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USF-I Weekly Assessment 29 November – 5 December 2010

USF-I COMMANDER'S WEEKLY ASSESSMENT

Mr. Secretary, Chairman, Jim:

Government formation continues to move ahead. Prime Minister Maliki and others expressed confidence that the government would be formed by the 25 December deadline. Some sticking points remain, namely the powers of the National Council for Higher Policies, the powers of the vice presidents, and the lifting of de-Ba'athification charges against several Iraqiyya members. The Ambassador and I addressed these issues during meetings with GOI officials and encouraged all parties to adhere to agreements made during previous negotiations.

The month of November was relatively stable, with the number of security incidents and casualties below 12-month averages. As mentioned in previous reports, we believe there will be an increase in extremist group activity during the month of December due to the convergence of a number of events, to include religious holidays and government formation activities. This assessment was supported by three vehicle-borne improvised explosive device (VBIED) attacks on Saturday morning. These coordinated AQI attacks targeted Shia neighborhoods and a bus carrying Iranian religious tourists.

We are assessing the impacts of the recent unilateral ISF operation that resulted in the detention of senior-level AQI leadership as well as a number of mid-level operatives in Baghdad. This operation, while having an impact on AQI's near-term ability to conduct attacks, will likely be followed by a period of regeneration as AQI replaces key leaders and replenishes its supply of weapons. We will continue to work with the ISF to hinder this regeneration through increased counterterrorism operations that disrupt operations and debilitate foreign fighter facilitation networks.

The GOI and the Kurdistan Regional Government (KRG) took another step toward increased cooperation with the recent decision to include Kurdistan oil exports in GOI budget projections. Previous attempts to include Kurdish exports failed due to disagreements between the GOI and KRG. This arrangement would help the GOI meet its 2011 oil export projection of 2.25 million barrels per day, increase oil revenue, and reduce Iraq's projected deficit.

Political

The overall mood is optimistic as government formation continues. The Council of Representatives (COR) met throughout the week, focusing mainly on laws concerning the presidency and the powers of the vice presidents, i.e., veto authority. Speaker Osama Nujaifi appears to be doing well and is gaining the respect of various parties within the COR. The blocs came to agreement on a point system for allocations of ministerial positions. After agreeing that the positions of prime minister, president and speaker (and their deputies) will not count against allotted points, discussions intensified within and between blocs on who will fill each post. The de-Ba'athification of key Iraqiyya leaders, although agreed to on 11 November, remains a sticking point, but we are encouraged by recent discussions between Salih Mutlaq and Prime Minister Maliki. Members of Iraqiyya see this as an important indicator of Maliki's intent to honor his commitments on this and other issues. The Ambassador and I continue to engage with key GOI officials to keep

~~SECRET // NOFORN // 20201206~~

~~SECRET // NOFORN // 20201206~~

USF-I Weekly Assessment 29 November – 5 December 2010

momentum going and to emphasize the importance of honoring agreements made during negotiations.

During a meeting with the Ambassador and me, Prime Minister Maliki appeared confident that he could present his cabinet slate to the COR by mid-December, ahead of the 25 December deadline. He is conducting meetings with leaders of the blocs to discuss various issues including the distribution of ministerial positions and other leadership posts. The Prime Minister shared with us his agreement to establish three deputy prime minister positions to be divided between Iraqiyya, the Kurdish Alliance, and the National Alliance. He expressed his satisfaction with the spirit of cooperation he has observed during negotiations. Prime Minister Maliki opined that while Dr. Allawi's participation is important, Iraqiyya participation is more crucial to reassure the Sunni population they are adequately represented.

Dr. Allawi appears to be committed to playing a role in the government provided the National Council of Higher Policies (NCHP) is granted sufficient authority and is comprised of a manageable number of members to facilitate effectiveness. We continue to encourage Allawi's involvement and flexibility.

President Barzani conveyed to the Ambassador and me his belief that keeping Allawi involved in the political process was important, but that he and Iraqiyya must adhere to agreements made during earlier negotiations. Ultimately, Barzani viewed the current impasse as surmountable, but highlighted the need for ethnic balance and the efficacy of the NCHP as key issues for ensuring a stable future for Iraq.

On 30 November, the Council of Ministers officially postponed the census due to ethnic, political, and logistical concerns. Initial reactions to the widely expected postponement were predictable: Arab and Turkmen contacts generally welcomed the decision. Kurdish officials appear to have accepted the delay begrudgingly, which may reflect their desire to avoid inflaming tensions amid ongoing government formation negotiations. They have, however, emphasized that the delay should not be open-ended. Prime Minister Maliki indicated he would hold a meeting to determine a new date for the census to take place, perhaps as early as by the end of the year.

