

# CRS Report for Congress

## **Iraq: Post-Saddam Governance and Security**

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**Prepared for Members and  
Committees of Congress**

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# Iraq: Post-Saddam Governance and Security

## Summary

Operation Iraqi Freedom overthrew Saddam Hussein's regime, but Iraq remains unstable because of Sunni Arab resentment and a related insurgency, compounded by Sunni-Shiite violence that a January 2007 national intelligence estimate (NIE) says has key elements of a "civil war." Mounting U.S. casualties and financial costs — without clear improvements in levels of violence — have intensified a debate within the United States over whether to wind down U.S. involvement without completely accomplishing initial U.S. goals. U.S. Defense Department reports, the December 6, 2006, report of the Iraq Study Group, and the NIE express pessimism about security in Iraq, although U.S. officials say the 2007 Baghdad security plan is producing some reduction of sectarian violence.

In an effort to counter these trends, President Bush addressed the nation on new initiatives in Iraq on January 10, 2007 and announced a deployment of at least an additional 21,500 U.S. combat forces to help stabilize Baghdad and restive Anbar Province, as well as other measures to create jobs and promote political reconciliation. He and other officials have asserted that the new security plan would build 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. While continuing to build, equip, and train Iraqi security units, the Administration has worked to include more Sunni Arabs in the power structure, particularly the security institutions.

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. A House resolution adopted on February 16, 2007, opposed the sending of additional forces. On two occasions in February, the Senate did not invoke cloture to vote on similar measures (S.Con.Res. 2 and S. 574, respectively). On March 23, 2007, the House passed a binding amendment to an FY2007 supplemental appropriation request (H.R. 1591) that would set a September 1, 2008, deadline for U.S. combat withdrawal — or sooner, depending on Iraqi progress on reconciliation. The Senate version (S. 965) would set March 1, 2008 as a non-binding goal for U.S. combat withdrawal. Other bills support the Iraq Study Group's recommendation for intensified regional diplomacy to enlist help from neighboring states to calm their protege factions in Iraq. This is a step the Administration has begun to take by participating in a March 10 meeting in Baghdad involving Iraq's neighbors, including Iran and Syria.

This report is updated regularly. See also CRS Report RS21968, *Iraq: Elections, Government, and Constitution*, 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 al-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 the liberation of 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 as well, to some extent, including reportedly sending Congress an intelligence finding that the United States would try to promote a military coup against Saddam Hussein. The Administration apparently believed that a coup from within the regime 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> However, the United States did not undertake any military action specifically on behalf of these groups.

## 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

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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.

post-Saddam politics, while also fielding militias that are allegedly conducting acts of sectarian reprisals in post-Saddam Iraq.

**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 from a prominent banking family, 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 want to, at the very least, preserve the autonomy of the post-1991 Gulf war period. The Kurds, both through legal procedures as well as population movements, are trying to secure the mixed city of Kirkuk, which the Kurds covet as a source of oil. 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; Barzani, on June 12, 2005, was named “president

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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>].

of Kurdistan” by the 111-seat Kurdish regional assembly (elected January 30, 2005).<sup>8</sup> Both factions were extensively involved in the drafting of the oil law now pending before the Iraqi parliament; the draft would give the Kurdish regional government a role in signing oil contracts with foreign investing firms.

**Shiite Islamists: Ayatollah Sistani, SCIRI, 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>9</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>10</sup> He was treated for heart trouble in Britain in August 2004.

**Supreme Council for the Islamic Revolution in Iraq (SCIRI).** Within the “United Iraqi Alliance” (UIA) of Shiite political groupings, SCIRI shares power with other factions, but SCIRI’s influence is bolstered by the fielding of a militia force, the “Badr Brigades.” SCIRI 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 SCIRI. The Ayatollah was then head of the *Hawza*. SCIRI leaders say they do not seek to establish an Iranian-style Islamic republic, but SCIRI reportedly receives substantial amounts of financial and other aid from Iran. Although it was a member of the INC in the early 1990s, SCIRI 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

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<sup>8</sup> For an extended discussion, see CRS Report RS22079, *The Kurds in Post-Saddam Iraq*, by Kenneth Katzman and Alfred B. Prados.

<sup>9</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>10</sup> For information on Sistani’s views, see his website at [<http://www.sistani.org>].

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 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 SCIRI). 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. He has been viewed as a young firebrand who lacks religious and political weight, but the more established Shiite factions, as well as Iranian diplomats, are building ties to him because of his large following. His support is strongest among poor Shiites who identify with other “oppressed Muslims” and who are therefore skeptical of any U.S. presence in the Middle East. By fully participating in the December 15, 2005, elections, Sadr appeared to distance himself from his uprisings in 2003 and 2004, although tensions flared again in 2006 between his militia forces and international (particularly British) forces in Iraq as well as against rival Shiite factions and Iraqi security forces. During 2003-2004, he used Friday prayer sermons in Kufa (near Najaf) to agitate for a U.S. withdrawal. Pro-Sadr candidates also won pluralities in several southern Iraqi provincial council elections. (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 Shiite, Kurdish, and Secular Factions**

|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Iraq National Accord/Iyad al-Allawi                        | 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. Allawi spends most of his time outside Iraq but reportedly may be trying to organize a non-sectarian parliamentary 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 at his home in London, but remains chair of the Higher National De-Baathification Commission. Recently assigned as liaison between Baghdad neighborhood committees and the government in 2007 Baghdad security plan. |
| Kurds/KDP and PUK                                          | Together, the main factions run a legally-constituted “Kurdistan Regional Government (KRG)” with its own executive headed by “president” Masud Barzani and legislature. PUK leader Talabani became president of Iraq after January 2005 and remains so, despite March 2007 health problems that required treatment and recuperation in Jordan. He is now back in Iraq. 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.                                                                                                                                   |
| 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. Refuses to meet U.S. officials.                                                                                                                                                                                                                                                                              |
| Supreme Council for the Islamic Revolution in Iraq (SCIRI) | Best-organized and most pro-Iranian Shiite Islamist party. 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. 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. As part of UIA, SCIRI has about 30 of its members in parliament. Supports formation of Shiite “region” composed of nine southern provinces. Has tense relations with Da’wa Party despite common ideology and heritage.                                                                                 |

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|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 SCIRI. Has no organized militia and a lower proportion of clerics than does SCIRI. Part of UIA, controls about 28 seats in parliament.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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, Basra, Amarah, and other major Shiite cities. Mercurial, has both challenged and tacitly worked with U.S. forces in Iraq. 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, although some militia elements now believed beyond Sadr's control. Now part of UIA, controls 32 seats in new parliament and ministries of health, transportation, and agriculture (plus one organization of ministerial rank) and supports Prime Minister Maliki. However, those parliamentarians boycotted parliament for three months following the late November 2006 meeting between Bush and Maliki. Opposes large Shiite "region" in the south. Does not meet with United States. |
| Fadilah Party              | <i>Fadilah</i> (Virtue) has held about 15 seats in the 2006-2010 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, it is a splinter group of the Sadr's 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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. Party militiamen play major role in policing areas of the province.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 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. Islamic Amal won two seats in the January 30 election and has a member in the new cabinet (Minister of Civil Society Affairs).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ayatollah Hassani Faction  | Another Karbala-based faction, loyal to Ayatollah Mahmoud al-Hassani. 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 SCIRI and Da'wa Party.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

**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; SCIRI; KDP; PUK; the Islamic Movement of Iraqi Kurdistan (IMIK);<sup>11</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.

