

**Senate Foreign Relations Committee
Chairman Richard Lugar
Opening Statement for Hearing on
Iraq – Post Transition Update
July 22, 2004**

The Committee on Foreign Relations meets today to review U.S. activities in Iraq since the transfer of sovereignty to the new Interim Iraqi Government. Iraqis are again responsible for their own future. The magnitude of the tasks that remain, however, cannot be overstated. The next few months will be critical as the new government must establish security, continue to rebuild Iraq's infrastructure, and prepare the Iraqi people for national elections scheduled for January 2005. The ongoing insurgency imperils prospects for development of a peaceful, stable, and democratic Iraq. Meddling by foreign terrorists and some of Iraq's neighbors, such as Iran and Syria, also will stretch the new Iraqi Government's capabilities. The United States must continue to use every tool at our disposal to accelerate stabilization and reconstruction in Iraq and to strengthen the nascent Iraqi government.

I want to pay tribute to Ambassador Bremer for his dedicated service during the past year. Our nation is grateful for his leadership and the work of all civilian and military personnel who have risked their lives in Iraq in service to our country.

The U.S. and Multinational forces in Iraq must reinforce Iraq's fledgling security capabilities and provide the equipment, training, and support needed to create effective police, civil defense, border security, and military forces. I was pleased to learn at the recent Istanbul Summit that our NATO Allies are responding to Prime Minister Allawi's request for assistance to train and equip Iraq's security forces. To reinforce international participation in Iraq, the United Nations needs to move boldly to bring back its resources and expertise. Other nations need to move swiftly to reduce Iraq's overwhelming debt and follow through on their commitments to provide assistance.

The U.S. must continue to clearly outline our long-term plans in Iraq to build confidence among the Iraqis and the American people that the transition will succeed. The arrival of Ambassador Negroponte in Iraq marks a new beginning for U.S. - Iraq relations. Secretary Powell briefed Members before the Independence Day recess on the new Embassy operations in Baghdad, and they represent an undeniable commitment to the future of Iraq.

One area of serious concern, however, is the pace of U.S. assistance to the Interim Iraqi Government. As of July 13, reports indicate that of the \$18.4 billion appropriated for Iraq last November, only \$6 billion has been obligated and only \$458 million has been expended. The new U.S. Embassy is attempting to accelerate assistance, but at the same time, it intends to initiate a re-evaluation of existing assistance programs. Such a study may be necessary, but it must not serve to delay U.S. assistance further.

Ambassador Negroponte has asserted that the United States needs to construct a new Embassy building in Iraq. I agree with his assessment. A U.S. embassy that occupies the former

regime's palace has severe symbolic disadvantages. Beyond symbolism, the facility was not constructed to be an embassy. Under Secretary of State Marc Grossman testified in May that a new Embassy could cost more than \$1 billion. The Administration did not include these funds in the FY 2005 Budget Request, but indicated that they might be included in a supplemental. The sooner we identify the costs, the more quickly funds can be requested and construction can begin demonstrating our good intentions to the Iraqis.

Most Iraqi's are optimistic about the future. Even before the transfer of sovereignty, polls conducted by Oxford Research International and the International Republican Institute found that about three-quarters of the Iraqi people believed that they were either about the same or better off than before the war. Oxford found that 64 percent of Iraqis expected that their lives will be better a year from now.

In seven months, Iraqis are scheduled to hold elections for a 275-member National Assembly. This Assembly would then undertake the weighty duty of writing a constitution for Iraq. The Independent Elections Commission of Iraq, selected through a collaborative process with the United Nations, was confirmed in May. Members of the Commission completed a U.N.-sponsored training session in Mexico. The election plan calls for setting up as many as thirty thousand polling stations, recruiting and training as many as 150,000 election workers, and ensuring accurate voting rolls of about 13 million people. This is an incredibly daunting prospect. The Committee would be very interested in our witnesses' views on whether the election plan can be executed effectively. If this is an unrealistic plan, do other options exist that might advance the formation of a permanent Iraqi government?

Today, we are fortunate to have a panel that has been deeply engaged in policymaking with respect to Iraq. We welcome Mr. Ron Schlicher, the Iraq Coordinator at the U.S. Department of State, and Mr. David Gompert, who worked in Iraq as Ambassador Bremer's Senior Advisor for National Security and Defense.

We look forward to the insights of this panel and the chance to engage them on the details of U.S. policy.

###