

HEARING TO RECEIVE TESTIMONY ON SECURITY ISSUES RELATING TO IRAQ

TUESDAY, NOVEMBER 15, 2011

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:38 a.m. in room SH-216, Hart Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Nelson, Udall, Hagan, Manchin, Shaheen, Gillibrand, Blumenthal, McCain, Inhofe, Sessions, Chambliss, Wicker, Brown, Ayotte, Collins, Graham, and Cornyn.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jessica L. Kingston, research assistant; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: David M. Morriss, minority staff director; Adam J. Barker, professional staff member; Christian E. Brose, professional staff member; Paul C. Hutton IV, professional staff member; Lucian L. Niemeyer, professional staff member; Michael J. Sistak, research assistant; and Diana G. Tabler, professional staff member.

Staff assistants present: Hannah I. Lloyd, Brian F. Sebold, and Bradley S. Watson.

Committee members' assistants present: Vance Serchuk, assistant to Senator Lieberman; Carolyn Chuhta, assistant to Senator Reed; Ann Premer, assistant to Senator Nelson; Gordon Peterson, assistant to Senator Webb; Casey Howard, assistant to Senator Udall; Roger Pena, assistant to Senator Hagan; Joanne McLaughlin, assistant to Senator Manchin; Patrick Day and Chad Kreikemeier, assistants to Senator Shaheen; Elana Broitman, assistant to Senator Gillibrand; Anthony Lazarski, assistant to Senator Inhofe; Lenwood Landrum, assistant to Senator Sessions; Joseph Lai, assistant to Senator Wicker; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; Ryan Kaldahl, assistant to Senator Collins; and Sergio Sarkany, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

Today the committee receives testimony from two panels of witnesses on security issues relating to Iraq, including the withdrawal of U.S. troops and the long-term U.S.-Iraq relationship.

Our first panel consists of Secretary of Defense Leon Panetta and Chairman of the Joint Chiefs of Staff, General Martin Dempsey. This will be followed by a panel of outside witnesses.

First, a very warm welcome to you, Mr. Secretary, and to you, General Dempsey.

Last month, the President announced that all U.S. military forces would be coming home from Iraq by the end of this December as required under the 2008 U.S.-Iraq Security Agreement which had been agreed to by President George W. Bush and Prime Minister Maliki. The fulfillment of our obligations under that 2008 agreement represents a bipartisan U.S. policy, set by a Republican President and carried through to completion by his Democratic successor. U.S. Forces Iraq under General Lloyd Austin is on track to meet the December legal deadline for the withdrawal of the remaining U.S. military forces and equipment. As of today, there are around 30,000 U.S. military personnel in Iraq, down from a peak of 160,000 during the surge in 2007. At the beginning of Operation New Dawn in September of last year, the United States had 92 bases in Iraq; after the closure of Balad, we are down to 11. Defense Department property in Iraq has declined from 2 million pieces of equipment September a year ago to around 600,000 pieces of equipment now.

We arrive at this point after 8 and a half years of conflict and great sacrifice by our service men and women, their families, and the American people. Many of our men and women in uniform have served multiple tours in Iraq. They have been separated from their families for months and years at a time, and many will bear the scars of this conflict for the rest of their lives. Over 4,400 U.S. personnel have been killed and nearly 32,000 wounded in Iraq, and the direct costs of Operation Iraqi Freedom total over \$800 billion. We owe an immense debt of gratitude to our military men and women and their families.

The administration had sought to reach an agreement with the Iraqi Government for military trainers to remain in Iraq after December 31st. However, those negotiations reached an impasse on the issue of legal immunity for our troops, that is, protections from prosecution in Iraqi courts. Once it became clear that the Government of Iraq was not prepared to grant our service men and women the same legal protections that they had had under the 2008 Security Agreement and the same legal protections that the U.S. military has under agreements with other countries in the region, President Obama decided that all U.S. military forces would be withdrawn as provided for under the 2008 agreement. I believe that that was the right decision.

I would have supported a small U.S. residual presence in Iraq of a few thousand troops with a limited mission of training Iraqi security forces and providing additional protection for our diplomatic personnel if, and only if, Iraq had agreed to legal protections for those U.S. troops. I believe our military commanders supported leaving a residual military force if, and only if, legal protections

were provided and that they did not support keeping U.S. troops in Iraq without immunity from prosecution in Iraqi courts.