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<sup>11</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.

## 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>12</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, Administration policy tried to strengthen containment of Iraq, which the Administration said was rapidly eroding, 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>13</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 leaders visited reportedly 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. Other accounts include reported memoranda (the "Downing Street Memo") by British intelligence officials, based on conversations with U.S. officials. That memo reportedly said 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

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<sup>12</sup> One account of Bush Administration internal debates on the strategy is found in Hersh, Seymour. "The Debate Within," *The New Yorker*, Mar. 11, 2002.

<sup>13</sup> For more information on this program, see CRS Report RL30472, *Iraq: Oil For Food Program, Illicit Trade, and Investigations*, by Kenneth Katzman and Christopher Blanchard.

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 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>14</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>15</sup> although U.S. forces have found some chemical weapons caches left over from the Iran-Iraq war.<sup>16</sup> The UNMOVIC work remains formally active.<sup>17</sup>
- *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>18</sup>

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<sup>14</sup> Duelfer report text is at [<http://news.findlaw.com/hdocs/docs/iraq/cia93004wmdrpt.html>].

<sup>15</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>16</sup> Pincus, Walter. "Munitions Found in Iraq Renew Debate." *Washington Post*, July 1, 2006.

<sup>17</sup> For information on UNMOVIC's ongoing activities, see [<http://www.unmovic.org/>].

<sup>18</sup> *9/11 Commission Report*, p. 66.

## Operation Iraqi Freedom (OIF)

In mid-2002, the Administration began ordering a force to the region 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 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>19</sup> although reportedly only about 70 completed training at Taszar 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

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

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>20</sup> "coalition of the 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 evaluation ("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 Governance and Transition

According to January 2007 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's immediate post-war policy did not make use of an extensive State Department initiative, called the "Future of Iraq Project," that spent at least a year before the war drawing up plans for administering Iraq after the fall of Saddam. The State

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<sup>20</sup> Many of the thirty countries listed in the coalition did not contribute forces to the combat. A subsequent State Department list released on March 27, 2003 listed 49 countries in the coalition of the willing. See *Washington Post*, Mar. 27, 2003, p. A19.

Department project, which cost \$5 million, had 15 working groups on major issues.<sup>21</sup> Garner, along with White House envoy Zalmay Khalilzad (later Ambassador to Iraq) tried to quickly establish a representative successor Iraqi regime by organizing a meeting in Nassiriyah (April 15, 2003) of about 100 Iraqis of varying views and ethnicities. A subsequent meeting of 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 political structure, many Sunnis resented the U.S. invasion and opposed the IGC, which was widely perceived in Iraq as an arm of U.S. decision-making. 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>22</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), would be held by December 15, 2005. The new government would take office by December 31, 2005. Under the TAL, any three provinces could veto the constitution by a two-thirds majority. If that happened, a new draft was to be developed and voted on by October 15, 2006. The Kurds

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<sup>21</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/>].

<sup>22</sup> The text of the TAL can be obtained from the CPA website at [<http://cpa-iraq.org/government/TAL.html>].

maintained their autonomous “Kurdistan Regional Government,” and their *peshmerga* militia were allowed to 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>23</sup> Dominated by senior faction leaders, it was named and began work on June 1, 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. Backing of Sovereign Government/Coalition Military Mandate.** 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>24</sup> The size of UNAMI in Iraq, headed by former Pakistani diplomat Ashraf Jahangir Qazi, is now about 55 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. 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 other recommendations, 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

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<sup>23</sup> Chandrasekaran, Rajiv. “Envoy Urges U.N.-Chosen Iraqi Government,” *Washington Post*, Apr. 15, 2004.

<sup>24</sup> Its mandate has been renewed each year since, most recently by Resolution 1700 (Aug. 10, 2006).

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 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.
- Resolution 1546 deferred the issue of the status of foreign forces (Status of Forces Agreement, SOFA) to an elected Iraqi government. No SOFA has been signed to date, and U.S. forces operate in Iraq and use its facilities under temporary memoranda of understanding. 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. Former Secretary of Defense Rumsfeld said in July 2005 that U.S. military lawyers are working with the Iraqis on a SOFA or other arrangements that would cover U.S. operations in Iraq for the duration of U.S. involvement there.
- In subsequent related developments, the Defense Appropriation for FY2007 (P.L. 109-289) contains a provision, first passed in the House version of the measure, prohibiting use of U.S. funds to establish permanent military installations or bases in Iraq. The same law contains a provision that the Defense Department not agree to allow U.S. forces in Iraq to be subject to Iraqi law. (In Recommendation 22, the Iraq Study Group recommends that the President should state that the United States does not seek permanent military bases in Iraq.)
- It established a 100-seat "Interim National Council" to serve as an interim parliament. The body, selected in August,<sup>25</sup> did not have legislative power but was able to veto government decisions with a two-thirds majority. The council held some televised "hearings;" it disbanded after the January 2005 elections for a parliament.

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<sup>25</sup> Tavernise, Sabrina. "In Climax To a Tumultuous 4-Day Debate, Iraq Chooses An Assembly," *New York Times*, Aug. 19, 2004.

**Post-Handover U.S. Structure in Iraq.** The sovereignty handover was accompanied by steps to lower the U.S. profile 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>26</sup> Negroponte was succeeded in July 2005 by Ambassador Zalmay Khalilzad, and he has now been succeeded 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 and to fund embassy operations; an FY2006 supplemental appropriation (P.L. 109-234) provided \$1.327 billion for U.S. embassy operations and security. (In Recommendations 73-76, the Iraq Study Group report lays out several 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.) Resolution 1546 also gave Iraq responsibility for close-out of the “oil-for-food program;”<sup>27</sup> Resolution 1483 ended that program as of November 21, 2003. (In Recommendation 23, the Iraq Study Group says the President should restate that the United States does not seek to control Iraq’s oil.)
- Reconstruction management and advising of Iraq’s ministries were taken over by the State Department through the U.S. Embassy and a unit called the “Iraq Reconstruction and Management Office (IRMO).” IRMO, headed since June 2006 by Ambassador Joseph Saloom, has about 150 U.S. civilian personnel working outside Baghdad at the Provincial Reconstruction Teams, or PRTs, which are increasing in number, as discussed further below. A separate “Project Contracting Office (PCO),” headed by Brig. Gen. William McCoy (now under the Persian Gulf division of the Army Corps of Engineers), funds 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

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<sup>26</sup> See CRS Report RS21867, *U.S. Embassy in Iraq*, by Susan B. Epstein.