Security

During the period ending 3 December, the number of security incidents rose from 120 to 157, slightly above the 12-week average of 150. The number of casualties remained low at 128 (28 killed, 100 wounded), which is below the 12-week average of 175. Thirty-three of the casualties (4 killed, 29 wounded) were the result of a VBIED that exploded outside of a restaurant in a mixed Shia/Sunni neighborhood in the city of Baqubah in the Diyala Province.

On Saturday morning, there was a series of coordinated vehicle-borne improvised explosive (VBIED) attacks in predominately Shia neighborhoods of Baghdad. Two of the attacks occurred ten minutes apart; the first in front of a private home, the other on a main thoroughfare, targeting a bus transporting Iranian citizens on a religious tour. Both attacks resulted in multiple injuries (7 and 23, respectively) and property damage. A third attack took place later that morning in a busy marketplace, killing approximately 13 civilians and wounding 46. We assess these attacks were conducted by AQI in an effort to incite

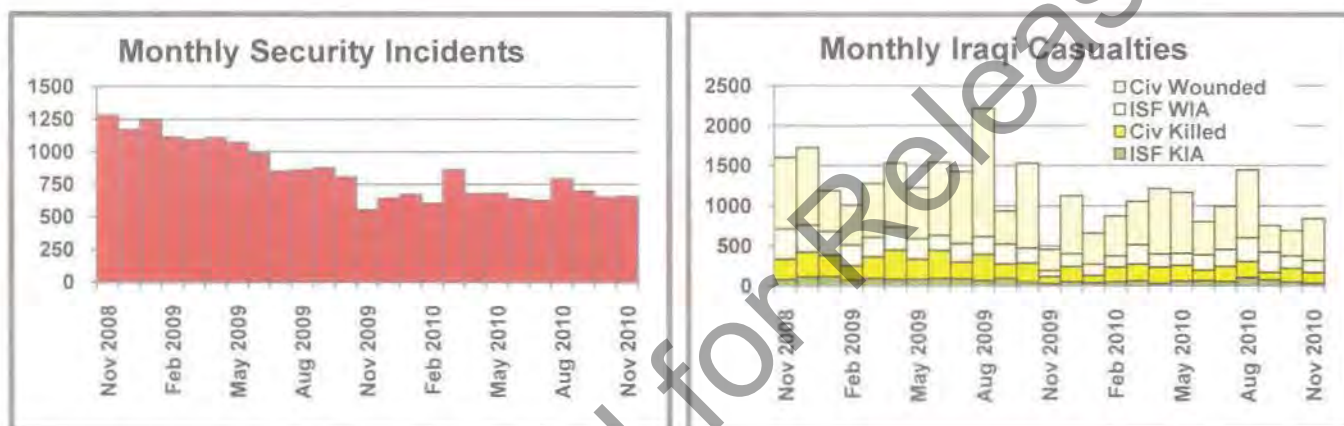
~~SECRET // NOFORN // 20201206~~

~~SECRET // NOFORN // 20201206~~

USF-I Weekly Assessment 29 November – 5 December 2010

sectarian violence. They reinforce our expectation of increased AQI activity as the Ashura holiday approaches and Shia pilgrims travel to the shrines throughout Iraq.

The month of November was relatively stable, with Iraqi casualties the lowest since January 2010. There were 656 security incidents (an average of 153 per week), slightly lower than the 12-month average of 683 (average 157 per week). There were 844 Iraqi casualties (169 killed, 675 wounded), below the 12-month average of 969 (224 killed, 745 wounded). Of note were three high casualty-producing events during the month of November: the series of 14 coordinated VBIED attacks on 2 November in Baghdad that killed 42 civilians and wounded 163; the 8 November VBEID attacks targeting Shia in the southern cities of Karbala, Basrah, and Najaf in which 18 civilians died and 70 were injured; and the attack in Baqubah mentioned above.



As we reported last week, unilateral ISF operations on 24 November resulted in the detention of 13 members of AQI's Baghdad network, four of whom were senior leaders. These individuals were responsible for the planning, coordination, and execution of the 31 October attack on the al-Najaf Christian church as well as additional signature attacks throughout Baghdad. Exploitation following the arrests resulted in the seizure of several weapons caches, including numerous suicide vests (SVESs), VBIEDs, and hundreds of kilograms of explosive materials. The removal of over a dozen senior Baghdad leaders and operatives is a setback for AQI's Baghdad network; however, we assess AQI will move quickly to fill these losses due to the strategic importance the network places on conducting terrorist operations in Baghdad. AQI has suffered these types of setbacks in the past and demonstrated their ability to continue operations despite their losses. In addition, we expect they will continue to plan for attacks against Shia targets during the upcoming Ashura holiday. We will continue to increase pressure on the network to disrupt AQI's ability to plan and execute attacks. We are also encouraging GOI and ISF officials to share information on ongoing and future ISF operations to enhance the effectiveness of counterterrorism efforts.

