

**CNAS EVENT: THE NEXT PHASE IN AMERICA'S RELATIONSHIP
WITH IRAQ**

INTRODUCTION AND OPENING REMARKS

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1:00 PM – 2:30 PM

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Nathaniel Fick: Nearly 90 months after the beginning of Operation Iraqi Freedom, we sit here within a couple of weeks of its transition to Operation New Dawn. On September 1st, the U.S. will have 50k troops in Iraq, on track to end the U.S. military presence there by the end of 2011. And at first blush this seems almost impossibly good as compared with the dark days of 2006 and 2007 that I know so many of us remember and yet huge challenges and questions remain. The Iraqi government seems deadlocked 5 months after national elections. Just this week the talks between Maliki's coalition and Allawi's coalition broke down again. There was a bombing today that killed at least 4 dozen people outside an army recruitment center in Baghdad; a colonel commanding a brigade in the 3rd infantry division was quoted as saying September 1st wouldn't be different from August 31st. The Iraqi Army Chief of Staff has said that U.S. forces need to remain in Iraq until 2020 and President Obama himself has said that we have not seen the end of American sacrifice in Iraq. So we're here today to talk about what changes and what doesn't, to discuss U.S. interests in Iraq and in the region, the threats to those interests whether they are governance issues, outside actors, non-state actors and how the U.S. plans to address these threats. There is no one better to discuss these questions with than the gentlemen to my left. We have Dr Colin Kahl the deputy Assistant Secretary of Defense for the Middle East. Colin is on public service leave from Georgetown. He was formerly a professor there and a senior fellow at CNAS. He coordinated the Obama campaign's Iraq policy expert group and spent 2005, 2006 as a CFR fellow at DOD working on counterinsurgency, counterterrorism and stability operations. In the center we have Michael Corbin, the Deputy assistant secretary of state for Iraq issues and the bureau of near eastern affairs. His prior service includes time in Baghdad, Damascus, Cairo, Kuwait. He's an Arabic speaker. He's almost uniquely well situated to put this in regional context for us.

The format today. First we will hear from Mr. Corbin, then we will hear from Dr. Kahl. I'll moderate a few questions between them and then we'll turn it over to the floor. I just offer the typical reminder. We appreciate if you identify yourself by name and affiliation. Keep it brief and please end it with a question mark. And our plan is to wrap up here by 2:30. So, again with thanks I turn the microphone over to Michael Corbin.

Michael Corbin: Thank you very much Nate. It really is an honor for me to be here today to talk about something that's extremely important to the state department and it's also an honor for me to be here with my partner who I have worked very closely with over the last year and actually met in Baghdad in May of 2009 when we were in the early stages of talking about some of the tremendous developments that we are working on every day as we deal with Iraq and I'm also very honored that there's a large attendance on Iraq. This is a subject, I think, that deserves a lot of attention and I'm gratified that you're here today. What I'd like to do today is give you some of the color and flavor of something that the state department of something that the state department is, as I said, highly focused on. That is a transition from a military/security dominated relationship that we've had with Iraq to a traditional bilateral relationship based on many other areas besides security but which security will be a major part. A little over a month after taking office President Obama outlined our policy objectives for Iraq in camp Lejeune. And he said the United States will pursue a new strategy to end the war Iraq through a transition to full Iraqi responsibility. The strategy is grounded in a clear and achievable goal shared by the Iraqi people and the American people: an Iraq that is sovereign, stable, and self-reliant. And what I'd like to talk to you about is today is that military to civilian transition that we believe is key to the Administration goal of building that traditional, diplomatic, bilateral, development partnership with the people and government of Iraq. As the president said last week the end of the combat mission on August 31st just 12 days away marks the beginning of this