<sup>27</sup> For information on that program, see CRS Report RL30472, *Iraq: Oil-for-Food Program, Illicit Trade, and Investigations*, by Kenneth Katzman and Christopher Blanchard.

major Sunni slates were offered. This enabled the UIA to win a slim majority (140 of the 275 seats) and to ally with the Kurds (75 seats) to dominate the government formed subsequently, as well as virtually all the provincial councils, including those in Sunni-inhabited areas. PUK leader Jalal Talabani was named president; Ibrahim al-Jafari became Prime Minister. U.S. officials said publicly this government was not sufficiently inclusive of the Sunni minority, even though it had a Sunni Arab as Assembly speaker; deputy president; deputy prime minister; Defense Minister; and five other ministers. (See CRS Report RS21968, *Iraq: Elections, Government, and Constitution*, by Kenneth Katzman.)

**Permanent Constitution.** Despite 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 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 fields have recently been reported to lie in Anbar Province. A promised special constitutional review, intended to mollify Sunnis particularly on this point, has not been completed. (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. The results were court-certified on February 10, but the convening of the “Council of Representatives” (COR) was delayed until March 16 by wrangling over the post of Prime Minister. 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 his top Da’wa aide, Nuri al-Maliki (April 22, 2006). Talabani was selected to continue as president, with two deputies Adel Abd al-Mahdi of SCIRI 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 as speaker.

Amid U.S. and other congratulations, Maliki named and won approval of a 39-member cabinet (including 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. 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). Sadr loyalists were named to the ministries of agriculture, health, and transportation. 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. After several weeks of negotiation, on June 8, 2006 he achieved COR confirmation of three compromise candidates for those posts.

#### **Prime Minister Nuri Kamal al-Maliki**

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. Fled to Syria when he refused Iran's orders that he join pro-Iranian 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 of him during his July 2006 visit to Washington DC. Believed sympathetic to Kurds' efforts to incorporate Kirkuk into the Kurdish region. Has tense relations with SCIRI, whose activists accuse Maliki of surrounding himself with Da'wa members and shutting SCIRI out of his inner circle. 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 an ally of the United States but is "not America's man in Iraq." Following the Bush-Maliki meeting in Jordan on November 30, 2006, President Bush reiterated that Maliki is "the right guy for Iraq."

## **Maliki Government and Milestones**

According to the Administration and the Iraq Study Group, the Iraqi government has committed to several milestones to achieve national reconciliation. Some proposals in the 110<sup>th</sup> Congress call for linkage between the accomplishment of these milestones, or benchmarks, and the continued U.S. combat presence:

- (1) By September 2006, formation of a committee to review the constitution under the special amendment process promised; approval of a law to implement formation of regions; approval of an investment law; and approval of a law for the Independent High Electoral Commission (IHEC). The law on regions (adopted October 12, 2006) proved controversial because of Sunni opposition, and in an effort to defuse tensions, the major factions agreed to delay the formation of any new region for 18 months. The IHEC law was passed on January 23, 2007 but the eight independent commissioners have not been named, to date. An investment law was approved in October 2006. The constitutional review committee has been formed, but it has not completed drafting amendments;
- (2) By October 2006, approval of a provincial election law (which would presumably lead to more Sunnis on provincial councils; the 51-seat Baghdad city council has only one Sunni Arab, for example); and approval of a new oil law. No progress has been reported on the provincial election law. In work on the oil law, on February 20, 2007, Iraq's cabinet approved the draft oil law and

submitted it for parliamentary consideration. A related law on the sharing of oil revenues, and annexes discussing how contracts with foreign investors would be evaluated, need to be adopted as well. The draft had been long delayed by differences over the central government's review process for energy deals with foreign firms. The Kurds wanted the right to sign such deals without much government interference, but they relented and accepted a degree of shared responsibility and control. The law is expected to be adopted in some form, despite broad Sunni opposition, because of Shiite and Kurdish dominance of the COR;

(3) By November 2006, approval of a de-Baathification reform law; and approval of a flag and national anthem law. On March 27, 2007, it was reported that Maliki and Talabani have approved a draft de-Baathification reform law that would allow members of all but the top three party levels to regain their jobs or obtain pensions. However, suggesting possible continued deadlock on that law, the national de-Baathification commission criticized the draft as not attentive to the victims of the Saddam regime;

(4) By December 2006, approval of laws to curb militias; and to offer amnesty to insurgent supporters;

(5) By January 2007, completion of the constitutional review process;

(6) By February 2007, the formation of independent commissions to oversee governance;

(7) By March 2007, holding of a referendum on the special amendments to the constitution;

(8) By April 2007, Iraqi assumption of control of its military;

(9) by June 2007, the holding of provincial elections;

(10) by September 2007, Iraqi security control of all 18 provinces. Several Iraqi Army divisions are now under Iraqi control and the Iraq Security Forces now have security control for the provinces of Muthanna, Dhi Qar, and Najaf; and

(11) by December 2007, Iraqi security self-reliance.

As noted above, to date only a few of the milestones have been completely met, but Iraqi factions continue to negotiate to implement the remaining goals. Complicating movement on lawmaking has been the failure to achieve a quorum in parliament on most days since November 2006, although the return to parliament of the Sadr bloc in January 2007 has improved attendance somewhat. Iraqi leaders also announced on January 17, 2007, that they had returned 2,300 ex-Baathists to their jobs or given them pensions instead. The State Department's report on human rights for 2006, released March 6, 2007, said that "widespread violence seriously compromised the government's ability to protect human rights," a formulation that 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.

In other efforts, U.S. officials have reportedly tried to forge a new parliamentary coalition among mainstream Shiites, Sunnis, and secular blocs that would exclude Sadr. In January 2007, this strategy reportedly ran into opposition from Ayatollah Sistani, who has sought to ensure full cooperation among all Shiite blocs. An alternate coalition began to emerge in March 2007, when the Fadila party publicly broke from the UIA umbrella and began talks with Allawi's secular bloc about a new coalition that might exclude SCIRI and Da'wa. Some take the view that, should Maliki fail to achieve the milestones discussed above, the United States might try to engineer his replacement. President Bush's early December 2006 meeting in Washington, DC with SCIRI leader Hakim, who reputedly wants Adel Abd al-Mahdi to replace Maliki, fed such speculation.

**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, with most participants terming the discussions "constructive," and a follow-on meeting, possibly in Istanbul, is planned for April 2007. Regional working groups on Iraq's security, fuel supplies, and Iraqi refugees were established under this new diplomatic framework.

At the same time, Turkey is complaining that Iraq's Kurds are harboring the anti-Turkey PKK guerrilla group in northern Iraq, and Turkey has been threatening to send in forces if the U.S.-led coalition and the Iraqi Kurdish factions do not arrest members of that group who are in Iraq. The threat 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 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.