Our military withdrawal, as agreed to in the 2008 Security Agreement, sends a clear message to the Iraqi people and the Arab world that the United States keeps its commitments. And it puts the lie to propaganda that the United States is an occupation force in Iraq.

It is time to complete the transition of responsibility for Iraq's security now to the Iraq Government. The Iraqis are in a position to handle their own internal security. Violence in Iraq has dropped 90 percent from its peak during the surge. At the same time, the Iraqi security forces have made significant progress. According to U.S. Forces-Iraq, Iraqi security forces exceed 650,000 people. In addition, Iraq can assume the costs of its own security, with oil production in Iraq reaching record highs. Government of Iraq oil revenues during the first 9 months of 2011 were more than 50 percent greater than during the same period the year before and exceeded Iraqi budget projections for 2011 by more than 20 percent.

With the withdrawal of the U.S. forces from Iraq, one chapter in U.S.-Iraqi relations closes and another chapter opens. This new chapter in U.S.-Iraqi relations after December is not an abandonment of Iraq. The United States remains committed to the bilateral Strategic Framework Agreement which was entered into at the same time as the 2009 Security Agreement. The Strategic Framework Agreement sets out numerous areas for continued U.S.-Iraqi cooperation, including on defense and security issues. The United States has stood up a robust Office of Security Cooperation at the U.S. embassy and sites across Iraq to manage security cooperation efforts in support of the Government of Iraq. By January of next year, this office will be administering nearly 370 military sales to Iraq, totaling nearly \$10 billion.

Certainly Iraq faces a number of significant security challenges, which the United States can assist Iraq in confronting. Al Qaeda in Iraq and affiliated terrorist organizations seek to exploit ethnic divisions among Iraq's sectarian groups and minorities. In this regard, recent arrests of Sunni political and intellectual leaders by the Maliki Government have exacerbated Sunni-Shia tensions, potentially creating an opening for al Qaeda to exploit. We would be interested in hearing from our witnesses this morning what steps the administration has taken to try to defuse that situation.

In northern Iraq, the internal boundary remains under dispute between the Kurds and the Government of Iraq. The initiative put in place by U.S. Forces Iraq to reduce or avoid conflict, which is called the Combined Security Mechanism, is transitioning from a three-way mechanism involving U.S., Kurd, and Iraqi security forces to one operating bilaterally between Kurd and Iraqi security forces. I hope our witnesses will address how the United States intends to play an overwatch role along the disputed internal boundary, particularly through the U.S. consulate in Erbil and the Office of Security Cooperation site in Kirkuk. We would also be interested in hearing whether there could be a role for a multilateral peace-keeping force to maintain stability along this boundary while the parties address the outstanding political and security issues.

Our concern about the security of the Christian minorities is very strong. We need to work with the Government of Iraq to ensure it has the will and the capability to protect Iraq's religious minority communities from targeted violence and persecution.

The status of the residents at Camp Ashraf from the Iranian dissident group MEK remains unresolved. As the December 2011 deadline approaches, the administration needs to remain vigilant that the Government of Iraq lives up to its commitments to provide for the safety of the Camp Ashraf residents until a resolution of their status can be reached. We need to make it clear to the Government of Iraq that there cannot be a repeat of the deadly confrontation begun last April by Iraqi security forces against Camp Ashraf residents.

Another challenge is Iran's efforts to influence the political and security environment in Iraq. Iran continues to fund, train, and equip extremist groups, groups that have targeted U.S. forces in Iraq for deadly attacks. I hope our witnesses this morning will address the capability of the Iraqi security forces and the willingness of the Maliki Government to respond forcefully to attacks by these Iranian-backed groups after the withdrawal of U.S. military forces.

The departure of U.S. military forces from Iraq in the coming weeks, consistent with our legal obligations, can contribute to advancing the normalization of relations between the United States and Iraq based on mutual respect and shared interests as sovereign nations. That can strengthen stability not only in Iraq but also throughout the region.

Senator McCain.

STATEMENT OF SENATOR JOHN MCCAIN

Senator MCCAIN. Thank you, Mr. Chairman, and thank you for convening this important hearing.

Let me thank our distinguished witnesses for joining us today, for their continued service to our Nation, and for their tireless support of our men and women in uniform.

