

IRAQ OPERATIONS

Resource Summary

(\$ in thousands)

Appropriations	FY 2008 Actual	FY 2009 Estimate	FY 2010 Request	Increase / Decrease
Positions	0	0	2	2
Funds	1,725,000	668,500	1,715,000	1,046,500

Overview

The Department of State plays a vital role in the Administration's policy of transition to Iraqi responsibility. The U.S. mission to Iraq serves as an honest broker on political issues, builds Iraqi capacity to deliver services, and supports the resettlement of Iraqi refugees. The U.S. Embassy in Baghdad must retain the required personnel and other resources to meet the challenges that support this approach. The resources identified in the FY 2010 request are essential to this effort.

The U.S. Mission in Iraq's important and complex relationship with the Iraqi government is led by more than 1,200 direct-hire Americans, representing 12 agencies, under Chief of Mission (COM) authority. Foreign Service Nationals (FSNs) and U.S. and third-country national (TCN) contractors provide security and logistics support to U.S. Mission operations. The Department of State operates the U.S. Embassy in Baghdad, as well as two Regional Embassy Offices (REOs) in Hillah and Basrah. There are also 26 Provincial Reconstruction Teams (PRTs) located throughout Iraq. The PRTs and the military brigades work jointly to improve the capacity of local institutions to govern effectively. As the U.S. military transitions, the Department will provide robust civilian engagement through multiple diplomatic avenues at its disposal. The Embassy seeks to empower Iraqis to take the necessary steps politically, economically, and in the fields of security and the rule of law to fulfill commitments made to the Iraq people and to the international community. The Iraq Transition Assistance Office, a temporary office established within the Department, supports executive departments and agencies in expeditiously concluding the remaining large infrastructure projects in Iraq, facilitating Iraq's transition to self-sufficiency, and maintaining an effective diplomatic presence in Iraq.

The Embassy conducts business on a broad range of bilateral and multilateral issues directly with the Iraqi government. The Embassy furthers U.S. economic and commercial interests and provides opportunities for political reporting, public diplomacy outreach, and interagency coordination on matters of interest in Iraq. The Embassy also supports many other endeavors, such as support to the Iraqi High Tribunal which prosecutes former regime members, reconstruction and economic transition efforts, and rule of law programs supporting capacity development in the legal and judicial arena. The Embassy administers a number of programs to train police, to assist the various ministries, and to oversee funds provided by the U.S. government for assisting Iraq.

In FY 2010, U.S. Embassy operations will continue to be impacted by major considerations from previous years: the new base for diplomatic activities centered at the New Embassy Compound (NEC) in Baghdad, programs to facilitate Iraq's transition to self-sufficiency, and the security environment. FY 2010 requirements include the costs of the continuing operations based on the new security arrangement with the Government of Iraq and operating out of the New Embassy Compound (NEC). PRT requirements also assume a level of resources consistent with operations projected for FY 2009. Security in Iraq and its impact on Mission operations remain a critical consideration. Though the security situation is currently stable, the potential for attacks on U.S. personnel, facilities, and operations remains high. The request for security funding reflects this environment for Baghdad, the REOs, and PRT operations.

Program Description

The Department of State assumed from the Coalition Provisional Authority (CPA) those authorities and responsibilities that continued after CPA termination. The Department of State funded U.S. Mission costs from FY 2004 to FY 2009 through supplemental appropriations. The FY 2009 Spring Supplemental request for Iraq operations awaits Congressional action.

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The Department currently estimates FY 2009 funding requirements to support operations of the U.S. Mission in Iraq at \$1.78 billion, drawn from FY 2008 supplemental carryover, FY 2009 bridge funds, and the FY 2009 supplemental request.

Justification of Request

(\$ in thousands)

Funding Request by Program Category	Human Resources	Overseas Programs	Security Program	Diplomatic Policy and Support
Iraq Operations	350	672,300	1,042,350	0

The Department's FY 2010 request to support the operations of the U.S. Mission in Iraq is \$1.715 billion. This estimate assumes that no funding is carried forward from prior years. This estimate does not include cost sharing among USG agencies and programs supported by the U.S. Mission during FY 2010. During FY 2009 and FY 2010, the Department, the Office of Management and Budget, and affected agencies will develop a plan to allocate logistics, support, security, and information technology costs to the other USG agencies and programs. The Department expects to implement the plan on a virtual basis in FY 2010 and to fully implement it in FY 2011.