**Table 2. Major Sunni Factions in Post-Saddam Iraq**

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Iraqi Consensus Front<br>(Tariq al-Hashimi and Adnan al-Dulaymi)                  | Front led by Iraqi Islamic Party (IIP), headed by Tariq al-Hashimi, now a deputy president. Holds 44 seats in COR. IIP withdrew from the January 2005 election but led the Sunni “Consensus Front” coalition in December 2005 elections. The front, critical but accepting of U.S. presence, includes Iraqi General People’s Council of Adnan al-Dulaymi, and the Sunni Endowment. Hashimi visited the United States in December 2006 and met with President Bush, expressing support for a new COR coalition that would exclude Sadr. |
| Iraqi Front for National Dialogue<br>(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. Harder line than the Consensus Front, it holds 11 seats in the COR. COR Speaker Mahmoud Mashadani, a hardliner, is a senior member; in July 2006, he called the U.S. invasion “the work of butchers.”                                                                                                                                                                        |
| Muslim Scholars Association<br>(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 and influence over insurgent factions. Wants timetable for U.S. withdrawal from Iraq. Dhari attended October 2006 meeting in Mecca with other Iraqi religious figures, agreeing to condemn sectarian killings. Nonetheless, 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.                                                   |
| Sunni Tribes                                                                      | Not an organized faction per se, but receiving increasing attention from U.S. commanders as a source of Sunni anti-insurgent political support and as promoters of local stability in Anbar Province. Some large tribal confederations include Dulaym, and Jabburi (mixed Sunni-Shiite tribe).                                                                                                                                                                                                                                         |
| Iraqi Insurgents                                                                  | Numerous factions and no unified leadership, although an eight group “Mujahedin Shura” was formed in early 2006, led by an Iraqi (Abdullah Rashid al-Baghdadi, aka Abu Umar al-Baghdadi). Proclaimed an “Islamic State of Iraq” led by Baghdadi (October 2006), and many insurgent groups now fight under that name. 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.                 |
| Foreign Fighters/<br>Al Qaeda in Iraq                                             | Estimated 3,000 in Iraq. Were led by Abu Musab al-Zarqawi, a Jordanian national, until he was killed in U.S. airstrike June 7, 2006. Succeeded by Abu Hamza al-Muhajir. Advocates attacks on Iraqi Shiite civilians to spark civil war. Related foreign fighter faction, which includes some Iraqis, is Ansar al-Sunna, but this group is not in the Mujahedin Shura.                                                                                                                                                                  |

### **Democracy-Building and Local Governance/FY2006 Supplemental.**

The United States and its coalition partners have tried to build civil society and democracy at the local level. 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 in October 2006 details how the FY2004 supplemental appropriation (P.L. 108-106) “Iraq Relief and Reconstruction Fund” (IRRF) is being spent (“2207 Report”):

- About \$1.014 billion is allocated for “Democracy Building;”
- About \$71 million is allocated for related “Rule of Law” programs;
- About \$159 million is allocated to build and secure courts and train legal personnel;
- About \$128 million is allocated for “Investigations of Crimes Against Humanity,” primarily former regime abuses;
- \$10 million is for U.S. Institute of Peace democracy/civil society/conflict resolution activities;
- \$10 million is 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 is 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 appears that this timetable will not be 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). A female American staffer for NDI was killed in an ambush in Baghdad on January 17, 2006.

## **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>28</sup> although the SIGIR told Congress in March 2007 that he now has some optimism that coordination with and among the Iraqis has improved. 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

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<sup>28</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.

billion. Of the IRRF funds, about \$20.171 billion has been obligated, and, of that, about \$17.290 billion has been disbursed. According to State Department reports, the sector allocations for the IRRF are as follows:

- \$5.03 billion for Security and Law Enforcement;
- \$1.315 billion for Justice, Public Safety, Infrastructure, and Civil Society;
- \$1.013 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.*** To continue reconstruction, an FY2006 supplemental appropriation (P.L. 109-234) provides \$1.485 billion for Iraq reconstruction. Foreign Operations programs for FY2007 are currently operating under the terms of a continuing appropriations resolution (P.L. 109-383, as amended) that provides funding at the FY2006 level or the House-passed FY2007 level (\$305.8 million in ESF for Iraq reconstruction, \$254 million for counter-narcotics; and \$18 million for anti-terrorism).

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. The FY2008 requests asks for \$1 billion in CERP funds. (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.)

On February 5, 2007, the Administration requested additional FY2007 funds and regular and supplemental 2008 funds. For FY2007 supplemental: \$3.84 billion for the security forces; \$2.072 billion in ESF; \$200 million for counter-narcotics and law enforcement; and \$7 million for non-proliferation and anti-terrorism. Amounts close to that requested are appropriated in House and Senate versions of FY2007 supplemental legislation (H.R. 1591 and S. 965, respectively), although the Senate bill cuts the ESF request by about \$250 million and reallocates some categories related to democracy promotion and other functions.

For FY2008 (regular): \$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.

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

**Oil Revenues.** 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 draft oil law now before the COR. 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 attacks, coupled with corruption, smuggling, and other deterioration, has kept production and exports below expected levels, although high world oil prices have compensating for the output shortfall. The northern export route was shut in early 2006 but is now operating. 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. Among newer investors, Poland reportedly is negotiating with Iraq for possible investments in Iraq's energy sector. As referenced above, 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, and the draft oil law does give regions, such as the Kurdish region, an ability to sign contracts with outside firms, subject to review by a "Federal Oil and Gas Council." That Council, because of the composition stipulated in the draft law, is likely to be dominated by Shiite representatives. (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<br>(weekly avg.)          | Oil<br>Production<br>(pre-war) | Oil<br>Exports               | Oil<br>Exports<br>(pre-war)     | Oil<br>Revenue<br>(2005) | Oil<br>Revenue<br>(2006) | Oil<br>Revenue<br>(2007 to<br>date) |
| 1.99 million<br>barrels per day<br>(mbd) | 2.5 mbd                        | 1.63 mbd                     | 2.2 mbd                         | \$23.5<br>billion        | \$31.3<br>billion        | \$5.4<br>billion                    |
| Electricity                              |                                |                              |                                 |                          |                          |                                     |
| Pre-War Load<br>Served (MWh)             | Current<br>Load Served         | Baghdad<br>(hrs. per<br>day) | National Average (hrs. per day) |                          |                          |                                     |
| 102,000                                  | 83,000                         | 6.0                          | 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 March 21, 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>29</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, and estimated of Saddam Hussein. 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. However, with the exception of Kuwait, the Persian Gulf states that supported Iraq during the Iran-Iraq war have not to date firmly agreed to write-off Iraq's approximately \$50 billion in debt to those countries (Saudi Arabia, Kuwait, United Arab Emirates, and Qatar). 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>30</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>31</sup> The Iraq Study Group said in its December 6 report that the "situation in Iraq is grave and deteriorating."<sup>32</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 growing sectarian violence superimposed on a tenacious Sunni-led insurgency.