transition in some ways, but it's also a mid-point of this transition. When Colin Kahl came to visit with an inter-agency team in May of last year we were talking about all of the facets that would go into this draw down that's directed both by the security agreement and but also by the policy laid out in the Camp LeJeune speech. We started out with almost 144k troops in Iraq at the beginning of the Obama administration and we're on track in 12 days to be down to 50k troops. The combat mission will end. And this is significant for Iraq, just as I would argue, the withdrawal, last June, from the cities, was extremely significant for our Iraqi partners and colleagues. This shows that we are both keeping to the security agreement in the first case and that we're keeping to our promise to build a partnership with the people in Iraq as we draw down our relationship. But and this is a key message of my remarks and one that we're working on in the state department, this doesn't mean an end to our commitment to Iraq, it means that we're building a civilian partnership based on traditional diplomatic relationship based on tools and means of engagement rather than one that has over the last 7 years because of the circumstances in Iraq built on a security relationship. This partnership between the military and the civilians extends to all the agencies that have been involved in Iraq and is led by the White House. As you know the vice-president takes an enormous interest in everything in that goes on in Iraq. He's visited there 5 times. The state department is always engaged. This civilian transition is so important that our two deputy secretaries Deputy Secretary Steinberg and Deputy Secretary Lou spoke 10 days ago on this very subject of how the state department is addressing this transition. Our partnership and our collaboration has got to be and is intense. Because what the military has been doing over 7 years has been an enormous sacrifice, enormous work, enormous the numbers of deployments. Colin and I were in North Carolina talking to the 18th airborne corps next last week. They will be deploying, their core headquarters will be deploying again to Iraq under General Frank Helmick, who is the head of the multinational training component when I was in Iraq. The U.S. military has deployed time and time again to build something Iraq. The civilians are stepping in and through a collaborative transition process to build something different but build something that rests firmly on the foundation that the military has laid for us. This is only possible because of the dramatic developments that we've seen in Iraq the political developments, the sacrifices that the Iraqi people have made and the real accomplishments that they have made. I saw the provincial elections of January 2009 where people in provinces around Iraq went out and voted. And they went out and voted for individuals, they went out and voted for people that they wanted to see represent their interests and provide them services and we saw a lot of traditional political parties do badly. We saw incumbents and governors and provincial councils turned out. Having served all over the Middle East, I find that this sign of decentralization is enormously encouraging and is a testament to what the Iraqis are willing to push forward on. When you talk about the March 7 elections that took place this year, you talk about a over 60% participation rate, again Iraqis choosing individuals, not voting for parties, and a situation where of the new expanded council of representatives, only 50 of the 325 members are returning. There's an enormous groundswell of support in Iraq for people to provide services, for people to be responsible to the people who elect them. When we look now, and this causes me to turn to the discussion of the du jour which is: is the government process paralyzed- What is the situation in Iraq? And I make several points. The situation today, in 2010, as Iraq forms a government, is vastly different than the situation in 2006 when the Iraqi leaders gathered together to form a government. First we didn't have an interim government that was providing services in 2006. Violence was manifest in the streets. The spiral of sectarian approaches to solving issues was manifest in militias, and the use of the security forces, the administrative interior, the police. The situation in 2006 was

very different from the situation on the ground today, we would argue, because the Iraqis have chosen politics, as Vice President Biden says, politics has broken out in Iraq. The Iraqi leaders and the Iraqi politicians have chosen politics as a means to solve their difference rather than violence. When you look back in 2006, as to how the government was formed, it was formed on the basis of narrow sectarian issues and narrow sectarian interests and issues. The ministries and the ministers were not chosen necessarily on basis of their capabilities or their abilities to function in a new government but as a representation of the larger struggle that was going on throughout the country. In 2010, as the Iraqi leadership struggled to form a new government, they faced the issue of two blocs that were separated by only two seats in this 325 member parliament. The State of Law and Iraqia were that close that there was a recount in Baghdad to try and determine if there were mistakes that would lead this election to change results. In a situation where the two big blocs need to negotiate, we are encouraged by the fact that all the political trends and the political leaders, have said they want a representative and inclusive government that includes the different trends and political forces in Iraq today. But that requires compromise. And that requires negotiation. And we see serious compromise and serious negotiation going on. There will be news; such as we heard yesterday about the break-up of talks, there will be news of alliances formed, of alliances broken. But we believe that this is a sign that the Iraqi leaders are working together to form a government. They need to do this and they need to work in a serious manner that reflects the brave votes that people exercised or cast on March 7th. As we look into the future, what is going to be the basis of the civilian partnership? We have the security agreement, but as I said, the security cannot be the basis of our new civilian partnership. What we're looking at is a strategic framework agreement, which brings together the traditional tools, of democracy, of development, cultural exchanges, educational changes, work in the health sector, work in the agricultural sector, and we're looking at how we can flesh out our partnership with the Iraqis, not necessarily on the basis of our goals and objectives, but fundamentally on the basis of Iraqi priorities and Iraqi objectives. And this is where we have traditional partnerships that I've worked on in Egypt, in Kuwait, in Tunisia, in other countries where I've served where we have a dialogue with the government about what the priorities will be. And we have the committees on the strategic framework agreement where both sides are bringing to the table goals and priorities in order to flesh out how our partnership should be managed. As we go forward with this, I'd say that the economy is key. And I just want to give, I want to try to give some examples as I go forward of how we're fleshing out the civilian partnership. And again it's always in conjunction with what the Iraqis are doing. When Iraq had two successful, corruption free big rounds for the Southern oil fields, it was a significant change in Iraqi policy towards foreign development of its oil fields. One of our provincial present sites that we'll have around the country will be in Basra. Basra is the largest city in the Southern oil producing region, and we already see, although many different multinational corporations won contracts for the oil in the South of Iraq, U.S. oil firms have the best oil field technology in the world. And our oil firms are already fully engaged in Basra and we're engaged, as embassies, and consulates do around the world, in supporting U.S. industry as it goes overseas. We're working with them, to cut down on bureaucratic red tape, to help on the security and the logistics issues. These companies are going to be a vanguard of investment in Iraq that's gone in fits and starts since 2006, but which we now see an Iraqi government that is making decisions that will lead to the investment that's key to growing jobs in Iraq. And the services that we provide to these type of contractors that are coming in, are to help them deal with the local government, to help them deal with issues. One of the issues when you're doing oil field developments is mines and unexploded ordinances.

