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Thank you Chairman Levin, Senator McCain, distinguished members of the committee. It is an honor to appear before you at such a critical juncture in Iraq. I have been involved in Iraq policy for nearly eight years, spending more than three years in Baghdad and four in the White House. My testimony this morning will review where we have been and then look forward over the next 12-18 months. This will be a transitional period of risk and opportunity for the United States. Given the stakes in Iraq and the greater Middle East region, it is critical that we get it right. I believe we can.

I divide the past eight years into three phases: descent, turnaround, and transition. The period of descent, from 2003 to 2007, was characterized by a policy that failed to reflect circumstances on the ground, with over-reliance on political progress to deliver security gains and failure to grapple with Iraq as we found it: a nation and population wrecked by decades of war and dictatorship that left nearly 1 million people dead.

The turnaround began in 2007, enabled by a new policy that focused on security first and began to stem what was becoming a self-sustaining civil war. That policy is now known as the surge. But in the White House, during its planning stages, we called it a bridge: a boost in resources to *bridge* gaps in Iraqi capacity and set conditions for U.S.

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forces to move into the background. As President Bush said at the time: “If we increase our support at this crucial moment, and help the Iraqis break the current cycle of violence, we can hasten the day our troops begin coming home.”

Contemporaneous with this new policy, we began negotiating a long-term security and diplomatic relationship with Iraq. Talks began in the summer of 2007 and resulted in a preliminary text – called the Declaration of Principles – that envisioned a relationship across many fields, including education, economics, diplomacy, *and* security.

Security came last for two reasons. First, it was essential for our own interests that security was but one part of a broader relationship. Second, a security agreement alone – even at that time with nearly 160,000 U.S. troops deployed – was unlikely to survive the crucible of Iraq’s political process.

Iraq’s historical memory focuses on a few singular events, one of which is a security agreement negotiated with the United Kingdom in 1948. That agreement was meant to affirm Iraqi sovereignty by mandating the withdrawal of British ground forces. But it permitted ongoing British access to Iraqi airbases and sparked massive riots that left hundreds dead, a toppled government, and an abolished agreement.

Mindful of this experience, our negotiations over the course of 2008 focused on a broader set of issues, but they became fraught – particularly as Iraqis, beginning with the battle of Basra in the spring, pressed demands for sovereignty and control over their own affairs. In addition, our own positions on the most sensitive issues – including immunity for U.S. military personnel and contractors – were, at first, unrealistic. Thus, when a proposed U.S. text leaked over the summer, the talks reached a dead end.

The process of restarting those talks began the third phase of the war – transition. This was not what we originally intended, but it was fortunate because it provided a clear roadmap that has lasted to this day with broad U.S. and Iraqi support.

On November 26, 2008, Iraq’s parliament ratified two agreements. The first, called the Security Agreement, set the terms for a phased withdrawal of U.S. troops – from Iraqi cities by June 30, 2009; and from Iraq by the end of 2011. The second, called the Strategic Framework Agreement, set a foundation for permanent relations in the areas of diplomacy, culture, commerce, and defense. These agreements passed only in the last possible hour before a year-end recess, and on the morning of the final vote, I sat with Ambassador Ryan Crocker in Baghdad believing the vote might not succeed.

Under the Security Agreement, the first transition milestone was the withdrawal of U.S. troops from Iraqi cities in June 2009. There was great unease at the Embassy and within MNF-I that withdrawing from Baghdad would abandon hard fought gains. I shared that unease. But the tactical risk of withdrawing was outweighed by the strategic gain of allowing Iraqi forces to control their streets for the first time. Security incidents, already approaching record lows, continued to fall after our withdrawal.

The next transition milestone was August 31, 2010. Shortly after his inauguration, President Obama set that date for withdrawing U.S. forces to 50,000 (from nearly 130,000 when he took office) and shifting our mission from combat to advising and training Iraqi forces. I had left Baghdad in late 2009 and the following spring wrote two articles for the *Council of Foreign Relations* urging reconsideration of the August 31

milestone. Iraq had just held national elections. Less than one percent separated the two major lists. Government formation had yet to begin. So why withdraw?

When I returned to Baghdad that summer, however, I saw first-hand that Iraq had already crossed the bridge. Outside the specialized area of high-end counter-terrorism, which by 2010 did not require large numbers of troops, our security role was increasingly indirect. The drawdown to 50,000 passed without incident and security trends remained stable, even during a period of great political uncertainty, which lasted into December.

The next stage of transition was the drawdown of all U.S. forces by the end of this year. This past July, I returned to Iraq to assist Ambassador Jeffrey and General Austin who were in discussions with Iraqi leaders on whether and how to extend that deadline. Ultimately, the decision was made not to do so. There was one primary reason for that decision. Iraqi and U.S. legal experts had determined that legal immunities for U.S. troops could only be granted by the Iraqi parliament. The parliament would not do so – a view confirmed by Iraqi leaders on October 4 in a unanimous decision.

