

“Post-Conflict Reconstruction in Iraq”

**Prepared Statement of
Assistant Secretary of Defense for International Security Affairs
Peter W. Rodman
before the
House Armed Services Committee
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Mr. Chairman and members of the Committee:

Thank you for the opportunity to speak to you today on the subject of post-conflict reconstruction in Iraq. This is a subject of the highest priority for President Bush and his Administration, as demonstrated by the Emergency Supplemental Appropriation request we have submitted to Congress for the pursuit of the War on Terrorism.

I am also honored to be appearing with Dr John Hamre, former Deputy Secretary of Defense, and to discuss points he raised in the report that he and his team published in July after a survey trip to Iraq.

The genesis of the “Hamre report” was in a trip that Representative Frank Wolf took to Iraq in May 2003. In a memorandum that he wrote after the trip, Congressman Wolf noted that a Commission on Post-Conflict Reconstruction, sponsored by the Center for Strategic and International Studies (CSIS) and the Association of the U.S. Army, had done a study and published a report last January. He suggested that members of the Commission visit Iraq and assess the reconstruction efforts there.

Secretary Rumsfeld and Ambassador Bremer agreed with that suggestion, and we asked Dr. Hamre and his colleagues at CSIS to undertake that mission to give us an independent view. Dr. Hamre led a team of experts to Iraq from 26 June to 7 July 2003. Their excellent report noted that: “we saw significant progress everywhere we went.” But it also included a candid discussion of the challenges we faced, and a large number of constructive recommendations. We have taken these recommendations to heart. The Administration’s commitment to intensify its efforts in Iraq -- as demonstrated, again, in the Emergency Supplemental -- signifies our commitment to move forward as rapidly as possible in areas that we and Dr. Hamre agree are priorities.

Let me give a few examples, and touch upon the main areas discussed in the report.

A Washington Office. -- One example is the report's recommendation that DoD "should create a strong office in Washington to support the CPA's needs..." We have done this, and are further strengthening it today. The Office of the Coalition Provisional Authority Representative is the "backstopping" and coordinating office in Washington, representing and supporting the headquarters in Baghdad. This new office in the Pentagon is helping to facilitate communication between Baghdad and Washington and to speed decision-making in both places. It serves as Ambassador's Bremer's representative in Washington and as his Washington base, and eyes and ears. Its staff includes detailees from all USG departments and agencies involved in supporting the CPA's efforts in Iraq. Even as we speak, we are seeking a rapid expansion of its personnel.

This office will also serve as an additional -- and more convenient -- "portal" for businesses, nongovernmental organizations (NGOs), universities, and others who want to contact the CPA. It complements the other mechanisms that already exist, such as the Council for International Cooperation in Baghdad. As we look forward to much more involvement in Iraq by non-governmental entities -- such as business, humanitarian NGOs, private charitable groups, and so on -- the existence of a convenient "portal" becomes more important.

Stability and Security. -- The Hamre report also stresses the need to "establish public safety in all parts of the country." We agree that this is essential -- indeed a precondition for the achievement of many other goals. We also believe that progress has been made, and that most of the country is secure. In addition to US stability forces, the United Kingdom and Poland are leading multinational divisions in key sectors. Over 45 nations have offered military support. Moreover, 70,000 Iraqis have been armed and trained in just a few months and are contributing to the security and defense of their country -- to form an army, police, border and customs police, a civil defense corps, and a facilities protection service.

Iraqi "Ownership". -- The report also recommends that "Iraqi ownership of the rebuilding process must be expanded at national, provincial, and local levels and that decentralization is essential." This too is taking place. An Iraqi Governing Council was formed in mid-July -- approximately when this report was published -- to develop policies and appoint interim ministers to run government agencies. This is an important achievement. It has brought together all the major groups and regions of the country into an inclusive, broadly representative body. This Governing Council is gaining increasing international legitimacy as well. It has been accepted as the international representative of Iraq in the Arab League, and has occupied Iraq's seat in the UN General Assembly. Local councils, as well, have been established in almost all of the country. Turning Iraqi affairs over to Iraqis as soon as practicable, in a context of freedom, peace, and prosperity, is a good definition of the mission we have set for ourselves.

