

**Statement by
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Mr. Chairman, Ranking Member Risch, Members of the Committee, it is a tremendous honor to appear before you today as President Obama's nominee to become U.S. Ambassador to Iraq. I am deeply grateful to the President and to Secretary Clinton for the confidence that they have placed in me with this nomination. If confirmed, I look forward to working closely with this Committee and your colleagues in Congress to advance America's many important and vital interests in Iraq.

I have had the distinct privilege of serving alongside each of the last five U.S. ambassadors to Iraq. I was with Ambassador John Negroponte in July 2004 when he raised the American flag to open a U.S. embassy in Baghdad for the first time since 1991. Nearly eight years later I was with Ambassador Jim Jeffrey as he led the challenging transition from military to civilian lead for the first time since the toppling of Saddam Hussein.

I have also served alongside our heroic military commanders including Generals Petraeus, Odierno, and Austin. The opportunities that are now before us in Iraq exist only because of the leadership of these individuals, and the more than one million Americans who have served there – including nearly 4,500 who have paid the ultimate price.

Like too many Americans, I have lost friends in Iraq. If confirmed, I will do everything in my power – drawing on all the tools of our foreign policy – to build a lasting partnership with Iraq that is worthy of their memory and sacrifice.

I believe such a partnership is possible. I also believe, however, that we are not there yet. There is still much the U.S. must do to mitigate risks of backsliding and increase prospects for consolidating the many gains that we have seen since the worst periods of the war.

The situation in Iraq today is much different from what I encountered after first landing in Baghdad in January 2004. Back then, the road from the airport was known as the highway of death. American troops offered the only visible security presence. Sovereign authority was vested in an American administrator. Iraqi ministries were looted and abandoned shells.

Today, Iraqis are securing their own country. Sovereign authority is vested in an elected Iraqi government that serves under a popularly ratified constitution. And many key indicators are positive: Iraq's GDP is forecast to increase by double digits over each of the next three years. Its oil production recently surpassed levels not seen in three decades. Its parliament recently passed a \$100 billion budget, which was praised by the IMF for its fiscal prudence. The security situation has remained generally stable.

Such indicators might point the way to a globally integrated Iraq that is more secure and prosperous than at any time in its history. This future is now possible, but not inevitable.

The positive indicators I just cited should not obscure the sobering situation that now confronts Iraq. The country is slowly emerging from decades of war, isolation, sanctions, and dictatorship. More recently, it faced down – with American help – a sectarian war that left tens of thousands of Iraqis dead and millions displaced. The violence threatened to collapse the Iraqi state and reduced many citizens to their most basic ethnic and sectarian identities.

This legacy is felt most acutely in the political process. For the first time in Iraq's modern history, politics is now the primary arena for engagement among all of Iraq's many different sects and ethnicities. That is the good news. The bad news is that their vast differences still threaten to overwhelm the nascent institutional framework that was established under the Iraqi constitution. I am deeply concerned about this situation.

Iraq's constitution envisions a united, federal, democratic, and pluralistic state, in which all citizens enjoy fair representation in local and national institutions. This vision, however, remains an aspiration. Fear, mistrust, and score-settling still dominate political discourse. As a result, Iraqis have sought to supplement the constitutional design with additional political accommodations. An example of these included the Erbil Agreements, which were negotiated over the course of five months in 2010 to serve as a roadmap for a new government.

I have often been one of the few Americans in the room when such agreements were being developed. If confirmed, I pledge my utmost efforts to work with leaders from all political blocs to encourage respect for prior agreements, durable compromise, and arrangements that help guarantee meaningful power sharing and partnership under the Iraqi constitution.

This is not simply a policy desire of the United States. It is a central commitment under the 2008 Strategic Framework Agreement (SFA), which President Obama has established as the cornerstone of U.S. policy toward Iraq. The SFA is unique in that it structures a long-term partnership across the fields of defense, energy, economics, diplomacy, education, and justice. With respect to the political process, it calls on the U.S. to help “strengthen [Iraq’s] democracy and its democratic institutions as defined and established in the Iraqi Constitution.”

For Iraqis concerned that the U.S. might lose interest in supporting the political process, they need only look to the SFA and our commitment to its execution. As Secretary Clinton has said, “The SFA commits our countries to work together on a range of issues, from governance and rule of law, to economics, education, energy, and the environment. And we’re committed to following through.” Such follow-through will require active and sustained U.S. diplomacy.