Well unfortunately Iraq has a lot of both of those and this has been an issue where the U.S. government can engage with private companies and help set the stage for successful economic development. Economics is just one example. Culture, education, science are going to be other areas where we have traditional cooperative tools. But more fundamentally, and I mentioned job creation, the Iraqis share with us the understanding that the oil fields are not going to produce the jobs that are necessary. What is an advantage that Iraq has, as the fertile plains between the Tigris and the Euphrates have been for 4000 years, is agriculture. And Iraq is the first country in the region that I have served in where the people see and understand the importance of returning to farms and to the agriculture because even in the latest/last years of Saddam's era, the drive from the Baghdad airport to center of Baghdad was through green, irrigated fields. Iraq has enormous potential in agriculture and we see that as an era where we can work constructively with the Iraqis on developing their agricultural potential. But health and education are also important and that's why we have a strong USAID program that we're using to bring in traditional development. As we've moved from a security dominated relationship, we need to have the tools that we have in other countries to collaborate with the host government and come up with tools that will allow education and employment for Iraqis and to build a better Iraq in the future. This transition that we're working on, I think it's important to note, it hasn't, it's not starting now. Some people, because it's hit the news now, think that we're starting now. For me, when I was in Baghdad, one of the extremely significant days for both the Iraqis and the U.S. was January 1st, 2009, when the UN Security Council mandate for Iraq ended and for us, the State Department, when we opened our embassy. This is a sign of a diplomatic facility, not one wing of the Republican palace, a jumble of different types of units and civilians occupying an Iraqi government building. This was a true diplomatic facility where we began immediately to do the work of an embassies that we have around the world- representation events, inviting Iraqis over for different types of exchanges, using our civics facilities to reach to universities in the states, hosting visitors, hosting a July 4th reception. This is extremely important for a platform. And the Baghdad embassy is a platform for our diplomatic engagement. When the U.S. troops, as I said, moved out of the cities, per the security agreement last June, we stepped in, in some ways, to cover the security needs. Some people say how are we going to do security without the presence of U.S. troops? Well, as of last June, per the security agreement, U.S. forces ceased to operate, except in cooperation with Iraqis in cities, towns and localities. And that meant for us, there were dramatic changes as we went around. One of those was, instead of the signs on the backs of armored suburbans that said "keep back 50 feet, in door risk of danger to your life," signs came up that said, "This convoy is traveling in accordance with the agreement with the civilian authorities of Iraq." This is a change that shows how civilians can operate within the confines of the Iraqi system and within an agreement that shows us working with the Iraqis in coordination. Our 16 PRTs have been doing the work around the country since 2005. We've gone down to 16, but they're still a vibrant and incredibly important contact and location that works with the local authorities. I talked about that decentralization in Iraq, which is so exciting for me, having served throughout the Middle East. When you look at the support that provincial governors and provincial councils have sought, this is extremely important. The role of the PRTs, is something that brings me to a key part of our transition: how as the military withdraws, are we going to be placed around the country to interact with Iraqis? And we're already working on that. We're on working the 16 PRTS, transferring functions to the embassy, to consulates, to embassy branch offices, as we go forward, in a way that is much more extensive than any other presence we have, certainly in the region I'm most familiar with, but also in the world. I was deeply distressed when I