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<sup>29</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>30</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>31</sup> Text of key judgments at [<http://www.dni.gov>].

<sup>32</sup> See p. xiii of the Executive Summary of the Iraq Study Group Report. Dec. 6, 2006.

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, first issued April 6, 2006 (“1227 Report”), is required by Section 1227 of the Defense Authorization Act for FY2006 (P.L. 109-163).

## Sunni Arab-Led Insurgency

A Sunni Arab-led insurgency has defied official U.S. expectations in intensity and duration. 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. However, in early 2006, a group of Iraqi insurgent factions announced the formation of a national “Mujahedin Shura (Council)” purportedly including Al Qaeda in Iraq, and its successor umbrella organization calls itself “The Islamic State of Iraq.”

The insurgency failed to derail the political transition,<sup>33</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 continue to conduct large-scale, 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. Since January 2007, insurgent groups have been exploding chlorine trucks to cause widespread civilian injury. Targets of their 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 *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, contributing to the relative lack of power there.

Whole Sunni-dominated neighborhoods of Baghdad, including Amiriya, Adhamiya, Jihad, Amal, and Doura apparently serve as Sunni insurgent bases, and these districts are also the front lines of sectarian warfare with Shiite militias pushing west from the largely Shiite districts east of the Tigris River in Baghdad. Some of these and other districts are reported to have been largely depopulated or devoid of normal commerce or activity. Sunni insurgent violence flared in the Haifa Street area

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<sup>33</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.

of Baghdad in January 2007, and the insurgents have made substantial inroads into the mixed province of Diyala thus far in 2007, necessitating a move by the commander of Multi-National Division-North, Benjamin Mixon, to deploy additional U.S. forces to Diyala.

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/Zarqawi Faction.**<sup>34</sup> A numerically small but politically significant component of the insurgency is non-Iraqi, mostly in a faction called Al Qaeda-Iraq. 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>35</sup> He was killed in a June 7, 2006, U.S. airstrike and has been succeeded by the little known Abu Hamza al-Muhajir (also known as Abu Ayyub al-Masri), an Egyptian national. Al Qaeda-Iraq has been a U.S. focus from very early on in the war because of its alleged perpetration of large scale suicide and other 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>36</sup> followed by the August 29, 2003, bombing in Najaf that killed SCIRI leader Mohammad Baqr Al Hakim. The faction, and related factions, have also kidnapped a total of over 250 foreigner workers, and killed at least 40 of those. 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, Al Qaeda-Iraq 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.

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<sup>34</sup> See CRS Report RL32217, *Iraq and Al Qaeda: Allies or Not?*, by Kenneth Katzman.

<sup>35</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>36</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.

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

| Indicator                                                                          | Previous Level                                 | Current Level                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of U.S. forces in Iraq                                                      | 160,000 (most of 2005 during election periods) | approximately 150,000 (middle stages of post-January 10, 2007 “surge.”) Surge — involving additional 29,000 including support troops to be fully in place by June 2007 — will bring U.S. force levels to about 165,000                        |
| U.S./Other Casualties                                                              |                                                | 3,235 U.S. forces; plus about 250 coalition partner soldiers (including 101 British soldiers). Of U.S. deaths, 3,085 since end to “major combat operations” declared May 1, 2003. 2,620 by hostile action. About 300 U.S. contractors killed. |
| U.S. Casualties by “Explosively-Forced Projectiles”                                |                                                | 170                                                                                                                                                                                                                                           |
| Partner forces in Iraq                                                             | 28,000 (2005)                                  | 13,205 from 25 other countries                                                                                                                                                                                                                |
| Number of Iraqi Insurgents                                                         | —                                              | 25,000 U.S. estimates; Iraqi estimates run to 40,000, plus 150,000 supporters                                                                                                                                                                 |
| Non-Iraqi (Al Qaeda) fighters                                                      | —                                              | 1,300 - 3,500                                                                                                                                                                                                                                 |
| Number of Iranian intelligence and Revolutionary Guard Qods Forces alleged in Iraq |                                                | 150+                                                                                                                                                                                                                                          |
| Number of all Attacks/day                                                          | 120/day (mid-2006)                             | 150/day                                                                                                                                                                                                                                       |
| Attacks on Infrastructure                                                          | 13/day (2004)                                  | 1.5/day                                                                                                                                                                                                                                       |
| Iraqi Police Killed since 2004                                                     |                                                | 12,000 +                                                                                                                                                                                                                                      |
| Number of Shiite militiamen                                                        | 20,000 (2003)                                  | 80,000 (60,000 Mahdi, 15,000 Badr, 5,000 other)                                                                                                                                                                                               |
| Internally Displaced Persons                                                       | 300,000 (August 06)                            | 1.8 million                                                                                                                                                                                                                                   |
| Iraqis Leaving Iraq (since fall of Saddam)                                         | —                                              | 2 million (incl. 700,000 to Jordan, 600,000 to Syria)                                                                                                                                                                                         |
| Iraq Civilian Deaths                                                               | 38/day (end 2005)                              | 34,000 total: 94/day (all 2006)                                                                                                                                                                                                               |
| Iraqi Army Battalions engaged in operations                                        | 104 (Nov. 06)                                  | 112                                                                                                                                                                                                                                           |
| Total Iraqi Security Forces Equipped and Trained                                   |                                                | 329,800, with new goal of 362,000                                                                                                                                                                                                             |
| Iraqi Army and Special Operations Battalions in the Lead on Operations             | 57 (May 2006)                                  | 92                                                                                                                                                                                                                                            |
| National Police Battalions in the Lead                                             | 6 (May 2006)                                   | 6                                                                                                                                                                                                                                             |
| Number of Provinces Under Iraqi Security Control                                   | 0 (end 2005)                                   | 3 (Muthanna, Dhi Qar, and Najaf). Basra, Maysan, and Wasit to be handed over later in 2007)                                                                                                                                                   |

**Sources:** Information in this table is provided by a variety of sources, including U.S. government reports on Iraq, Iraqi statements, the Iraq Study Group report, U.N. figures, and press reports.

**Note:** Additional figures on total numbers of Iraqi security forces, by force component, is contained in **Tables 5 and 6**.

**Outside Support for Sunni Insurgents.** Numerous accounts have said that Sunni insurgents are receiving help from neighboring states (money and weapons),<sup>37</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, 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.

Other assessments say the Sunni insurgents, both Iraqi and non-Iraqi, receive funding from wealthy donors in neighboring countries such as Saudi Arabia,<sup>38</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.