If confirmed, my mission is clear: to establish an enduring partnership with a united, federal, and democratic Iraq – under the SFA. As one of the lead negotiators of the SFA, I will

be honored, if confirmed, to carry out that charge together with Iraqi leaders and close colleagues from across the U.S. government, many of whom I have worked with over a number of years.

Going forward, we should have no illusions. Building an enduring partnership with a country that since 1958 defined itself in hostility to the west will be exceedingly hard. But it is no harder than what we have done before – and we now have a roadmap.

The SFA provides a common point of reference with the Iraqis and lends coherence to the U.S. mission in two important ways. First, it prioritizes U.S. objectives and thus helps ensure that taxpayer resources are targeted to advance U.S. interests. Second, it institutionalizes state-to-state relations and thus forces long-term thinking across U.S. and Iraqi administrations.

I would like to discuss each of these points in turn, as they will frame my tenure as ambassador, if confirmed.

Prioritizing Lines of Operation

In her introduction to the Quadrennial Diplomacy and Development Review, Secretary Clinton stated: “We will eliminate overlap, set priorities, and fund only the work that supports those priorities.” In Iraq, that means immediately directing our precious resources – including time and personnel – towards four priority lines of operation.

1. Defense and Security Cooperation

The first line of operation is defense and security cooperation. It would be a mistake to view the withdrawal of U.S. military forces as foreclosing a military partnership with Iraq. The SFA – which is a permanent agreement – provides the foundation for enduring defense ties.

Iraq already has the fourth largest Foreign Military Sales (FMS) program in the region and ninth largest in the world. Through FMS, the Iraqi government has chosen U.S. suppliers to

build the backbone of its security forces – supporting tens of thousands of American jobs. The program is now valued above \$10 billion and includes over 400 separate cases that are designed to help build Iraqi self-defense capabilities through ground power (tanks and radars), air power (pilot training, helicopters, F-16s, and air defense), and sea power (patrol boats, support vessels, and threat detection). Importantly, Iraq is now funding its defense and security needs. Its most recent budget included \$15 billion in defense and security spending – twice the amount Iraq spent five years ago. It is in our mutual interest to ensure that these funds are spent wherever possible on U.S. manufactured equipment through our FMS program.

Indeed, FMS sales have been the bedrock for U.S. strategic partnerships in the region and they can do the same for Iraq. As a staff report from this Committee noted: “The sale of military equipment gives us an edge in diplomacy, builds relationships, and fosters interoperability. But perhaps most importantly, it fills a void that other countries, including Iran, are more than willing to step into if left empty.” FMS cases also ensure appropriate congressional scrutiny and end use monitoring to deter and prevent misuse. Of course, this Committee will be called upon to provide critical oversight of foreign military sales to Iraq. If confirmed, I look forward to working closely with you to protect and advance U.S. interests through our FMS program.

The Office of Security Cooperation (OSC-I) is the primary implementer of U.S. security assistance in Iraq. I have worked closely with the leadership of OSC-I, Lieutenant General Bob Caslen and Rear Admiral Ed Winters. If confirmed, I look forward to working with them to build a streamlined and innovative OSC-I to advance our defense partnership with Iraq.

This partnership will go beyond arms sales. It might also include joint exercises, strategic training and doctrinal development, support for critical infrastructure protection, NATO exchanges, professional military education, and other programs consistent with an enduring

defense relationship. Iraq's regional integration through military-to-military partnerships is also an important priority for CENTCOM. This will remain a challenge, particularly with some GCC states, but as Iraq's military grows and matures, technical mil-to-mil relationships may precede – and help set conditions for – diplomatic progress between Baghdad and GCC capitals.

Additionally, the U.S. must work with the Iraqi government to ensure that al Qaeda never again secures a foothold in Iraq. While Iraq's Special Forces are among the most capable in the region, their effectiveness can be enhanced through cooperation with U.S. technical experts and advisors. If confirmed, I will work closely with Iraqi leaders to ensure that we are doing all we can to help Iraqi forces eliminate al Qaeda's leadership and uproot its networks from Iraqi soil.

2. Diplomatic and Political Cooperation

The second line of operation is diplomatic and political cooperation. Iraq has made diplomatic strides in recent months. It began to settle a series of long-outstanding disputes with Kuwait arising from the 1990 invasion. Saudi Arabia named its first ambassador to Iraq since 1990. Jordan has begun discussions to enhance energy and economic ties. The Arab League Summit in Baghdad signaled Iraq's gradual reemergence on the regional stage.