arrived in Cairo to find that our consulate in Alexandria had closed. If anyone knows Egypt, they know that Alexandria is not Cairo and Cairo is not Alexandria. Consulates serve important functions and we have unfortunately, not been able to maintain consulates around the world, the way that local people have wanted us to. Having these two consulates as we're moving forward to doing, one in the North and one in the South will be a significant uptick in our presence in the country and provides long-term presence that a consulate represents. As I mentioned, in Basra, support for business, support for the economics sector, support for agriculture, the Port of Umm Qasr, Iraq's only port, is a short drive from Basra. This consulate has important significance in many ways, but it will also, it will be principally important economically. When we look at Ibril in the North, in the Kurdistan regional, for the Kurdistan regional government, one of the largest issues that we need to address, and that all the parties are addressing as they make their compromise, are Arab-Kurdish issues. Having that consulate in the North provides a platform for us to address these fundamental issues for the future of Iraq. The other element, which we've been planning for a long time, is the police training presence, or the police development program. And, having served throughout the region, this is another area where, I think we have a real advantage and a partnership with the Iraqis. Iraqis do not just want to see U.S. uniforms out of their cities. They want to see Iraqi uniforms out of their cities. They want to return to a situation where the police address crimes, where the police address disputes where crimes are investigated and unlike in most terrorism situations, where you never know who the perpetrators were, there are actually investigations to determine who did what and why. As Iraq faces corruption, as Iraq faces organized crime, the Iraqis want to see police. And we have been working, over the last year and a half, on developing a police training program, in coordination with Iraqi authorities that builds on the program that the military worked so hard on over the last seven years. We're not going to be doing the same thing that the U.S. military was doing. We're not doing counterinsurgency; we're not working on having the basic skills that the military has successfully imparted to get the police able to deal with terrorists and insurgents. We're working on community policing, anti-corruption techniques, major crimes investigation, the things that a regular police force focuses on. And we'll start next year with a program that is closely worked out with the Iraqi government, but which will give us a presence around the country. We've designed this program not so that Iraqis come into classrooms and get taught but so we go out and see them, to the extent possible, given the security/logistics concerns. This is an important program that's not only going to give us a window into what's going on in Iraq, but an opportunity to see things, like who are the local police hiring, what are they doing to deal with organized crime networks that we know are operating nationally, what are they doing at their borders. This is a cooperative process where we see enormous potential to work with the Iraqis. The provincial presence and the police training program are two of the tools that we're going to use for our diplomatic presence. I just came from an event hosted by His Excellency Ambassador for Iraq Samir Sumaida'ie for our new Ambassador Jim Jeffrey. Jim Jeffrey is one of our most seasoned diplomats, who will fly to Baghdad this afternoon, will take over and will lead a staff of multi-agency, of different civilians which is not going to shrink but is going to address this need of the civilian transition. Some people thought as the military presence drastically withdraws, the civilian presence should drastically draw down. We can't do that if we're going to build this diplomatic, traditional partnership that we're building with Iraq. And I think that that's an important point that I'd like to finish on, is that this is a tough challenge for the State Department. In my 25 year career, I haven't seen anything like this, every day when I go to work I'm challenged and it's a tough task. But I think, that what we're doing here, is critical for the future of the state department. Not

just our partnership with our military colleagues and our visit to Fort Bragg and the 18th airborne last week is part of that. But if the state department can show that it can take over in conflict or near conflict situations with this type of traditional diplomatic development strategies, we have a basis to address some of the challenges that we are going to face in the future. And I think that this is extremely important. As the Secretary of State Hilary Clinton has said, this is an enormous challenge. We probably haven't done this since the Marshall Plan after World War II. But this is what we are working on now, we have great partners with Department of Defense, with the other agencies who've been in Iraq and I think that we're launched on this task in a very successful, and a very constructive way.

I'd like to pass my mic to Colin.