(\$ in thousands)

Funding/Program Activities	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Request	Increase/Decrease
Beginning Balance – Operations	439,802	1,142,842	0	-1,142,842
D&CP – Ongoing Operations	0	0	0	0
Appropriations/Request – Iraq Operations	1,725,000	518,500	1,715,000	1,196,090
Proposed Supplemental	0	150,000	0	-150,000
Rewards/Transfers/Reprogramming	-46,000	-27,459		27,459
Total Funding Availability	2,118,802	1,783,883	1,715,000	-69,293
Program Activities				
U.S. Mission Basic Operations	133,867	202,977	135,910	-67,067
REO/ITAO/Other Support Activities	41,283	77,700	74,380	-3,320
Logistics Support	256,667	405,000	232,410	-172,590
Security	305,671	498,695	594,965	96,270
Overhead Cover	49,000	62,470	49,700	-12,770
Information Technology	17,456	21,041	15,300	-5,741
PRT Operations	182,627	516,000	612,335	96,335
Total Program Activities	986,570	1,783,883	1,715,000	-68,883

Mission Basic Operations and Other Support Activities

The Mission continues to normalize its support operations. Due to the current security environment, TCN employees, contractors, and offshore support are still needed for activities normally performed by local staff in other Embassies. The major items and assumptions for the FY 2010 budget request of \$210.3 million for operational and other support activities as well as the \$232.4 million for logistics support are:

- Support and infrastructure for this large mission will be continued at current levels, including support for the REOs. In addition to normal activities, the Mission must provide its own utilities, fire protection, and other support in the absence of a government able to provide such basic services. Because of the dangerous conditions in Iraq, the Department also has greater than normal responsibilities for the support of its own personnel, as well as support of other agency and contractor personnel. For example, many of the Embassy positions that normally would be filled with FSNs will need to be staffed by TCNs, because the FSNs working for the USG in Iraq continue to have their lives threatened. In a number of cases, they have been murdered. The Embassy will provide housing and support for the TCNs, as well as for employees of support contractors.
- Funds are requested for Department of State direct hire allowances in Iraq, recruitment and retention incentives, travel costs, salaries and allowances for locally engaged staff and TCNs, ITAO operations,

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onsite information technology systems support, onsite translator/linguist services, training, operating supplies, new or replacement equipment or furnishings, and Embassy-directed public diplomacy programs, as well as for offshore support. Offshore support will be provided from Washington D.C., the Charleston Financial Service Center, and the Iraq Support Units located in Jordan and Kuwait. Additionally, funds are requested for support associated with monitoring Department assistance programs in Iraq that pursue our clear and achievable strategic goals of making Iraq a stable and self-reliant sovereign nation.

- Operations and maintenance at the Baghdad NEC will be provided by a U.S. company with extensive overseas experience. Additional contracted support is required for maintenance oversight. The day-to-day life support provided by the large Logistics Civil Augmentation Program (LogCAP) under a contract with the Department of the Army will continue. Until the security environment allows for normal commercial activities in Iraq, LogCAP is expected to continue to provide vital fuel delivery, food services, and other logistical support to the Embassy and REOs. Normal utilities/power generation costs, including the fuel procurement for the NEC and for the REOs, are included in the logistics support requirements. This request assumes that as the military decreases its presence, LogCAP will be discontinued and new life support contracts will be put into place. During the transition, life support may require double coverage under both LogCAP and the new life support contracts for a period of time to ensure that LogCAP can be safely and successfully discontinued.

Security (including Overhead Cover)

The FY 2010 budget request includes resources for the continuance of the local guard program and COM security support in Baghdad and at regional sites. As of April 2009, there are 12 U.S. government agencies conducting missions under COM authority. The FY 2010 budget request of \$1,042.7 million addresses the support requirements necessary to protect life and to ensure continued security protection. The main components of the security budget request include:

