from Iraq, was defeated 86-13. Another amendment, sponsored by Senator Levin, called on the Administration to begin redeployment out of Iraq by the end of 2006, but with no deadline for full withdrawal. It was defeated 60-39.

**Troop Reduction/Mission Change.** Depending on the results of the “troop surge,” there might later be debate on a possible significant but not wholesale troop reduction. U.S. officials have said that success of the surge – or its failure – might pave the way for a U.S. force reduction to fulfill a scaled-back U.S. mission that would involve: 1) operations against AQ-I; 2) an end to active patrolling of Iraqi streets; 3) force protection; and 4) training the ISF. A press report in June 2007 (*Washington Post*, June 10, 2007) said that, if this were the new mission of U.S.

forces, fulfilling the mission might require retaining about 50,000 - 60,000 U.S. forces. Of these forces, about 20,000 would be assigned to guaranteeing the security of the Iraqi government or assist the ISF if it is having difficulty in battle. A reduced U.S. mission similar to those described are stipulated in H.R. 2451, which is to be taken up in September 2007. In the past, U.S. commanders presented to President Bush options for a substantial drawdown of U.S. forces in Iraq, dependent on security progress, to about 120,000. The plans faded when the security situation did not calm.

## **International and Regional Diplomacy**

As noted above, many of the Iraq Study Group recommendations propose increased regional, multi-lateral, and international diplomacy. One idea, included in the Study Group report, is to form a “contact group” of major countries and Iraqi neighbors to prevail on Iraq’s factions to compromise. The Administration has taken significant steps in this direction, including a bilateral meeting with Syria at the May 3-4, 2007 meeting on Iraq in Egypt, and the bilateral meeting with Iran in Baghdad on May 28, 2007. In the 110<sup>th</sup> Congress, a few bills (H.R. 744, H.Con.Res. 43, and H.Con.Res. 45) support the Iraq Study Group recommendation for an international conference on Iraq. In the 109<sup>th</sup> Congress, these ideas were included in several resolutions, including S.J.Res. 36, S.Res. 470, S.J.Res. 33, and S. 1993, although several of these bills also include provisions for timetables for a U.S. withdrawal.

Other ideas involve recruitment of new force donors. In July 2004, then-Secretary of State Powell said the United States would consider a Saudi proposal for a contingent of troops from Muslim countries to perform peacekeeping in Iraq, reportedly under separate command. Some Iraqi leaders believed that such peacekeepers would come from Sunni Muslim states and would inevitably favor Sunni factions within Iraq. On the other hand, several experts believe that the lack of progress in stabilizing Iraq is caused by internal Iraqi disputes and processes and that new regional or international steps would yield minimal results. For more information, see CRS Report RL33793, *Iraq: Regional Perspectives and U.S. Policy*, coordinated by Christopher Blanchard.

Another idea is to identify a high-level international mediator to negotiate with Iraq’s major factions. Some Members of Congress wrote to President Bush in November 2006 asking that he name a special envoy to Iraq to follow up on some of the Administration’s efforts to promote political reconciliation in Iraq.

## **Political Reconciliation and Reorganization**

Many proposals focus on the need for a “political solution,” a requirement acknowledged by General Petraeus and almost all senior U.S. officials. These proposals involve differing methods for altering Iraq’s power structure so that no major community feels excluded or has incentive to back violence.

**Reorganize the Power Structure.** Some experts believe that adjusting U.S. troop levels would not address the underlying causes of violence in Iraq. Those who want to build a unified and strong central government, including the

Bush Administration, have identified the need to assuage Sunni Arab grievances, and several of the benchmarks required of the Iraqi government are intended to achieve that objective. Others believe that more sweeping political reconciliation efforts are needed, but there is little agreement on what additional or alternative package of incentives, if any, would persuade most Sunnis leaders — and their constituents — to support the government. Some believe that Sunnis might be satisfied by a wholesale cabinet/governmental reshuffle that gives several leading positions, such as that of President, to a Sunni Arab, although many Kurds might resent such a move because a Kurd now holds that post. Others oppose major governmental change because doing so might necessitate the voiding of the 2005 elections, a move that would appear un-democratic.

**Decentralization and Break-Up Options.** Some commentators maintain that Iraq cannot be stabilized as one country and should be broken up into three separate countries: one Kurdish, one Sunni Arab, and one Shiite Arab. Another version of this idea, propounded by Senator Biden and Council on Foreign Relations expert Leslie Gelb (May 1, 2006, *New York Times* op-ed) is to form three autonomous regions, dominated by each of the major communities. A former U.S. Ambassador and an adviser to the Kurds, Peter Galbraith, also advocates this option. According to this view, decentralizing Iraq into autonomous zones would ensure that Iraq's territorial integrity is preserved while ensuring that these communities do not enter all-out civil war with each other. Some believe that, to alleviate Iraqi concerns about equitable distribution of oil revenues, an international organization should be tapped to distribute Iraq's oil revenues. Press reports say several Senators are planning to introduce a Senate resolution urging implementation of the Biden/Gelb regional autonomy plan.

Critics of both forms of this idea believe that any segregation of Iraq, legal or de-facto, would cause parts of Iraq to fall firmly under the sway of Iraq's powerful neighbors. Others believe that the act of dividing Iraq's communities in any way would cause widespread violence, particularly in areas of mixed ethnicity, as each community struggles to maximize its territory and its financial prospects. This recommendation was rejected by the Iraq Study Group as potentially too violent.