Dr. Colin Kahl: Well thanks Michael. I want to start actually by thanking Nate Fick and all the CNAS staff for inviting Michael and I to speak with you today, it's great to be back at a CNAS event. I missed Tuesday's at the Willard, as Nate noted, in my former life I was a senior fellow at CNAs and they were very kind to me. Mostly on leave from Georgetown University tonight, I'd be remiss if I didn't thank my dean and my provost for approving an extension of my leave so that my personal responsible draw-down date now coincides perfectly with our draw down date in Iraq. So I will return to the comfy confines of the ivory tower at the end of 2011. In the meantime, however, I'm focused on the 14 countries and territories stretching between Egypt and Iran. So Iraq is not only one of those countries but a primary focus for me and an area where Michael and I collaborate closely. I want to basically provide the defense department's perspective on some of these transition issues and speak a little bit about the security environment under which the draw down is occurring and then I look forward to your questions. As Iraq undergoes its own political transition, U.S. is on track to meet President Obama's responsible draw down timeline by September 1st of this year. As Michael mentioned, when we came into office there were approximately 144,000 American boots on the ground. As of this very second, there are exactly 56,000 forces on the ground and by the end of this month that will be down to 50,000 organized around six advise and assist brigades and one advise and assist taskforce. Just to give you a sense, for some of the other considerable efforts that have gone into this draw down, just consider the amount of equipment that we've already moved out of Iraq. When this process started we have 3.4 million pieces of equipment in January of 2009. By the end of August we'll be down to 1.2 million pieces of equipment and we're ahead of schedule in drawing that down actually, so we'll be there before the end of August. Consider also the situation as it relates to American bases. In June of 2009, when the U.S. pulled out of Iraq's cities in accordance with the security agreement, U.S. forces occupied 357 bases. The number will be reduced to 94 bases by August, in other words that's 81% decrease. So the draw down is quite substantial. I think this really marks a milestone in the changing U.S. engagement in Iraq. We'll not only draw down to 50,000 forces in the country, but also change our mission from combat and counterinsurgency operations to stability operations. And it's in recognition of this change not mere semantics that we will also change the name of the mission from Operation Iraqi Freedom to Operation New Dawn. In fact I should have brought it, but I think that I'm the first kid on the block to have an Operation New Dawn mug that I brought, that I flaunted in front of Michael in the CentCom transition conference the other day, but I forgot to bring it today. Next time. Moreover, as Michael explained, the U.S. interagency, here in DC and in Baghdad, is incredibly focused on transitioning to a civilian led mission in Iraq. Contrary to the perceptions of some and to the narrative that sometimes creeps into the media, this transition and the nature of U.S. presence in Iraq is not a strategic disengagement from Iraq. I repeat- it is not a strategic disengagement from Iraq. Instead it signals a transformation in

the nature of our engagement with Iraq and our bilateral engagement with Iraq shifting the emphasis from security and military to the civilian side. At stake during this major transition, both for Iraq and for the United States is not only ensuring that stability in Iraq endures as we continue to draw down and that the Iraqi government continues to build its capabilities to meet the needs of its own people. But also that we make every effort to consolidate a joint goal that we share with the Iraqis and that is to build a long term strategic partnership. This administration is incredibly committed to that partnership. I've traveled to Iraq with the Vice-President in three of his four official visits and every single time he goes to Iraq in both private and public his message is consistent which is: the United States desires a long term partnership with Iraq and that no one should equate the drawdown of our forces in compliance with an agreement that we struck with the sovereign government of Iraq, nobody should conflate that with U.S. disengagement. We're looking forward to building that long term partnership and are in the process of doing it as we speak. Let me say a few things about the current security and political environment. Michael said some things about government information, and I assume that you'll probably ask some questions about that in the Q and A, let me talk a little bit about the security situation, which as you all know, we woke up today to reports in the papers of the bombing in Baghdad, it occurred outside a recruiting station in the Rosafa area of Baghdad. It killed approximately 40 individuals who were being recruited for the Iraqi Army. I think the incident is a reminder that there are still groups in Iraq that are capable of periodic spectacular and horrific attacks. You know, we should be confused about that. There will still be bad days. There still are bad days. There will still be bad days in Iraq. But there are many more good days than there used to be. And I think that while we have seen periodic high profile attacks, we've also seen that the underlying security trends remain positive and have remained so despite the drawdown, despite the transition in primary security relationship to the Iraqi security forces for the cities, and despite the political turbulence that's been associated with the government process. In fact, the number of violent incidents in Iraq is tracked by U.S. forces Iraq command currently stand at their lowest levels of the war and have remained that way for months now. According to U.S. data, the number of security incidents and casualties that is civilian casualties, Iraqi security force casualties, and U.S. casualties for the first five months of 2010 were the lowest on record. Though we should expect to see periodic spikes in violence and I might expect that we would see some more in the coming days as the confluence of Ramadan, which is traditionally a period in which you see a surge in attacks and also the desire by insurgents and extremist groups to basically craft a false narrative right. The false narrative is that they're driving us out. We all know why the United States is drawing down its forces, we have an agreement with the Iraqi government and we have a set of milestones established by the President of the United States which clarifies the counters of that drawdown. We all know that it's because of these things that the drawdown is commencing in the way that it is. But that doesn't mean that the bad guys aren't going to try to craft their own narrative and part of their own narrative will be that they drove us out. And so I think that the combination of Ramadan and the drawdown represents kind of an information opportunity for our adversaries in Iraq to try to exploit the situation, to have the narrative conform with their view of reality as opposed to actual reality.