The purpose of this hearing, as the chairman said, is to examine the implications of the President's decision of October 21st and to end negotiations with the Government of Iraq over whether to retain a small U.S. military presence there beyond this year. As a result, all U.S. military forces will withdraw from the country by next month. I continue to believe that this decision represents a failure of leadership, both Iraqi and American, that it was a sad case of political expediency, supplanting military necessity both in Baghdad and in Washington, and that it will have serious negative consequences for the stability of Iraq and the National security interests of the United States.

I sincerely hope that I am wrong, but I fear that General Jack Keane who was one of the main architects of the surge is correct once again when he said recently—and I quote—we won the war in Iraq and we are now losing the peace.

Let me be clear. Like all Americans, I am eager to bring our troops home. I do not want them to remain in Iraq or anywhere else for a day longer than necessary. But I also agree with our military commanders in Iraq who were nearly unanimous in their belief that a small presence of U.S. forces should remain a while

longer to help the Iraqis secure the hard-won gains that we had made together. General Petraeus, General Odierno, General Austin, and other military leaders under their command, all of them believed that we needed to keep some troops in Iraq. This is what they consistently told me and others during our repeated visits to Iraq.

Our commanders held this view for a very specific reason, which they made clear to this committee on numerous occasions. For all the progress the Iraqi security forces have made in recent years—and it has been substantial—they still have some critical gaps in their capabilities that will endure beyond this year. Those capability gaps included enabling functions for their counter-terrorism operations, the control of Iraq's air space and other external security missions, intelligence collections and fusion, and training and sustainment of the force.

Indeed, in the latest report of the U.S. Special Inspector General for Iraq Reconstruction, the chief of staff of the Iraqi military is quoted as saying that Iraq will not be able to fully provide for its own external defense until sometime between 2020 and 2024. Specifically he says, quote, Iraq will not be able to defend its own air space until 2020 at the earliest.

Unfortunately, the President chose to disregard the nearly unanimous advice of our military commanders, not for the first time, as well as the clear long-term needs of Iraq's military.

Advocates of withdrawal are quick to point out that the current security agreement which requires all U.S. troops to be out of Iraq by the end of this year was concluded by the Bush administration. That is true. It is also beside the point. The authors of that agreement always intended for it to be renegotiated at a later date to allow some U.S. forces to remain in Iraq. As former Secretary of State Condoleezza Rice, whose State Department negotiated the security agreement, put it recently, quote, there was an expectation that we would negotiate something that looked like a residual force for our training with the Iraqis. She said, quote, everybody believed it would be better if there was some kind of residual force. So you can believe testimony and statements we have heard or you can believe the comments of the then-Secretary of State believed would be the case as regards to a residual force in Iraq.

Clearly Iraq is a sovereign country, and we cannot force the Iraqis to do things they do not want to do. But this also misses the main point. All of the leaders of Iraq's major political blocks wanted some U.S. troops to remain in the country. I met, along with Senator Graham and Senator Lieberman, with all of these leaders this year and that is what they told us. The problem had more to do with the administration's unwillingness or inability or both on more than one occasion to provide the Iraqis with a clear position on what our Government wanted. The administration seemed more concerned with conforming to Iraq's political realities than shaping those realities, focused more on deferring to Iraq's interests than securing the critical interest we had at stake at this process.

So what will be the implications of the full withdrawal of U.S. troops from Iraq? My concern is that all of those disturbing and destabilizing trends in Iraq are now at much greater risk of becoming even more threatening, and the events of the past month alone

offer many reasons to think that this may already be happening. One such threat to Iraq's stability is rising sectarianism. At the end of last month, Prime Minister Maliki's Government arrested more than 600 Iraqis, mostly Sunnis, who were characterized as Baathist coup plotters but who may have also included ordinary political opponents of the government. This action has only exacerbated tensions with Iraq Sunnis who already see the political process as unresponsive and unfairly exclusive.

At the same time, longstanding tensions between Iraqi Arabs and Kurds are arising over the control of the country's hydrocarbons. Last week, the president of the Kurdistan Regional Government, Masoud Barzani warned that the withdrawal of U.S. troops could lead to, quote, an open-ended civil war.