**Negotiating With Insurgents.** A related idea is to negotiate with insurgents. The Iraq Study Group report welcomes contact with almost all parties in Iraq, with the exception of AQ-I (Recommendations 34-35). The Administration — and the Iraqi government — appears to have adopted this recommendation to some extent, and General Petraeus, in a March 7, 2007, news conference, appeared to suggest that any solution to Iraq would require some agreement with insurgent groups. Gen. Odierno, in June 2007, discussed with reporters a new U.S. tactic of reaching local ceasefires with Iraqi insurgent groups and, as discussed above, some U.S. commanders have gone even further by arming Sunni insurgents willing to fight against AQ-I. In an interview before leaving Iraq, outgoing Ambassador Khalilzad said in late March 2007 that he had had talks with some insurgents in Jordan who are believed open to reconciliation.

The U.S. talks reportedly have been intended, at least in part, to promote splits between Iraqi Sunni insurgents and factions loyal to Al Qaeda. However, no major insurgent faction has lain down arms in response to any talks with U.S. personnel or

Iraqi officials. The insurgents who have attended such talks reportedly want an increased role for Sunnis in government, a timetable for U.S. withdrawal, and a withdrawal of the Shiite-dominated ISF from Sunni regions. Some U.S. officials believe that talking directly with insurgents increases insurgent leverage and emboldens them.

**“Coup” or “Strongman” Option.** As discussed above, another option began receiving discussion in October 2006 as Iraqi elites began to sense a growing rift between the Administration and Maliki. Some Iraqis believe the United States might try to use its influence among Iraqis to force Maliki to resign and replace him with a military strongman or some other figure who would crack down on sectarian militias. Some say former Prime Minister Allawi might be trying to position himself as such an alternative figure. However, experts in the United States see no concrete signs that such an option might be under consideration by the Administration. Using U.S. influence to force out Maliki would, in the view of many, conflict with the U.S. goal of promoting democracy and rule of law in Iraq.

## **Economic Measures**

Some believe that the key to calming Iraq is to accelerate economic reconstruction, and they see the draft oil law as drawing in the foreign investment to Iraq’s key energy sector that is needed to drive economic development. According to this view, accelerated reconstruction will drain support for insurgents by creating employment, improving public services, and creating confidence in the government. This idea was incorporated into the President’s January 10 initiative, in part by attempting to revive state-owned factories that can employ substantial numbers of Iraqis. Prior to that, this concept was reflected in the decision to form PRTs, as discussed above. Others doubt that economic improvement alone will produce major political results because the differences among Iraq’s major communities are fundamental and resistant to economic solutions.

Another idea has been to set up an Iraqi fund, or trust, that would ensure that all Iraqis share equitably in Iraq’s oil wealth. In an op-ed in the *Wall Street Journal* (December 18, 2006) Senator Hillary Rodham Clinton and Senator John Ensign supported the idea of an “Iraq Oil Trust” modeled on the Alaska Permanent Fund.

**Table 7. U.S. Aid (ESF) to Iraq's Opposition**  
(Amounts in millions of U.S. \$)

	INC	War crimes	Broadcasting	Unspecified opposition activities	Total
FY1998 (P.L. 105-174)	—	2.0	5.0 (RFE/RL for "Radio Free Iraq")	3.0	10.0
FY1999 (P.L. 105-277)	3.0	3.0	—	2.0	8.0
FY2000 (P.L. 106-113)	—	2.0	—	8.0	10.0
FY2001 (P.L. 106-429)	12.0 (aid in Iraq)	2.0	6.0 (INC radio)	5.0	25.0
FY2002 (P.L. 107-115)	—	—	—	25.0	25.0
FY2003 (no earmark)	3.1	—	—	6.9	10.0
Total, FY1998- FY2003	18.1	9.0	11.0	49.9 (about 14.5 million of this went to INC)	88.0
FY2004 (request)	—	—	—	0	0

**Notes:** According to the U.S. Government Accountability Office (Apr. 2004), the INC's Iraqi National Congress Support Foundation (INCSF) received \$32.65 million in U.S. Economic Support Funds (ESF) in five agreements with the State Department during 2000-2003. Most of the funds — separate from drawdowns of U.S. military equipment and training under the "Iraq Liberation Act" — were for the INC to run its offices in Washington, London, Tehran, Damascus, Prague, and Cairo, and to operate its *Al Mutamar* (the "Conference") newspaper and its "Liberty TV," which began in August 2001, from London. The station was funded by FY2001 ESF, with start-up costs of \$1 million and an estimated additional \$2.7 million per year in operating costs. Liberty TV was sporadic due to funding disruptions resulting from the INC's refusal to accept some State Department decisions on how U.S. funds were to be used. In August 2002, the State Department and Defense Department agreed that the Defense Department would take over funding (\$335,000 per month) for the INC's "Information Collection Program" to collect intelligence on Iraq; the State Department wanted to end its funding of that program because of questions about the INC's credibility and the propriety of its use of U.S. funds. The INC continued to receive these funds even after Saddam Hussein was overthrown, but was halted after the June 2004 return of sovereignty to Iraq. The figures above do not include covert aid provided — the amounts are not known from open sources. Much of the "war crimes" funding was used to translate and publicize documents retrieved from northern Iraq on Iraqi human rights; the translations were placed on 176 CD-Rom disks. During FY2001 and FY2002, the Administration donated \$4 million to a "U.N. War Crimes Commission" fund, to be used if a war crimes tribunal is formed. Those funds were drawn from U.S. contributions to U.N. programs. See General Accounting Office Report GAO-04-559, *State Department: Issues Affecting Funding of Iraqi National Congress Support Foundation*, April 2004.

Figure 1. Map of Iraq



Source: Map Resources. Adapted by CRS. (K.Yancey 7/21/04)