## **Sectarian Violence and Shiite Militias/Civil War?**

The security environment in Iraq has become more complex over the past year as Sunni-Shiite sectarian violence has 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. However, more recently, U.S. officials have said the new Baghdad security plan has reduced sectarian violence and the Sunni insurgency again poses the single greatest security threat. 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 about 60 Sunni mosques and the killing of about 400 persons in the first days after the sectarian attacks. 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 (*New*

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<sup>37</sup> Blanford, Nicholas. "Sealing Syria's Desolate Border," *Christian Science Monitor*, Dec. 21, 2004.

<sup>38</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*, Oct. 22, 2004.

*York Times*, December 24, 2006) say the attacks are converting mixed Sunni-Shiite districts of Baghdad, such as Hurriya, into predominantly Shiite districts. Many of those abducted turn up bound and gagged, dumped in about nine reported sites around Baghdad, including 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. In late 2005, U.S. forces uncovered militia-run detention facilities ("Site 4") and arrested those (Badr and related Iraqi police) running them.

The sectarian violence has caused U.S. officials to focus on curbing the Mahdi Army of Moqtada Al Sadr and other Shiite militias, and not only on Sunni insurgents. U.S. officials have praised Interior Minister Jawad Bolani for trying to remove militiamen and death squad participants from the security forces; 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. However, in late 2006, 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," a Baghdad security operation involving about 4,000 additional U.S. troops deployed in Baghdad (supplementing the 9,000 U.S. forces there previously), focused on such violent districts as Doura, Amiriyah, Rashid, Ghaziliyah, and Mansour. U.S. commanders expressed early optimism, but in late October 2006, U.S. military officials said publicly that the operation had not reduced violence overall and would be "re-focused." Also apparently contributing to the failure was Iraq's deployment of only two out of the six battalions committed to the operation, which was only 1,500 soldiers out of 4,000 pledged.

In an apparent attempt to demonstrate cooperation with President Bush's January 10, 2007 security plan, Maliki reportedly communicated to Sadr that Maliki would not stand in the way of operations against the Mahdi forces, and Maliki announced that about 600 Mahdi fighters had been arrested in several prior months. 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 in February 2007, U.S. forces began to pressure Mahdi forces and to patrol Sadr City, and there are numerous reports that Sadr told his commanders not to resist U.S. forces but instead to cease active patrols and operations, for now. Other reports say 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. On the other hand, U.S. forces released a senior Sadr aide in March 2007, purportedly at Maliki's behest.

An additional Shiite threat came unexpectedly in January 2007 from a previously little known faction called the "Soldiers of Heaven." The group massed several hundred fighters outside Karbala in a purported plot to attack Shiite pilgrims and senior clerics there during the Shiite celebration of Ashura. Some Iraqi officials

said the group sought to carry out wanton destruction to prepare for the return of the “Hidden Imam” — the twelfth Imam of Shiite Islam whose return would supposedly usher in a new era of purification. Many of the group’s members, and its leader, were killed or captured in a one-day battle on January 27, 2007, by Iraqi forces backed by U.S. air power and ground operations.

Iraqi Christians and their churches 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 SCIRI 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” registered as a separate political entity, in addition to its SCIRI parent, during elections in 2005. Badr militiamen play unofficial policing throughout southern Iraq, and many Badr members also reputedly are in the National Police.
- *Mahdi Army.* The November 2006 “Measuring Stability” report says this militia “has replaced Al Qaeda in Iraq as the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq.” This represents a gaining of strength since U.S. military operations suppressed Mahdi uprisings in April and August of 2004. That fighting was ended with compromises under which Mahdi forces stopped fighting in exchange for lenient treatment or releases of prisoners, amnesty for Sadr himself, and reconstruction aid. Mahdi

assertiveness since 2005 has accounted for a sharp deterioration of relations between it and British and U.S. forces, and the Mahdi forces are likely to become even more assertive as Britain reduces its forces during 2007. At least 40 British soldiers have died in suspected Mahdi attacks in southern Iraq since 2005, including a British helicopter shot down in May 2006, and Mahdi forces also shelled a British base near Amarah in August 2006, contributing to a British decision to leave the base. The militia took over Amarah briefly for a few days in late October 2006. Since mid-2006, there have been some U.S. casualties in Sadr strongholds. 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 recently 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). Because of Iran's support for Shiite militias, the United States and Iran announced in March 2006 that they would conduct direct talks on the issue of stabilizing Iraq, but Iran subsequently said the talks were not needed because Iraq had a new government.

The 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 in that speech 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 SCIRI compound in Baghdad and five more at a compound in Irbil. The Iraqi government compelled the release of the first two arrested; the others are still held. However, in an apparent shift, the Administration supported and participated in the March 10, 2007, regional conference in Baghdad as noted above. (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.)

## 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. Options for further alterations are discussed later in this paper.

### **“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>39</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 has formed Provincial Reconstruction Teams (PRTs), a concept used extensively in Afghanistan. Each PRT is civilian led, 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 (elected in the January 2005 elections), 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. Thus far, ten PRTs have been inaugurated, of which the following 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 January 10, 2007, strategy announcement, plans are to open an additional twelve PRTs, including six more in Baghdad and three more in Anbar. These plans will necessitate adding 400 diplomats and contractors to staff the new PRTs, although the State Department has asked that about half of these new positions be 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. In connection with the President’s January 10, 2007 initiative, the Administration asked for \$414 million in additional FY2007 project funds for PRTs.

**U.S. Counter-Insurgent Combat Operations.** The Administration position is that continued combat operations are needed to combat sectarian violence and the Sunni insurgency. U.S. military headquarters in Baghdad (Combined Joint Task Force-7, CJTF-7) is a multi-national headquarters “Multinational Force-Iraq,

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<sup>39</sup> Krepinevich, Andrew. “How to Win in Iraq,” *Foreign Affairs*, September/October 2005.

MNF-I,” now headed by four-star U.S. Gen. David Petraeus, who previously led U.S. troops in the Mosul area and established the training and equipping program for the ISF. As of December 2006, the head of Multinational Corps-Iraq is Lt. Gen. Ray Odierno.

A major focus of U.S. counter-insurgent combat has been Anbar Province, which includes the cities of Fallujah and Ramadi (provincial capital), the latter of which is the most restive of all Iraqi cities and which is assessed to have virtually no functioning governance. There have been about 40,000 U.S. troops in Anbar conducting combat primarily in and around Ramadi. 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 along the Euphrates River.

**January 10, 2007, Security Plan and Troop “Surge.”** Acknowledging that the initiatives above had not brought security or stability, the President’s January 10, 2007, Baghdad security initiative 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>40</sup> was announced as formally under way on February 7, 2007, and includes the following components:

- the infusion of an additional 28,700 U.S. forces to Baghdad and 4,000 Marines to Anbar Province, an increase of 7,200 over force levels announced January 10, 2007. The increase includes support troops and 2,200 military police requested by Petraeus. 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 will be so-called “Joint Security Stations.” About 10,000 of the additional U.S. forces are in place; the deployment is expected to be completed by June 2007 and, according to Petraeus, will remain at the higher levels until at least late in 2007, and possibly longer;
- 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 an unspecified number of police commandos and regular police.

