



Legislative Update

Progress In Iraq

As mandated in the FY05 Defense Supplemental Appropriations Act, the Department of Defense has provided Congress with an update on Iraq's progress in moving toward a secure and self-supporting society. The report is one of a series of updates the Department provides to Congress. The report is not the single source of information about what is going on in Iraq. Other sources are listed at the bottom of this update.

The report's findings indicate that there is considerable momentum towards the goal of a secure, stable Iraq with a democratic system supported by all Iraqis and accepted by the international community, yet there is more work ahead.

Political Progress: Terrorists have failed to derail the political process in Iraq.

- The constitution drafting process remains on schedule and the Iraqi Transitional Government and Transitional National Assembly continue to demonstrate a willingness to accept additional Sunni participation into the political process.
 - Draft Constitution Deadline - August 15, 2005
 - National Referendum on Constitution - October 15, 2005
 - Elections for Permanent Iraqi Government - December 15, 2005
- International support is on the rise.
 - The U.N. is supporting Iraq's constitutional development process.
 - The United States and the E.U. jointly hosted a conference in Brussels that led to additional pledges of financial support for the new Iraqi government.
 - Jordan will host an international donors' conference later this month.
- Iraqis' confidence in their future is increasing - a recent poll showed the numbers of Iraqis who believe their country is heading in the right direction has risen from 52 percent in January to 61.5 percent today.

Economic Progress: The Coalition continues to assist the Iraqi government to establish a foundation for a strong economy.

- The stability of the Iraqi Dinar has prevented hyperinflation.
- Iraq's fiscal outlook has improved with debt forgiveness programs.
- New business registrations have increased by 50 percent in the first six months of this year.
- Cell phone and Internet usage is up- access to both was severely restricted under Saddam's regime. As of June 2005, there were 2.7 million active cell phone subscribers in Iraq, up from 800,000 a year ago.



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Security Progress: The number of Iraqi Security Forces exceeds the number of Coalition troops by a good number.

- Since the January elections, the number of insurgent attacks has remained stagnant and centered in three of the 18 provinces.
- Week-to-week incidents are off their pre-election peak.
- Time is not a yardstick to measure Iraqi security readiness; troop capability will determine when Iraqi security forces are prepared.

Challenges: A candid assessment of challenges ahead.

- Although they've suffered numerous setbacks, terrorists in Iraq remain effective, adaptable, and intent on carrying out attacks against Iraqi civilians and Iraqi officials.
- The extremists continue to try to foment tension, ethnic strife and even civil war between Sunnis and Shi'ias through murder and attacks on religious sites.
- Countries such as Syria and Iran remain notably unhelpful in assisting Iraq secure its borders from foreign invaders.
- Unemployment remains a concern- though increasing business investment should help alleviate that problem.