But the challenges are immense and growing due to the crisis in Syria. Syria was one of the main topics of conversation during my recent assignments in Baghdad. Prime Minister Maliki and other Iraqi leaders know that U.S. policy is firm: Bashar al-Assad must go. The longer he remains, the greater the danger to the Syrian people, to the region, and to Iraq. We have sought to encourage Iraq to support the Arab League consensus on Syria and demanded full adherence to relevant UN Security Council resolutions. In recent months, the record on these points has improved; but this matter will require constant vigilance and resolve.

Iran has tremendous influence in Iraq, sharing a 3,000-kilometer border, as well as interwoven religious, cultural, and economic ties. But Iraqis have also resisted Iranian designs. Millions of Iraqis still bear deep scars – visible and invisible – from a bitter war with its eastern neighbor. Grand Ayatollah Sistani and the Marjaziya in Najaf profess a vision of Shi'a Islam that undercuts the very legitimacy of the Iranian regime. Iraqis complain about a flood of shoddy Iranian goods flooding their markets. The vast majority of Iraqis seek to live in a globally integrated nation, whereas Iran seeks to further isolate Iraq from the world.

It is between these competing visions – an Iraq that is globally connected versus an Iraq that is isolated and dependent on Iran – that the U.S. retains substantial advantage and influence. Indeed, our vision for Iraq is one most Iraqis share, and it is codified throughout the SFA. To be sure, Iraqi leaders now in power have relationships with the Iranian regime. But they also have relationships with us. If confirmed, I will seek to enhance a broad range of relationships across government and civil society that can help Iraqis resist undue Iranian influence, increase U.S. influence, and advance our own mutual interests as defined in the SFA.

The relationship with Turkey is increasingly complex. Turkey and Iraq enjoy booming economic ties and cooperate on counter-terror policies. But recent months have seen rising tension between Ankara and Baghdad in line with rising tensions in the region. Ankara has also established unprecedented relations with Iraq's Kurdish leadership in Erbil, further raising the ire and suspicions of some in Baghdad. In 2007, I was involved in developing a policy to initiate Ankara-Erbil ties after a series of devastating PKK attacks on Turkish territory. At the time, these ties were dormant; progress since then shows how rapidly dynamics can change. Going forward, the U.S. must continue to play a mediating role between Ankara, Baghdad, and Erbil.

The greatest threat to Iraq's regional position comes from within. The divisions among Iraq's political blocs – and increasingly within the blocs themselves – have led to a perpetual state of political crisis. Some of this is inevitable. The governing coalition that formed in 2010 includes 98 percent of the elected parliament – nearly the entirety of Iraq's political spectrum – and naturally gives rise to rivalry, inefficiency, and intrigue. But escalating accusations in recent months present a heightened image of internal discord and open the door to meddling by outside actors. The withdrawal of U.S. forces – while increasing Iraq's sense of sovereignty and ownership over its internal affairs – may have also increased short-term risks of miscalculation and raised the stakes of lingering power-struggles.

An underlying problem is that Iraq still suffers from a political system driven as much by individual personalities as institutions. Our aim, therefore, is to support and strengthen Iraq's democratic institutions wherever possible. There are some encouraging signs. The parliament has at times asserted its independence and reined in the authority of the prime minister, most recently by removing from the budget a \$15 billion investment fund that some believed left too much discretion to the executive. Current debates in parliament include deliberations over laws to devolve powers to provincial capitals, impose term limits on the speaker and prime minister posts, and stand up a new supreme court. These are the types of quiet but important “issues-based” debates that focus needed attention on what remains an unfinished constitutional design.

It will also be essential over the next 24 months to help ensure that Iraq holds scheduled elections – provincial elections in 2013 and national elections in 2014. Elections may require new laws to allocate seats in provincial councils and parliament as well as a new mandate and membership for Iraq's electoral commission. These matters will be politically charged and we

must do everything possible – working in close coordination with the United Nations – to help Iraqis prepare for elections that are free, fair, internationally monitored, and on time.

In the meantime, we must encourage Iraqi leaders to forge solutions consistent with the Iraqi constitution. This includes achievement of a durable solution to Iraq's disputed internal boundaries in accordance with Article 140 of the constitution, and a legal framework for the development, management, and distribution of Iraq's hydrocarbon resources.

The U.S. cannot dictate outcomes. But we can nurture processes that open channels of dialogue and narrow areas of disagreement. If confirmed, I will engage national, provincial, and regional leaders every day – including regular visits to the Kurdistan region – to do just that.