- \$12.496 million for the physical and technical security measures to protect the Baghdad Embassy and the REOs. These measures are the first line of defense and include weapons, ammunition, body armor, x-ray machines, and bomb detection devices. Costs for maintenance and repair of security equipment are also included.
- \$100.0 million for the local guard protection of the Baghdad NEC, which requires more guard positions than the Embassy's prior location. Local guard protection is also required at other sites within Baghdad, and in Erbil. Local guards are the second line of defense, providing ongoing security support and concerted protection against attacks. The request also includes resources for additional compound access controls that will be required.
- \$356.488 million for protective security services to support the personnel traveling outside the Embassy. This amount includes costs for personal security contractors and operations support. Operations support includes helicopters, armory support, intelligence analysts, explosive detection dogs and dog handlers, translators, firearms instructors, and medical support. Also included is operational support for the high-threat mancamp.
- \$25.0 million for the protection of the REOs. This includes the local guard force protecting the compounds, special protective details for travel outside the compounds, and the related equipment necessary for conducting operations.
- \$10.086 million for other security-related issues including personal protection equipment such as masks and bulletproof vests; ammunition; background investigations and polygraph support for personnel going to Iraq, including contractors; training; diplomatic courier support; and offshore support.
- \$49.7 million is requested to support the continued construction and installation of overhead cover and other physical security measures for Mission facilities.

Because the security situation in Iraq is so fluid, the withdrawal of U.S. or Coalition military forces could affect the security costs incurred by the Department. While U.S. forces will continue to provide force protection for civilian

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personnel, if the Department is required to assume greater protection of American citizens or supply routes, security costs will increase. These estimates are subject to revision based upon extraordinary events, revised security arrangements, or if the Advisory Assistance Brigades (AAB) cannot provide the necessary force protection required by the Department.

Information Technology

The FY 2010 budget request of \$15.3 million supports the maintenance, repair, and replacement of all secure and non-secure voice and data communications equipment and associated infrastructure for all agencies under COM authority.

- The funds requested will provide bandwidth for classified and unclassified voice and data transmittal for all COM facilities. This funding also provides necessary maintenance for the satellite sites installed at each COM facility, as there are no local utilities available. Additionally, these funds support 2,400 workstations within the Baghdad area and the onsite technicians who support this infrastructure.
- Funds are requested to support the operations, maintenance, service, repair, replacement, administration, and contractor support for Embassy Baghdad's Countrywide Emergency Radio Program, augmented by a variety of satellite phones issued for use in extreme danger situations. This emergency program is one of the largest of its kind and is considered a critical life-safety program.

Provincial Reconstruction Teams

The FY 2010 estimate for PRT costs is \$612.335 million. Funds are being used to support the 26 PRTs spread throughout the country of Iraq. Specifically, the funds requested will be used to provide staff salaries, life and other operational support, offices and housing (and furnishings for both), vehicles, and communications equipment. Funding will also cover movement security support costs for the PRTs that are not collocated with a military brigade or on a forward operating base (FOB).

PRTs include both civilian and military personnel working side-by-side on a priority joint mission. The PRTs harness civilian and military resources against a common strategic plan. Although State has the lead in recruiting and hiring staff for all of the PRTs, expanding the PRTs has been an intensive interagency effort.

25 of the 26 PRTs in Iraq, covering 15 provinces and the Kurdistan Regional Government, are led by State Department personnel. Italy leads an additional team covering Dhi Qar province. The departure of a Brigade Combat Team (BCT) or the transition to an AAB could result in either the relocation of the PRT to another FOB, a REO, a Coalition-supported location, or in the closure of the PRT, but ultimately is dependent on the USG policy priorities. The transition of the military footprint may cause the overall number of PRTs to change, in addition to some of their locations. In order to remain fully engaged and committed to helping the Iraqis successfully increase governmental capacity, the composition and personnel skill sets may vary, but overall manning numbers are anticipated to remain stable in FY 2010.

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Cost-Sharing

Any equitable and feasible cost-sharing plan for USG agencies operating in Iraq must take into account the present dependence on the DoD LogCAP contractor for the provision of goods and services. The Department ultimately seeks to establish an ICASS cost-sharing program for the U.S. Mission in Iraq.

This budget request represents the total projection for FY 2010 without any cost-sharing mechanism. The Department continues to develop a cost-sharing plan, which will include a combination of direct-charging other agencies for goods and services as well as a simple head count cost-sharing system. Under current timelines, the Department could have the capability to calculate agency support costs for the U.S. Mission in FY 2011. During FY 2010, the Department will develop estimates of the value of goods and services provided. As the Mission sustains NEC operations and ends support from military contractors, more cost-sharing mechanisms can be explored.

Beginning in FY 2011, the Department plans to have the capacity to institute a simple cost-sharing program. However, there may be changes in the agency-specific mix of Iraq staffing and costs between the submission of this budget and the beginning of FY 2011 as operating conditions continue to evolve.