This outcome reflected a volatile mix of pride, history, nationalism, and (as in any open political system) public opinion. A recent poll by an Embassy funded research institution is consistent with what I saw and heard across Baghdad over the summer and fall. Nearly 90 percent of Iraqis in Baghdad and more than 80 percent nationwide supported the withdrawal of U.S. forces from Iraq. Had the issue been framed in terms of granting legal immunity for U.S. personnel – the numbers would surely be higher.

Then there was the question of Iran. The Iranians have tremendous influence in Baghdad. Its embassy rarely rotates personnel – resulting in longstanding relations with

Iraqi leaders. Its trading relationship with Iraq is approaching \$10 billion, including \$5 billion with the Kurdish region alone. But this influence is rarely decisive on bilateral U.S. matters, and it was not decisive on the issue of a residual U.S. force. In the end, even the most anti-Iranian leaders in Baghdad refused to publicly support us. When a Sunni nationalist – and vehemently anti-Iranian – bloc in parliament began a petition to ban U.S. military trainers, it rapidly collected 120 signatures.

This nationalist sentiment is our best weapon against Iranian designs on Iraq. The poll cited above found only 14 percent of Iraqis hold a favorable view of Iran. Even Sadr supporters hold an unfavorable view of Iran by a margin of 3 to 1. To be sure, the issue of Iran's role in Iraq exceedingly complex, multifaceted, and troubling. But it is also self-limiting – by history, ethnicity, and religious orthodoxy. Iran will continue to push, but the Iraqis will pushback. In the end, the question of whether U.S. troops would remain in Iraq had little to do with Iran, and everything to do with Iraq.

This is now the hard reality of Iraq's constitutional system: a system assertive of its sovereignty, responsive to public opinion, and impervious to direct U.S. pressure. A similar dynamic may arise in Egypt, Libya, Tunisia, and other states where political systems are opening for the first time with new leaders accountable to their people.

It would be a mistake, however, to see this new reality as militating against long-term U.S. interests and partnerships. Iraq is an example. Over the course of the summer, even as Iraqi leaders warned against taking a security agreement to parliament, they took actions in concert with us – and sought to deepen a diplomatic and defense partnership.

After a series of rocket attacks on U.S. bases by Iranian-backed militants in Maysan province, the Iraqi Army moved quietly but in force and arrested hundreds of militia fighters. The Iraqi government replaced ineffective police commanders and directed special operations against leadership targets. Iraqi officials sent messages to Tehran, declaring that attacks on U.S. facilities or troops would be considered an attack against the Iraqi state. By the end of the summer, security incidents in Maysan and then nationwide dropped to their lowest levels of the entire war.

In addition, Iraq in September completed the purchase of 18 F-16s, transferring more than \$3 billion into its FMS account – which is now the fourth largest in the region and ninth largest in the world. Iraq in its next budget cycle plans to purchase 18 more F-16s, topping \$10 billion in its FMS program – which already includes 140 M1A1 Main Battle Tanks, 6 C-130 transport aircraft, 24 Bell 407C helicopters, in addition to naval patrol boats, reconnaissance aircraft, and over 1000 up-armored Humvees. A number of countries sought to sell weapons systems to Iraq. It is thus significant that they chose the U.S. as their primary supplier with long-term training and maintenance contracts.

Against this backdrop, the best available policy for the United States was to fulfill the commitment under the Security Agreement and elevate the SFA as the pillar of our long-term relationship. Having just returned from Baghdad, I am confident that this policy – if handled right – can open a new window of opportunity for relations with Iraq, including close security and defense relations.

The next 12-18 months should mark the final stage of transition: to normalized relations. In practice, that means moving swiftly to anchor U.S. engagement under the SFA. Article X of the SFA envisions an organized partnership through high-level and mid-level joint committees, including in the areas of defense, education, economics, and diplomacy. Standing up and empowering these committees will institutionalize regular patterns of interaction, which in turn can lend coherence to a complex relationship; help identify and address emerging problems; and reinforce opportunities as they arise.

Importantly, the Iraqis do not see the SFA as a framework for U.S. aid or assistance – and nor should we. It is instead a *structure* for building a broad strategic partnership. It carries wide popular support in Iraq and has the status of a treaty under Iraqi law. Its implementation over the next year can institutionalize arrangements to mitigate risks associated with our military withdrawal and manage the friction that will naturally arise between Iraqi and U.S. officials during a period of transition.

With respect to our civilian presence, we must begin a serious conversation with the Iraqis on what we mutually expect out of a strategic partnership. By necessity, for much of the past two years, we focused on government formation and whether and how to extend our military presence. Now, we can begin a broader – and ongoing – strategic dialogue that focuses on identifying and then pursuing mutual interests.

That dialogue should accelerate next month when Prime Minister Maliki visits Washington. This visit is an opportunity, first, to honor the sacrifice of thousands of Americans and Iraqis over the past nine years. The withdrawal of U.S. forces with Iraqis in charge of their own security and violence at record lows was unimaginable four years

ago. It was made possible only because tens of thousands of Americans fought in Iraqi streets at the height of a sectarian war with a mission to protect the Iraqi people. As we approach the formal end of the war, their valor must be honored and memorialized.