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<sup>40</sup> The two principal authors of the report are Frederick W. Kagan and Jack Keane (General, U.S. Army, ret.).

- provision of at least \$1.2 billion in new U.S. aid, including the \$414 million for PRTs, and the remainder for job creation and CERP projects, in part to revive long-dormant state-owned factories.

U.S. commanders say that the security plan is showing positive early results, particularly a drop in the number of victims of sectarian violence found daily around Baghdad, and the reopening and revival of some open-air markets and shopping patterns. However, others say that Sunni insurgents continue to conduct bombings in Baghdad with virtual impunity, that the insurgents have merely moved elsewhere, and that the Shiite militias are waiting out the U.S. deployments to revive their activities later. As noted previously, U.S. commanders, including overall commander David Petraeus and commander of Multi-National Division-North Benjamin Mixon, are expressing increasing concern about violence in Diyala Province as of March 2007 and are deploying additional forces there and in “belts” around Baghdad where insurgents have moved to in order to regroup and try to thwart the U.S. “troop surge.” In his first news conference as commander of forces in Iraq, Gen. Petraeus reiterated comments from other military leaders that there is no purely military solution to Iraq’s security situation.

## **Building Iraqi Security Forces (ISF)<sup>41</sup>**

A major pillar of U.S. policy has 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>42</sup> However, the President’s January 10, 2007, plan relies more heavily on combat by U.S. forces than on transferring security responsibilities to the ISF. The commander of the ISF training mission, the Multinational Transition Security Command-Iraq (MNSTC-I), is Gen. Martin Dempsey.

Still, Iraqi leaders are holding to proposed timetables for Iraqi security control: by April 2007, Iraq is to assume full control of its military. 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>]. Britain says it is planning to turn over Basra Province and then Maysan and Wasit provinces, during 2007, security conditions permitting. However, areas under ISF control or leadership are not necessarily pacified or stable, as noted by the major battle in Najaf on January 27, 2007. 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 late 2006 the target level of the ISF was increased to 362,000 to try to compensate for the forces’ weaknesses. As

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<sup>41</sup> For additional information, see CRS Report RS22093, *Iraq’s New Security Forces: The Challenge of Sectarian and Ethnic Influences*, by Jeremy Sharp.

<sup>42</sup> Speech by President Bush can be found at [<http://www.whitehouse.gov/news/releases/2005/06/print/20050628-7.html>].

noted in the March 2007 “Measuring Stability” report, many ISF members are absent-without-leave or might have deserted at any given time, thereby reducing the actual fielded forces. In addition, 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 most recent DOD “Measuring Stability” report reiterates 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. On the other hand, some U.S. commanders praised their performance in the January 27, 2007, Najaf battle for detecting and then confronting the large, armed formation, and U.S. officials say that the Iraqi units that are showing up for the new Baghdad security plan are at 80% strength or better.

Other major issues noted are ethnic balance and related militia/insurgent penetration and involvement in sectarian violence, particularly among the police forces. U.S. commanders have consistently acknowledged difficulty recruiting Sunni Arabs into the ISF and have said this is a deficiency they are trying to correct. Most of the ISF, particularly the police, are Shiites, with Kurdish units mainly deployed in the north. There are few units of mixed ethnicity, and, as discussed above, many Sunnis see the ISF as mostly Shiite and Kurdish instruments of repression and responsible for sectarian killings. Widely reported is that many ISF members view themselves as loyal to their former militias or party leaders, and not to a national force. One controversial element of the January 10, 2007, new Baghdad security plan is its apparent reliance on several mostly Kurdish brigades, a deployment likely to be resented by both Shiite and Sunni Arabs in the capital.

Another positive trend noted by U.S. officials is what they say is increasing tribal cooperation in Anbar Province. According to press reports, tribal leaders have, in recent months, persuaded 2,000 men (almost all Sunni) to join the ISF 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.

The police forces are widely judged to be more corrupt and sectarian than the military forces. In 2005, U.S. officials stated that 2006 would be the “year of the police,” but little progress was noted. The Iraq Study Group (Recommendations 50-61) contain several suggestions for reforming and improving the police, including 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. Some of its equipment is discussed in the table below. 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 September 20, 2006, about \$4.938 billion has been obligated and \$4.621 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. *Therefore, the total obligated (spent) for the ISF to date is about \$9.6 billion.*
- The FY2006 supplemental (P.L. 109-234) provided another \$3 billion for the ISF but withholds the remaining ISF facilities construction funding.
- The FY2007 Defense appropriations law (P.L. 109-289) provides an additional \$1.7 billion to train and equip the ISF. The FY2007 supplemental request asks an additional \$3.84 billion for this purpose, and the FY2008 request is for \$2 billion. Both the House and Senate FY2007 bills (H.R. 1591 and S. 965) appropriate the requested levels for FY2007 supplemental funding.

**Table 5. Ministry of Defense Forces**

(As of March 21, 2007)

| <b>Force</b>                        | <b>Size/Strength</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>IRRF Funds Allocated</b>                                                                                        |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Iraqi Army                          | 128,500 total. Forces in units are in 112 battalions (about 80,000 personnel), with new goal of 132 battalions. Remainder not in formed units. Trained for eight weeks, paid \$60/month. Has mostly East bloc equipment, including 77 T-72 tanks donated by Poland.                                                                                                                                                                                                                                   | \$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>136,500</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**  
(As of March 21, 2007)

| Force/Entity                        | Size/Strength                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | IRRF Funds Allocated                                                     |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 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 25,400. 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)                 | 193,300                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                          |
| 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) | Growing allegations that some of the 145,000 members of the FPS, which are 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.)                                                                | \$53 million allocated for this service thus far.                        |

## Coalition-Building and Maintenance<sup>43</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. A Poland-led force (Polish forces number 900, down from a high of 2,600 in 2005) has been based in Hilla and includes forces from the following foreign countries: Armenia, Slovakia, Denmark, El Salvador, Ukraine, Romania, Lithuania, Latvia, Mongolia, and Kazakhstan. However, Poland is phasing out its role and might withdraw its remaining forces later in 2007.

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.
- Japan completed its withdrawal of its 600-person military reconstruction contingent in Samawah on July 17, 2006. The Australian forces protecting the Japanese contingent (450 out of the

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<sup>43</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.

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 Baghdad security plan.

***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 Baghdad security initiative 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 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.

The President’s January 10 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 are 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. The Group submitted its report to President Bush on December 6, 2006.<sup>44</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 Al Qaeda in Iraq and force protection, in addition to training and equipping the ISF. The Administration has rejected placing a timetable on winding down U.S. combat against Iraqi Sunni insurgents and other armed elements.
- 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 President's January 10 initiative initially rejected multilateral talks with Iran and Syria, but the Administration later appeared to adopt the recommendation by backing the March 10, 2007, regional conference discussed above.
- 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 announced increases in U.S. troops and aid for Afghanistan.
- Setting milestones 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's plan does not threaten to reduce support for the Iraqi government if it fails to uphold its commitments.
- 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

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<sup>44</sup> Full text at [<http://www.usip.org>].