Partnered counterterrorism (CT) operations resulted in detentions that will further impact the AQI network. Iraqi and US forces brought in a number of AQI operatives responsible for conducting assassinations, enabling suicide operations, and facilitating foreign fighter

~~SECRET // NOFORN // 20201206~~

~~SECRET // NOFORN // 20201206~~

USF-I Weekly Assessment 29 November – 5 December 2010

entry into Iraq. During the month of November, US forces participated in operations resulting in the capture of 86 detainees, over half of whom are considered high value, and whose exploitation will enable us to refine targeting of Shia and Sunni extremist networks.

ISF Development

As I reported in early November, progress continues on police hiring and training in the Ninawa Province to address longstanding shortfalls, particularly in the city of Mosul. On 2 December, the first group of new hires graduated from Basic Recruit Training at the Mosul Public Service Academy. We are encouraged by the fact that all 782 graduates have been paid for the month and we are coordinating closely with the ISF and GOI to ensure the new recruits are utilized to properly address police shortfalls in Ninawa. We are also following the publication of Ministry of Interior training orders to ensure the remaining 6,500 recruits complete training, which will take place concurrently at multiple training centers.

On 29 November, the 17th Iraqi Army (IA) Division and the Iraqi Air Force (IAF) conducted a successful combined arms live fire exercise at the QaQa Range, approximately 20 miles south of the Baghdad International Airport. The two units planned, resourced, and executed the exercise internally, while simultaneously conducting operations south of Baghdad. The event was attended by the Minister of Defense, ISF senior leadership, and USF-I personnel. It was covered by multiple pan-Arab media organizations. The exercise integrated mounted and dismounted assaults, live indirect fire, air assault, and downed aircraft crew recovery into a realistic scenario. This exercise demonstrated the increasing capability of the 17th IA Division and IAF to provide security, conduct counterterrorism operations, and train for future combat operations.



NATO Training Mission-Iraq (NTM-I) plays a critical role in training Iraqi Federal and Oil Police. Since NTM-I's inception in 2004, 23 NATO member countries have contributed directly to the training of Iraqi Security Forces by providing personnel and making equipment contributions. Today's NTM-I is a relatively small force of approximately 180 personnel at four deployed locations in Iraq. Most recently, Italian Carabinieri Forces are credited with transforming Federal Police training. They are currently conducting training of Iraqi Oil Police, with the first class graduating this week. To date, NTM-I has trained over 12,000 members of the ISF, provided millions of dollars of equipment, contributed to the development of doctrine, and enhanced the professional development of Iraqi officers and NCOs. NTM-I also assists Iraq in the development of regional training cooperation

~~SECRET // NOFORN // 20201206~~

~~SECRET // NOFORN // 20201206~~

USF-I Weekly Assessment 29 November – 5 December 2010

initiatives and “out of country” training opportunities, which have been discussed in previous reports. These include:

- Turkey: Border Police, out of country training
- Jordan: Officer education training and seminars
- French Gendarmerie: Police training in criminal investigation and forensics

The GOI has acknowledged the important role NTM-I plays in improving ISF capability and building self-sustaining education and training programs. Prime Minister Maliki recently sent a letter to NATO expressing desire for a post-2011 relationship, and Minister of Interior Bolani pledged a contribution of \$300,000 to the NTM-I Trust Fund. We will work with NTM-I and the GOI to facilitate continuation of these important programs when NTM-I conducts its periodic mission review next year.

Economic and Energy

In early December, Iraq's Council of Ministers approved a draft 2011 budget of \$80.3B, with estimated revenues of \$67.5B. The GOI based these figures on the assumption that oil would be priced at \$73 a barrel, with a 2.25 million barrels per day (mbpd) export average. Thus, oil revenues would provide just under \$60B, or 89 percent of projected GOI revenue. The draft budget reduced next year's projected deficit from \$18B to approximately \$12.8B, which is within Iraq's limited means of obtaining external financing.

GOI's current export rate is about 1.9 mbpd. In order to meet the 2011 budget's 2.25 mbpd export assumption, the government will include the 175,000 bpd increase in International Oil Company (IOC) production in the south. In accordance with a recent agreement between the GOI and the KRG, Iraqi oil projections will also include KRG oil exports (150,000 bpd). For a short time in 2009, the GOI exported KRG oil before disagreements between the GOI and KRG halted the practice. These adjustments will increase GOI net revenues by approximately \$1.7B.

Adding KRG oil to the GOI's export volume is now possible through recent cooperation between the GOI and KRG. In addition to publically supporting the initiative, they have reportedly agreed to a payment mechanism for KRG's IOCs, which has been a missing component that derailed previous efforts. Kurdish exports should begin a few months after government formation.

I will be in Washington DC this week to attend the US Army Four-Star Conference.

Respectfully,



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