Then we must look forward. President Obama and Prime Minister Maliki have an opportunity to set a common vision beyond the withdrawal of U.S. troops. The aim should be setting in place – over the next year – a strong and enduring foundation for normalized ties under the SFA. This will be an iterative and non-linear process. Results will not be instant. There will be areas of disagreement with the Iraqis, and within our own government. But the goal is to ensure that the withdrawal of U.S. forces from Iraq marks not an end, but a new beginning under the SFA. That goal is achievable.

In the security area alone, the SFA provides the basis for enduring defense ties. Through U.S. Central Command, U.S. forces can assist in maritime and air defense and conduct combined arms exercises. The Office of Security Cooperation at the Embassy offers an additional training platform through Iraq's FMS program. The OSC will begin small but it can expand as Iraq's FMS program grows. Intelligence sharing – including with Iraqi Special Forces – should continue and intensify. Counterterror cooperation, especially against al Qaeda, can be strengthened and institutionalized.

In the economic area, Iraq is rapidly becoming – in the words of the U.N. Development Program – “the world's oil superpower with the ability to influence markets on a global scale.” Its oil output will surpass Iran's in two years and double in five years. Iraqi officials are now focused on public services and how best to invest their country's resources – a sea change from four years ago. We can help them. The SFA envisions

permanent structures for linking Iraqi officials and business leaders with American companies and expertise. It further envisions bilateral cooperation to complete Iraq's accession to the WTO and other international financial institutions. Iraq's global integration is in our mutual interests and can be a mainstay of U.S. policy.

In the education area, Iraq has the largest Fulbright program in the Middle East, the largest International Visitor Leadership Program in the world, and is developing linkages with colleges and universities across the United States. Half the Iraqi population is younger than 19 years of age and 25 percent were born after the U.S. invasion. It is in our interest to encourage this new generation to study outside Iraq – and in the United States. Iraq does not want handouts. It is allocating \$1 billion for its own Iraq Education Initiative to send thousands of students per year to study at English speaking universities. The SFA offers a platform for knitting these programs into a more permanent fabric.

In the diplomatic area, Iraq sits in a turbulent neighborhood and its leaders see potential problems at every border. They also view themselves as the vanguard of the Arab spring, yet they act with increasing hesitation as events unfold. One senior Iraqi official proposed a permanent structure for “strategic dialogue” under the SFA – to discuss fast-moving events and avoid misunderstandings with Washington. Such a structure would replace the dormant U.N. sponsored “neighbors process” that met three times with varying results between 2006 and 2008. It will not align Iraq's foreign policy with ours, but it could help bolster Iraq's confidence and help its leaders better pursue regional policies that both expand democratic rights and promote Iraq's stability.

Serious risks remain. The largest is renewed sectarian or ethnic conflict. Levels of violence remain low, however, and the costs of any group leaving the political process have increased together with Iraq's increasing resources. But we must remain vigilant.

Establishing regular and formalized patterns of engagement under the SFA can mitigate risk and spot early indicators of conflict. According to historical models, there are five primary indicators of conflict recurrence: (1) serious government repression; (2) wholesale withdrawal of forces supporting the government; (3) serious declarations of succession; (4) new and significant foreign support to militants; and (5) new signs of coordination between militant groups. This framework can help U.S. diplomats and analysts make sense of what will remain a fast-moving kaleidoscope of events.

Ultimately, however, experience in Iraq helps diplomats develop a feel for what is a problem and what is truly a crisis, and today there are far more of the former than the latter. There is no question that al Qaeda will seek to spark ethnic and sectarian conflict. The governing coalition will remain fractious and dysfunctional. Sadr will be a wildcard, unpredictable to us, to Iran, and to his own followers. Maliki will seek to enhance his own powers. Speaker Nujayfi and President Barzani may do the same. The test is whether Iraq's constitutional arrangements allow inevitable conflicts to be managed peacefully, through the parliament and accepted legal means.

There have been encouraging signs over the past year. Parliament is becoming an assertive and independent institution. Iraqis on their own managed potential flashpoints, such as the massacre this summer of Shi'a pilgrims in Anbar province. Tensions among Arabs and Kurds eased with improved relations between prominent leaders (some of

whom used to never speak to each other). The withdrawal of U.S. forces may change the calculus of some actors. But successful management of political disputes has turned more on established relationships – between U.S. and Iraqi officials and between the Iraqis themselves – than on the number of U.S. troops in Iraq at any given time.

At bottom, Iraq faces serious challenges over the next year. The U.S. military withdrawal may increase some risks in the short term. But – similar to our withdrawal from Iraqi cities – it also provides a strategic window to reset relations with Iraq and establish permanent diplomatic structures that mitigate risks over the long-term. That is now the central challenge and opportunity before us.