I want to say two things about Al-Qaeda and Iraq. Al-Qaeda in Iraq remains capable of periodic high profile attacks. We don't know, of course, whether they carried out the attacks today, although the profile is very similar to their attacks. But, I think that it's our judgment that AQI is weaker than it's ever been. Its finances are incredibly stressed, its network is incredibly stressed, its leadership has been decimated, in fact, in the last 90 days alone, the

combination of Iraqi security forces and U.S. forces have either killed or captured 34 of the 42 top AQI leaders in Iraq. The network has never been more under strain than it is. In fact it's currently our assessment that it's not really correct to talk about AQI as an insurgency anymore but rather a terrorist network and I say that because in 2005, 2006, AQI and the various other Sunni insurgent groups that sometimes align with it were capable of controlling wide swaths of territory across Iraq. They also represent a threat to the viability of the government of Iraq. We judge that neither of those things is true today. That while they're capable of doing these high power attacks, they don't control territory and they don't currently represent a strategic threat to the viability of the government of Iraq and that is a huge change from the darkest days of 2006, 2007. I think most notably, and most optimistically, is the ability of Iraq to roll with the punches. I think that if you remember what it used to be like in 2006, you'd get a bombing on a Tuesday, 50 civilians, Shia civilians, might be killed in a marketplace, and then the next day 50 Sunni men would show up in a landfill with bullet holes in their head and then the cycle would be repeated over and over and over again in this sort of cycle of ethno-sectarian retributive violence. We don't see that cycle happening now. And don't get me wrong AQI wants to spark that cycle again, the reason why they hit soft targets, the reason why they kill so many civilians indiscriminately is they want the Iraqi people to turn on each other and I think that it's a very good news story that the Iraqi people have no intention of turning back to the levels of violence that we've seen before. We also see this in terms of the Shia militia threat, which we also judge to be much reduced from days past. If you remember from the 2006, 2007, 2008 period, one of our principal concerns of course was the Jaish mahdi militia in Federal al-Sadr's Mahdi army. They've been largely disbanded. A small subset of the Mahdi army has been reconstituted into the Promise Day brigades and they continue to carry out attacks. But the vast majority of the Jaish mahdi has been disbanded and their activities have been focused into the cultural, social and political arena. There are a number of other groups that we used to call 'special groups' because they receive some training and funding and support from Iran that include Hezbollah and to a lesser degree Asaib Al-Haq who also continue to do isolated attacks, but the overall level of Shia militia violence is much reduced from what it used to be. And we also don't judge that they represent strategic threats to the government of Iraq. A lot of the credit for the improving security conditions should go to the Iraqi Security Forces. The Iraqi Security Forces now number approximately 660,000 and that's not just the Iraqi Army, Navy, Air Force, Counterterrorism Forces, etc. but also the local police and the federal police, who used to be called the National Police. Their professionalism has improved as have their capabilities and I think one of the most telling indicators of that is the degree of confidence that the Iraqi people are showing in their own security forces. In fact, the most recent polling done by USFI shows that 80% of the Iraqi populous has faith in the Iraqi Security Forces to provide for their security which I think is a very important piece of data.