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 a pending oil law, 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.

Congressional reaction to the President's January 10 plan appeared to be negative, judging from congressional votes since the plan was announced. The contention appeared to center on the additional U.S. forces sent to Iraq, and many experts say additional forces will delay the time when Iraq's security forces can handle their own security affairs. Others say that increasing troops does not resolve the underlying political differences in Iraq. Supporters of the plan said that it offers substantially more prospects of success than any of the likely alternatives.

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, a provision of the FY2007 supplemental appropriations bill (S. 965) would set a non-binding goal for U.S. withdrawal of March 1, 2008, in line with S.J.Res. 9 cited above.

Other resolutions have been introduced that oppose the increase in U.S. forces, including H.R. 353, H.R. 438, H.Con.Res. 23, H.Res. 41, S.Con.Res. 4, and S.Con.Res. 7. Another Senate resolution, S. 233, would prohibit the expenditure of U.S. funds for a troop increase, and another, S. 308, would require congressional

authorization for an increase in forces. On the other hand, S.Res. 70 says that U.S. forces in Iraq should have all the resources they require and that Iraq must make progress on the milestones it has submitted to the Administration. H.R. 511 states a sense of Congress not to cut off any funds for OIF.<sup>45</sup>

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.

## Altering Troop Levels or Mission

Even before announcing his January 10 plan, President Bush opposed major reductions in troop levels or changes to their mission, 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 Al Qaeda - Iraq, emboldening of Al Qaeda more generally, and increased involvement of regional powers in the fighting in Iraq. In the 109<sup>th</sup> Congress, H.Res. 861 stated that "... it is not in the national security interest of the United States to set an arbitrary date for the withdrawal or redeployment" of U.S. forces from Iraq; the resolution passed the House on June 16 by a vote of 256-153, with 5 voting "present."

**Troop Increase.** Some observers have said that the United States should increase troops levels in Iraq even further to tamp down sectarian violence and prevent Sunni insurgents from re-infiltrating areas cleared by U.S. operations. The American Enterprise Institute paper mentioned above recommends that at least 20,000 additional U.S. forces would be required to secure Baghdad, a number roughly in line with the President's January 10 plan. However, the AEI report's authors say that a troop "surge" needs to be relatively sustained, lasting at least 18 months, to have the desired effect.<sup>46</sup>

**Immediate Withdrawal.** Some Members argue that the United States should begin to withdraw immediately, maintaining that the decision to invade Iraq was a mistake in light of the failure thus far 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. Those who take this position include most of the approximately 70 Members of the "Out of Iraq Congressional Caucus," formed in June 2005. In November 2005, Representative John Murtha, ranking member (now chairman) of the Defense Appropriations Subcommittee, introduced a resolution (H.J.Res. 73, 109<sup>th</sup> Congress) 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

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<sup>45</sup> For a description of all legislation on Iraq in the 110<sup>th</sup> Congress, go to the related CRS web page at [<http://www.crs.gov/products/browse/officialsources/WS00004.shtml>]. CRS has a similar compilation of bills from the 109<sup>th</sup> Congress at [<http://www.crs.gov/products/browse/officialsources/WS00002.shtml>].

<sup>46</sup> Keane, Jack and Frederick Kagan. "The Right Type of Surge," *Washington Post* op-ed, December 27, 2006.

in the Kurdish north) from which U.S. forces could continue to battle Al Qaeda - Iraq. 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.

Other Members argue that U.S. forces are now policing a civil war rather than fighting an insurgency. Some have introduced legislation (H.R. 508 and H.R. 413) that would repeal the original authorization for the Iraq war.

**Withdrawal Timetable.** Another alternative is the setting of a timetable for a U.S. withdrawal or the beginning of a withdrawal. The Iraq Study Group suggests a winding down of the U.S. combat mission by early 2008 but does not recommend a firm timetable. In the 110<sup>th</sup> Congress, Senator Obama has introduced S. 433, setting a deadline for withdrawing combat troops by March 31, 2008, a date similar to that stated in S.J.Res. 9 and S. 965.

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.** Depending on the results of the President’s January 10, 2007, initiative, there might be debate on a possible troop reduction. U.S. officials have said that success of the January 10 initiative might pave the way for an eventual U.S. force reduction, although some envision a reduction if the plan does not succeed. During his tour as senior U.S. commander in Iraq, General Casey presented to President Bush options for a substantial drawdown of U.S. forces in Iraq, dependent on security progress, to about 120,000, with a subsequent reduction to about 100,000. The plan faded, as have all previous such reduction plans, 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, beyond steps already taken by the Administration, such as attending the March 10 regional conference discussed above. 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. 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

Some proposals involve different methods for altering Iraq’s power structure so that no major ethnic or sectarian 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 through the political process, 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 fully 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.

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 Al Qaeda-Iraq (Recommendations 34-35). The Administration — and the Iraqi government — appears to have previously adopted this recommendation to some extent, and General Petraeus, in his March 7, 2007, news conference, appeared to suggest that any solution to Iraq would require some agreement with insurgent groups. In an interview before leaving Iraq, outgoing Ambassador Khalilzad said in late March 2007 that he had had talks with some insurgents in Jordan and elsewhere, but with insurgents that are perceived as open to reconciliation and laying down their arms.

The U.S. talks reportedly have been intended 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 appear to believe that talking directly with insurgents increases insurgent leverage and emboldens them to continue attacks.

**“Coups” or “Strongman” Option.** 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. Forcing 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<br>opposition<br>activities                | Total |
|-----------------------------|-----------------------|------------|------------------------------------------|--------------------------------------------------------|-------|
| FY1998<br>(P.L. 105-174)    | —                     | 2.0        | 5.0 (RFE/RL<br>for "Radio<br>Free Iraq") | 3.0                                                    | 10.0  |
| FY1999<br>(P.L. 105-277)    | 3.0                   | 3.0        | —                                        | 2.0                                                    | 8.0   |
| FY2000<br>(P.L. 106-113)    | —                     | 2.0        | —                                        | 8.0                                                    | 10.0  |
| FY2001<br>(P.L. 106-429)    | 12.0<br>(aid in Iraq) | 2.0        | 6.0<br>(INC radio)                       | 5.0                                                    | 25.0  |
| FY2002<br>(P.L. 107-115)    | —                     | —          | —                                        | 25.0                                                   | 25.0  |
| FY2003<br>(no earmark)      | 3.1                   | —          | —                                        | 6.9                                                    | 10.0  |
| Total,<br>FY1998-<br>FY2003 | 18.1                  | 9.0        | 11.0                                     | 49.9<br>(about 14.5<br>million of this<br>went to INC) | 88.0  |
| FY2004<br>(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)