3. Energy and Economic Cooperation

The third line of operation is economics and energy cooperation. Secretary Clinton has placed “economic statecraft” at the heart of our foreign policy with an emphasis on harnessing economic forces to increase our influence abroad and strengthen our economy at home. I believe Iraq can be a centerpiece of this agenda. As a staff report from this Committee found: “Given that Iraq's fate will be decided in large part by the economic growth trajectory it realizes, the top priority for the U.S. Embassy should be helping American companies do business in Iraq.”

Some U.S. companies are doing well in Iraq – including Boeing, Ford, General Motors, and General Electric. U.S. exports to Iraq rose 48 percent in 2011 (to nearly \$2.5 billion) and Iraqi consumers have demonstrated a preference for American goods, including American cars, which now account for nearly 1/3 of all vehicles sold in Iraq. But U.S. exports lag behind China (\$4 billion) and the European Union (\$5 billion). Given all that we have invested, we must do all we can to connect Iraq's fast-growing market with U.S. businesses. The Commerce Department now offers Gold Key services for business-to-business matchmaking. State and Treasury offer

advice and workshops for U.S. companies. The U.S. Business Council in Iraq seeks to promote private sector investment. If confirmed, I will endeavor to make such programs central to the embassy agenda with a focus on driving investment into Iraq and supporting American jobs.

The Iraqis must do their part. Iraq's macro-economic picture is sound with low inflation and sustainable growth projected over the next 3-5 years. But the country faces dire economic challenges – including overdependence on oil, weak financial institutions, corruption, and a dated regulatory structure. Its cumbersome legal environment, excessive subsidies, and barriers to entry further discourage growth and foreign investment. By helping the Iraqis address these challenges, the U.S. can gain leverage and influence while pursuing mutual goals.

For example, the SFA envisions joint cooperation to help integrate Iraq into the global economy, including through accession to the World Trade Organization. WTO accession is a long-term process but it can help standardize import and export requirements, protect investors, and signal to the world that Iraq is ready to play by international rules. Iraq is also a candidate country for the Extractive Industries Transparency Initiative (EITI), which applies international standards of accounting and independent audits to deter corruption and boost confidence in a country's economic standing. Iraq would be the sole Middle Eastern member of the EITI and it has asked for U.S. assistance to meet its requirements.

Iraq must also diversify its economy. While there is growth potential in non-hydrocarbon sectors – including agriculture, housing, fisheries, tourism, and telecommunications – Iraq is one of the most oil-dependent economies in the world. Sixty percent of its GDP and ninety percent of government revenues depend on the oil industry. Absent diversification, Iraq risks onset of the oil curse with a bloated state crowding out private investment and ingenuity. On the positive side, Iraq recently enacted a five-year \$186 billion development plan with projects for roads,

hospitals, housing, sewage, and electricity plants. USAID and Commerce are working with Iraqi ministries to reform Saddam-era legal codes. But serious reform will require a sustained focus by Iraqi leaders with assistance from the U.S., World Bank, UNDP, and the IMF.

The oil sector is booming. Iraq today is one of the few potential swing producers in the world and has helped stabilize global markets. In 2011, Iraq produced an average of 2.7 million barrels-per-day – a thirty-year high – and this year production has increased by another 300,000 barrels per-day thanks to improvements in offshore infrastructure. Under contracts with international oil companies, including Occidental and Exxon-Mobil, Iraq has set a production target of 10 million barrels-per-day by 2020. Key obstacles, however – poor infrastructure, bottlenecks, bureaucracy, political infighting, and legal uncertainty – may limit production to half that amount. It is in our mutual interest to help Iraq overcome these obstacles, and we have begun to do so by linking U.S. and Iraqi expertise to systematically analyze immediate problems and think jointly about long-term solutions. If confirmed, this will be a core embassy focus.

4. Rule of Law and Human Rights

The fourth line of operation is rule of law and human rights. I have seen Iraqi judges welcome U.S. assistance as they seek to build an independent judiciary free from political interference. This is extremely hard to do, as it was in the early years of our own constitutional experiment. But it is also important, and, as pressure on the Iraqi judiciary grows, we must work to deepen and enhance these relationships. Standing up a new supreme court – a requirement of the constitution that has never been acted upon – can also help further define legal boundaries that are intended to check and balance power horizontally (between branches of the federal government) and vertically (between the federal government, provinces, and regions).

As the U.S. pursues its interests in Iraq, we must never lose sight of our values, including the promotion of human rights, women, and protection of vulnerable minorities. Iraq recently stood up an independent Human Rights Commission with authority to receive and investigate complaints from any Iraqi citizen. The U.S. embassy is now working with the United Nations and interested Iraqi leaders to help ensure this commission lives up to its potential.