In short, while Iraq's nascent democracy seems to be at growing risk from a new centralization of authority, the sectarian rivalries who had almost pulled the country apart before the surge are now showing troubling signs of reemerging. A related threat comes from a resilient al Qaeda in Iraq and, on the other side, Shia militias that take orders from Iran. A November 5th article in the New York Times reports growing concern among senior American and Iraqi leaders that al Qaeda in Iraq is, quote, posed for a deadly resurgence. Similarly, one of the most dangerous Iraqi Shia militant groups recently participated in a gathering of regional terrorist groups in Beirut which included Hezbollah and Hamas, suggesting that Iranian-backed forces in Iraq may seek to establish a state within a state that can serve as a base for engaging in destabilizing activities beyond Iraq.

At the same time, not one day after the President's withdrawal announcement, Muqtada al-Sadr stated that Iraqis should view U.S. embassy officials in Iraq as, quote, occupiers and that they should be targets of his resistance movement.

This points to a final threat, the rise of Iranian influence in Iraq. While there are certainly limits to this influence, the fact remains that Iran's number one priority this year was to get all U.S. troops out of Iraq. They will now accomplish that goal. And in his public comments, Iran's Supreme Leader has barely been able to contain his enthusiasm. He has referred to the withdrawal of U.S. troops from Iraq as constituting the "golden pages" of Iraq's history. Other Iranian leaders have described our impending withdrawal as a great victory for Iran.

Iraqis, on the other hand, appear to be making the necessary accommodations to an emboldened Iran. The week after the President's announcement, Kurdistan President Barzani went to Iran. Next week, the chief commander of the Iraqi army plans to visit Iran. It is hard to see the withdrawal of U.S. forces from Iraq as anything but a win for Iran.

When Ambassador Ryan Crocker departed Baghdad in 2009, he warned, quote, the events for which the Iraq War will be remembered by us and by the world have not yet happened. Unfortunately, the events of the past 2 years, culminating in the administration's failure to secure a presence of U.S. forces in Iraq, have greatly and unnecessarily increased the odds that the war in Iraq may be remembered not as the emerging success that it appeared when the administration took office, but as something tragically

short of that. Considering all that our troops have sacrificed in Iraq and considering our enduring national security interests in Iraq's stability, we have a solemn responsibility to stay committed to Iraq's success. But as we do, we cannot avoid the fact that Iraq's progress is now at greater risk than at any time since the dark days before the surge, and that it did not have to be this way.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain. Secretary Panetta?

**STATEMENT OF HON. LEON E. PANETTA, SECRETARY OF
DEFENSE**

Secretary PANETTA. Thank you, Mr. Chairman, Senator McCain, distinguished members of the committee. Thank you, as always, for your continuing support for our men and women in uniform and for their families. We deeply appreciate the support that we get from all of you that helps those that put their lives on the line.

I appreciate the opportunity to describe our strategy in Iraq and to do so alongside General Dempsey who has overseen so many critical efforts of the Iraq campaign from its outset in 2003. I think General Dempsey has been deployed multiple times to that area, served in key positions both here in Washington and at CENTCOM in Tampa and has a pretty good feel for the situation in Iraq.

It is helpful, as always, to recall the objective here with regards to Iraq. In February of 2009, President Obama—and before President Obama, President Bush—I heard him say this directly to the Iraq Study Group—laid out a very clear and achievable goal that was shared by the American and Iraqi people, and that was simply an Iraq that is sovereign, stable, and self-reliant; in the words of President Bush, an Iraq that could govern, sustain, and secure itself.

Today, thanks to innumerable sacrifices from all involved, Iraq is governing itself. It is a sovereign nation. It is an emerging source of stability in a vital part of the world, and as an emerging democracy, it is capability of being able to address its own security needs.

For our part, the United States is ready to mark the beginning of a new phase in our relationship with Iraq, one that is normal, similar to others in the region, and based on mutual interests and mutual respect.

As the President announced last month, we are fully implementing the 2008 U.S.-Iraq Security Agreement, and under the outstanding leadership of General Lloyd Austin—and I cannot compliment him—there are no limits to what I can say about his leadership. It has been absolutely outstanding at a very difficult period. We are completing the drawdown of our forces by the end of this year. This fulfills the pledge made by President Bush, as well as President Obama, which called for an end to combat mission last August and a removal of all U.S. combat forces by December 31st, 2011.

We are continuing to pursue a long-term training relationship with the Iraqis through the Office of Security Cooperation which will include a limited number of U.S. military personnel operating under our embassy and receiving normal diplomatic protections. Through the U.S.-Iraq Strategic Framework Agreement, we also

have a platform for future cooperation in counter-terrorism, in naval and air defense, and in joint exercises. And we will work with the Iraqis to pursue those efforts.