Last but not least, as Michael alluded to we now have a viable political process in Iraq that exists as an enduring framework in which key questions of the distribution of power and resources, many of the things that have driven the violence in Iraq over the years can now be addressed through peaceful means. Now, Iraq is a democracy and like other democracies you can have situations of extraordinarily heated rhetoric. I think that we're seeing a lot of that drama play out during the government formation period, we saw it during in the lead-up to the elections, we saw it in the immediate aftermath of the elections, but I think that we should take some solace from the fact that all the major political parties remain committed to dealing with their grievances and negotiating solutions to their concerns through the

political process. And I think that as long as they stay committed to that process, we're not likely to see a significant upturn in the violence in Iraq.

So there are more security forces, they're more capable, they're more professional. The adversaries are weaker, although occasionally still very destructive. The Iraqi public has more confidence in their security forces, the Iraq public in general is exhausted and not looking to turn back to large-scale violence and the political elite in Iraq remain committed to the political process. These are the underlying structural features which make stability in Iraq a lot more enduring than it used to be. And it's why we've seen a reduction in our force levels. By the end of this month we will have seen a reduction of more than 90,000 forces since the U.S. took over. And we will have seen a more than 100,000 reduction since the height of U.S. forces during the surge, in fact, we will have seen about a 125,000 reduction since the height of our forces during the surge. And we've handed over responsibility to the cities and yet security trends have stayed relatively positive. I think that that's an indication that the Iraqis are standing up.

Still, there are some challenges that we face in the days ahead and I'm not going to spend a lot of time on this cause I expect you'll ask some questions about them and I'll be happy to go into them in greater detail. But the major challenges that we have at the moment are obviously the seating of the government in Iraq. Michael talked about that, I think once we have the government in place, we'll have to continue our efforts to make sure that the government is inclusive and living up to its commitments especially as it relates to former combatants on the Sunni side, continuing to pay and integrate the Sons of Iraq, for example, and continuing to make sure that Sunni political parties have an active voice in the government, continuing to make sure that detainees, which are released are integrated back into their communities. There's the refugee and IP issues, etc. The largest challenge, however, is probably along the Arab-Kurd dimension; where issues related to Kurd Cook, the other internal disputed boundary areas, areas related to the management of oil resources and the distribution of those revenues continue to be a source of tension. This is actually one of the areas where I think U.S. forces continue to play a very important role and will continue and that's along the Arab-Kurd fault line. Last year, USFI working closely with the Iraqi government and the government of the Kurdistan regional government set up what are called the CSMs or the Combined Security Mechanisms. These are basically a series of joint controlled checkpoints and coordination centers that dot the fault line between the Kurdish north and the predominantly Arab south- central and southern portions of the country. The idea was to set up mechanisms for transparency coordination and confidence building to lessen the prospects that a small incident the local level could inadvertently escalate into a larger conflict. And in that sense the CSMs have been extraordinarily effective. And one of the ways in which the U.S. will continue to support the Iraqi security forces will be to continue to support these combined security mechanisms in the coming months.

Let me talk a little bit about the drawdown strategy and our transition strategy. We've already talked about the 50k reduction. I think it's telling that General Odierno is comfortable with this transition. I think that by the time he changes command with General Austin at the end of this month he will have been in Iraq 55 months. No one is in a better place to judge the prospects for stability, despite the drawdown than General Odierno, he feels comfortable about it. As you know, the draw down itself, I came into the administration in the first week of February. I think that I was one of the first DAS level folks, among the political folks who come in, in this administration. I was brought in by my boss Michele Flournoy, to work on the Iraq strategic review that culminated in the President's speech at Camp LeJeune. And one of the things that we did, was to try not to