The protection of vulnerable minorities also requires urgent attention. We must continue to work with the Iraqi government and international partners to maintain a dialogue with these groups and address their concerns. In particular, the embassy maintains an open dialogue with Iraqi officials and Christian leaders to discuss protection for Christian facilities. This dialogue should continue in earnest and become institutionalized over the coming months and years.

Programs that promote women in Iraq – including assistance through Iraqi ministries to widows and training for emerging women leaders – are low cost and high impact. Secretary Clinton has placed these programs at the top of our human rights agenda in Iraq.

Refugee assistance rounds out that agenda. This includes the nearly 1.3 million internally displaced (IDPs) since 2006. Iraq has boosted resources to IDPs, including a five-fold increase in direct grants. U.S. support includes humanitarian assistance and processing refugees who wish to enter the United States. Recent changes in the intake criteria should ease processing of these cases – including through the Special Immigration Visa program. Iraqis who risked their lives to work with us should feel welcomed, even as we uphold essential security checks.

Institutionalizing Relations

In Iraq today we confront a newly sovereign and assertive nation. The SFA is designed to account for this inevitability by establishing an organized partnership centered on high-level

Joint Coordinating Committees (JCCs). Standing up these committees can establish regular patterns of engagement to widen avenues of cooperation and narrow areas of disagreement.

Much of this is now underway. In April, the Energy JCC held its inaugural meeting to discuss how best to increase Iraq's supply of oil to global markets as well as its emerging electricity and natural gas sectors. Two weeks ago, the Defense and Security JCC began a structured dialogue over the contours of a long-term defense partnership. The Education and Culture JCC now oversees the largest Fulbright program in the Middle East and the largest International Visitors Leadership Program in the world.

These JCCs help interconnect our governments, militaries, economies, cultures, and educational institutions. They are the institutional foundation for a long-term partnership.

The SFA does not foreclose additional linkages between the U.S. and Iraq. For instance, given the increasingly important role of parliament as an independent institution, it would be beneficial to develop linkages between the U.S. Congress and Iraqi parliamentarians.

Additionally, America's close and historic relationship with Kurdistan and the Kurdish people must be sustained and enhanced. The U.S. consulate in Erbil is building deep and long-term relationships with Kurdish officials and civil society leaders. If confirmed, I look forward to continuing a dialogue with Kurdish officials on issues of mutual interest, including easing visa processing for travel to the United States, strengthening economic and educational connections, and supporting the region's emerging role as a gateway to the broader Iraqi marketplace.

Institutionalizing Our Presence

If confirmed, I pledge to work with the Congress to establish a diplomatic presence in Iraq that is secure, strategic, effective, and sustainable. I will welcome your guidance and continue a discussion with the Congress on the most appropriate U.S. footprint in light of U.S.

priorities and conditions on the ground. I will also ensure that the use of precious U.S. taxpayer resources is transparent, effective, and targeted to advance U.S. interests.

In Iraq today, our size often bears little proportion to our influence. In my experience, the opposite can be true. Our large size and contract tail can lead to friction with the Iraqi government and misunderstanding among the Iraqi people, thereby depleting diplomatic leverage and capital. A focused U.S. mission with prioritized lines of operation – organized around the SFA – can help enhance our influence over the long-term and ensure the agility we will need to advance U.S. interests in a dynamic and constantly changing environment.

I have tried to touch upon a number of the issues that I would soon confront if confirmed as U.S. Ambassador to Iraq. For me, there is no more important mission in the world. I have served across two administrations over eight years developing and implementing U.S. policy in Iraq.

I was with President Bush when we planned a surge of 30,000 U.S. troops under a new strategy to turn around a losing war. I was with General Petraeus and Ambassador Ryan Crocker when we worked to implement that strategy against tremendous odds. I later helped manage the transition of Iraq policy to the Obama administration under two binding international agreements with the Iraqi government. Over the past two years I have answered calls to return to Iraq and public service at times of crisis.

I have always sought to take an empirical and pragmatic approach to the many complexities we confront in Iraq; and I have based my assessments on measurable risks to U.S. interests. If confirmed, I pledge to do the same with you.

Mr. Chairman and Members of the Committee, my eyes are wide open to the risks and challenges ahead in Iraq. But I close from where I started. For every challenge, there is also opportunity and obligation: to honor those lost in this war, or forever changed by it, we must do everything in our power to build a partnership with Iraq and its people that can endure and advance U.S. interests in this most vital region.

Thank you, and I look forward to answering your questions.