Employment. -- The Hamre report points out that “idle hands must be put to work and basic economic and social services provided immediately to avoid exacerbating political and security problems.” A major public works program has been established to address this need. Hiring is underway. The CPA also created another popular program to hire thousands of Iraqis to perform maintenance on irrigation ditches and canals. Since 1 May 2003, some 5,000 Iraqi small businesses have opened.

In this context I should mention a major economic milestone that is about to come – the introduction of a new Iraqi currency. This reform (which has been in careful preparation since before the war ended) will be important for a number of reasons. Economically, it will be the foundation of Iraq’s future growth. Politically, it signifies not only the supplanting of the old regime but also the unity of the country, replacing the dual-currency system that persisted until now. It represents important progress.

“National Frame of Mind”. -- The Hamre report suggests that “the coalition must facilitate a profound change in the Iraqi national frame of mind -- from centralized authority to significant freedoms, from suspicion to trust, from skepticism to hope.” We agree. Free media are a prerequisite for freeing the Iraqi mind. CPA has stood up the new Iraqi Media Network which broadcasts to the Iraqi people in Arabic. We are working to move the service to the Arabsat satellite used by al-Jazeera and al-Arabiya, which should help increase Iraqi viewership. We know that more needs to be done.

International Coalition. -- The report argues that the U.S. “needs to quickly mobilize a new reconstruction coalition that is significantly broader than the coalition that successfully waged the war.” From the beginning, we have sought international participation in Iraq. UN Security Council Resolution 1483, passed in May, called for such broad international participation in the security, political, economic, and humanitarian fields. I mentioned above that 45 nations have offered military support. A conference of international donors will take place in Madrid on 23 October. We have been prepared, in a new UN Security Council Resolution, to broaden the UN’s vital role in Baghdad. However, we also believe that unity of effort and unity of leadership are essential to success. The Coalition is now exercising sovereign authority in Iraq, until it can be handed over to Iraqis, and the Coalition takes that special responsibility seriously.

Adequate Resources. -- Another important area in which we agree with the Hamre report is that money must be “significantly forthcoming and more flexible.” The Supplemental request and the upcoming donors conference are two

essential elements of ensuring that security and reconstruction efforts are properly funded.

CPA has had flexibility in using the following for reconstruction:

- The Development Fund for Iraq (primarily oil revenues, but also including the unspent funds in the UN's Oil-for-Food escrow account).
- Vested assets held by the USG (\$1.7 billion spent).
- Seized assets (\$800 million spent).

Appropriated USG funds for reconstruction, of course, still require traditional oversight.

Finally, the Hamre report argues, and we agree, that the next 12 months may be decisive. This is a crucial point, for a number of reasons:

- For one thing, a number of recent public opinion polls show that the Iraqi people have great hope for their future in a liberated Iraq and are willing to endure a certain period of hardship as the unavoidable accompaniment of their transition. But their patience and fortitude are not likely to be unlimited. Now is the time to seek visible improvements in their situation, to sustain and vindicate their hopes.
- In addition, from our own point of view, a major commitment **now** -- investing heavily, and early, in the success achieved so far -- offers the maximum chance of having a decisive impact. Cutting corners now will only weaken the effectiveness of our effort, and could prove much more costly in the long run.

Mr. Chairman and members of the Committee, in April Coalition armed forces won a great military victory. But ultimate strategic victory in Iraq will come when, as I said, we are able to turn the country back over to its own people in conditions in which they are able to continue on course toward freedom, peace, and prosperity.

With Congress's help and the American people's support, we can achieve this goal.

Thank you.