Let me briefly walk through, obviously, some of the major challenges that have already been pointed out that will confront Iraq and mention why I believe that Iraq is at a stage when it is able to deal with them. Certainly with our continuing long-term relationship, I think they can deal with these issues.

First is the challenge of extremism. I expect that we will see extremists, including al Qaeda in Iraq and Iranian-backed militant groups that will continue to plan and continue to carry out periodic high-profile attacks. While these groups remain capable of conducting these types of attacks, they do not enjoy widespread support among the Iraqi population, and more importantly, the Iraqis have developed some of the most capable counter-terrorism forces in the region. They have been active against Iranian-backed militants in recent months, and we will be in a position to continue to assist them in building these capabilities through our Office of Security Cooperation. The fact is that despite our reduction in forces from well over 150,000 to now approximately 24,000, levels of violence in Iraq remain low.

A second challenge for Iraq is the conflict between political blocs, Sunnis, Shias, Kurds, others, as in any democracy. Iraq deals with a range of competing agendas. But the solutions to these challenges lie in the political not the military realm. Our diplomats, including Ambassador Jeffrey and his team, continue to work with and assist the Iraqis in bridging these remaining divides, in particular, the formation of the government and the appointment of defense and interior ministers, which still has not happened and should, and the cooperation along the Arab-Kurd divide in the north. Resolving all of these issues will take time, but Iraq's political leadership remains committed to doing so within the political process that has been established.

A third key challenge is closing the gaps in Iraq's external defense. The Iraqis will need assistance in this area, including logistics and air defense, and that will be an important focus of the Office of Security Cooperation. The recent decision by the Iraqis to purchase U.S. F-16's, part of a \$7.5 billion foreign military sales program, demonstrates Iraq's commitment to build up its external defense capabilities and maintain a lasting mil-to-mil training relationship with the United States.

And finally, one last challenge is the Iranian regime's attempt to influence the future of Iraq and advance its own regional ambitions. Tehran has sought to weaken Iraq by trying to undermine its political processes and, as I have mentioned, by facilitating violence against innocent Iraqi civilians and against American troops. These destabilizing actions, along with Tehran's growing ballistic missile capability and efforts to advance its nuclear program, constitute a significant threat to Iraq, the broader region, and U.S. interests. And yet, the strong, sovereign, and self-reliant Iraq we see emerging today has absolutely no desire to be dominated by Iran or by anyone else.

With our partners in the region, the United States is committed to countering Iran's efforts to extend its destabilizing influence. We

have made very clear that we are committed to preventing Iran from acquiring nuclear weapons, and while we have strengthened our regional security relationship in recent years, Iran's destabilizing activities have only further isolated that regime. So as we mark this new phase in our enduring partnership with Iraq, the Iranian regime is more likely than ever to be marginalized in the region and in its ability to influence the Iraqi political process.

Our long-term security partnership with Iraq is part of a broader commitment by the United States to peace and security throughout the region. Our message to our allies, our friends, and our potential adversaries is very clear. We have more than 40,000 American troops that remain in the Gulf region. We are not going anywhere, and we will continue to reassure our partners, deter aggressors, and counter those seeking to create instability.

Iraq has come through this difficult period in its history and emerged stronger with a government that is largely representative of and increasingly responsive to the needs of its people. This outcome was never certain, especially during the war's darkest days. It is a testament to the strength and resilience of our troops that we help the Iraqi people reverse a desperate situation and provided them the time and space to foster the institutions of a representative government.

As was pointed out, more than a million Americans have served in Iraq. More than 32,000 have been wounded, and as we know, nearly 4,500 service members have made the ultimate sacrifice for this mission. Americans will never forget the service and sacrifice of this next greatest generation and will always owe them a heavy debt. In the coming weeks, as our forces leave Iraq, they can be proud of what they have accomplished, and they and all veterans of the Iraq campaign have earned the Nation's most profound gratitude.