impose on the field, a sort of stair-step linear reduction of forces, but instead to put a date on the calendar, that seemed reasonable, for a change in mission and a reduction to a substantially reduced, but robust, transitional force and then leave it up to General Odierno and his staff how to shape the contour of the draw down between those two dates. And so what that allowed General Odierno to do was to have a modest draw down in 2009 and continue to consolidate gains, freeze during the elections and for the first 60 days after the elections and then to accelerate the drawdown and I think that General Odierno feels that despite the political turbulence, the conditions are such that they continue to prevent the responsible drawdown on time and on target. Beyond September 1st, Operation, the forces that are part of Operation New Dawn will focus on four missions, ok? The first mission is force protection- not only for our forces in Iraq but for the civilian agencies- principally the State Department, USAID, etc., that are engaged in capacity building efforts as well as the United Nations mission in Iraq, which will receive continued support from the U.S. military. The second mission will be to continue their efforts to train, equip, advise and support the Iraqi Security Forces, which includes the forces operating up North along the Arab-Kurd fault line. Third will be continued, partnered, counterterrorism operations to continue to put pressure on the Al-Qaeda network and other extremists. And then fourth: to continue the responsible drawdown in accordance with the terms of the U.S.- Iraq security agreement. You know, September 1 has been marked as a formal change in mission and it is that, but I think that it's also good to think of as the culmination of a transition that has been in process for a long time. In fact, the most important date may not be September 1st of this year, but January 1st of last year; that it when the security agreement came into force that it fundamentally altered our relationship with the Iraqi government. And that we have really been transitioning toward focusing on these four missions since that date and that the September 1st date is really the culmination of that shift from combat and counterinsurgency operation to what the military calls stability operations. But that transition has been ongoing for a long time. Michael talked about the transition and there are really four elements- the provincial presence, the consulates, the embassy branch offices, the police development program, which Michael talked about. I want to briefly mention two others: one is our continuing efforts to build up the capabilities of the Iraqi Security Forces so that they will be capable of providing for a stable, sovereign, self-reliant Iraq by the end of 2011. One of the first things that we did, Michael alluded to a trip that I took with some inter-agency colleagues in May. This was to inform, this was May of 2009, to inform an inter-agency planning process, very early in the administration, on what would be required to engage in this extraordinarily complicated transition, not only from us to the Iraqis but from DOD to State. And one of the things that we did through that process was USFI developed a methodology to identify what the essential capabilities were that the Iraqi security forces would need by the end of 2011. And they were tiered in terms of priority. What was then MNFI, and is now USFI identified 7.9 billion dollars of requirements that they thought that the Iraqis would require over and above what we thought that they would spend. In 2010, for example, they will spend about 11 billion dollars on their ministry of defense and their ministry of interior will expect them to spend at least that much next year but we still thought – most of that money's going to go to sustaining, feeding the forces that they already have. But we saw about 7.9 billion dollars of additional requirements over and above that. We then went back and said, 'ok, now what are the no-kidding standards for internal defense by the end of 2011, and to lay the foundation for external defense,' because Iraq lives in a dangerous neighborhood. And MNFI, now USFI, came back to us and said, 'well of the 7.9 billion of really important things, 4.1 billion are especially important, and we call that the minimum essential capabilities list. We then identified a number of funding

mechanisms to include Congress giving us the authority to transfer some excess and non-excess equipment from our forces to the Iraqi security forces, that'll fill part of the hole. We expect the Iraqi government to fill part of that hole, and then of course we're asking Congress for about 3 billion dollars of Iraqi Security Forces fund- 1 billion in FY10 supplemental and 2 billion in FY11 supplemental to make up the difference. If the Iraqis find additional funds, we would expect that they would contribute to topping off- remember I said that there was 7.9 billion dollars. So that they would contribute to topping off to meet their additional requirements for things like air sovereignty- you've probably seen some talk in the news about their desire for F-16 aircraft for example, that would fall in that category. The last part of the transition that we've been focused on is taking this enormous training mission that used to be the Multinational Security Transition Command Iraq- which had a really terrible acronym STCI- which is now an even more indecipherable acronym – DCGANT, which stands for Deputy Commanding General for Advising and Training to transform that large training institution into an enduring office of security cooperation in Iraq. And so we currently plan to have that office of security cooperation set up some time toward the middle of next year and into the fall that will be, basically, the successor organization to these training organizations. It will be much smaller, it'll fall under chief mission authority within the embassy. It will be similar to some of the more robust offices of security cooperation or defense cooperation or military cooperation- they have different names in different countries. But similar to some of the larger ones that we have in other countries and we really see this as the foundation of the security component of our long term partnership with Iraq. And the Strategic Framework Agreement outlasts the security agreement. It has a security component to it and the Office of Security Cooperation in Iraq will be the instrument through which we continue to have security cooperation with Iraq beyond 2011.

So why don't I stop there cause I've been going on for a long time and I know some of you probably have questions but thank you again to Nate, CNAS and thanks to Michael for taking the road show here to the Willard.

<Opening remarks end>