Are there concerns about the future? Of course, there are. Concerns about what Sadr will do, concerns about Iran, concerns about al Qaeda, concerns about Shia extremism, concerns about the Arab-Kurd tensions, along with disputes in other sectarian areas. There are many of us, many of us that could have designed perhaps a different result. No question a lot of pressure was brought on the Iraqis, pressures by the Senators who visited there, pressures by the President of the United States, by the Vice President of the United States, by Secretary Clinton, by Secretary Gates, and by myself. But the bottom line is that this is not about us. This is not about us. It is about what the Iraqis want to do and the decisions that they want to make. And so we have now an independent and sovereign country that can govern and secure itself and, hopefully, make the decisions that are in the interests of its people.

The U.S. will maintain a long-term relationship with Iraq. We are committed to that. We will establish a normal relationship as we have with other nations in the region. In talking with our commanders—I asked this question yesterday to General Odierno who has been there for a good period of time—they basically said the time has come. The time has come for Iraq to take control of its destiny. With our help, they hopefully can be a stable and secure nation in that region of the world.

Thank you.

[The prepared statement of Secretary Panetta follows:]

Chairman LEVIN. Thank you very much, Secretary Panetta.
General Dempsey?

**STATEMENT OF GEN MARTIN E. DEMPSEY, USA, CHAIRMAN OF
THE JOINT CHIEFS OF STAFF**

General DEMPSEY. Thank you, Chairman Levin, Senator McCain, and other members of the committee.

In June of 2003, I arrived in Baghdad to take command of our Army's 1st Armor Division, and I was given the responsibility for the City of Baghdad. 9 months later in April of 2004, our effort to establish security, to develop Iraqi security forces, enable restoration of fundamental services for the Iraqi people, and encourage Iraqis to take control of their own destiny was at risk. Although about a third of my division was already redeployed to Germany, our tour of duty was extended in order to suppress an uprising of Shia militia in the southern provinces of Iraq. Over the course of the next few days, I visited nearly every unit in the division to explain to them why it was important that we remain in Iraq for another 4 months. To their great and everlasting credit to a man and woman, they recognized the importance of our mission, they embraced the challenge, and they did what their nation asked them to do.

As I look back, I think I will remember most the toughness, the resolve, and the resilience of America's sons and daughters and their families in those early days. Sometimes, often, actually always their character shines through in the toughest of times.

I remember in particular one female staff sergeant listening intently as I explained why we were being extended. She actually interrupted me to say, hey, listen, General, do not worry. We trust you. But, she said, when we get to the point where Iraqis can and should do what they need to do for themselves, I also trust that you will bring us home.

Today we are gathered to talk about the future of Iraq. In preparing for this session, I have thought a lot about the context of that discussion, that discussion with that young staff sergeant. I thought about what we set out to accomplish, what we have accomplished, and what we should seek to accomplish.

Today we are going to talk about establishing a normal security relationship with Iraq. Now, let me put that in context.

In 1991, I left my family to drive Iraq out of Kuwait. In 2003, I left my family to drive Saddam Hussein out of Baghdad. And in 2011, we are talking about establishing a normal security relationship with Iraq. If you are a colonel or a master sergeant in the armed forces of the United States or more senior than that, this has been a 20-year journey. We have shed blood and invested America's treasure in Iraq. Our futures are inextricably linked. It is not a question of whether we will continue to invest in Iraq. It is a question of how. There is no question we must continue to support the development of the Iraqi security forces, and there is no question we must continue to support our diplomatic effort so that we can continue to demonstrate our commitment to Iraq's nascent democracy.

In anticipation of the question about whether I am concerned about the future of Iraq, the answer is yes. Nevertheless, America's armed forces are proud to have been part of this effort to provide Iraq the opportunities it now has and we are eager to be part of the effort to determine how we can continue to partner with them on issues of common interests for the future.

I look forward to your questions.

[The prepared statement of General Dempsey follows:]

Chairman LEVIN. Thank you very much, General Dempsey.

Let us try an 8-minute round for the first round.

Let me ask you both this question about the 2008 U.S.- Iraq Security Agreement which was agreed to between President Bush and Prime Minister Maliki which requires the withdrawal of U.S. forces by the end of December of this year.

There has been an effort made to negotiate continuation of a limited number of U.S. forces beyond December of this year, particularly trainers. Let me ask you first, General. Did we make a strong effort to negotiate a continuing presence of trainers providing there was an immunity agreement with Iraq so that our people would not be subject to Iraqi courts?

General DEMPSEY. Senator, as you know, I was the chief of staff of the Army during that period of time, and I can tell you that in conversations among the Joint Chiefs, we were all asked to engage our counterparts, encourage them to accept some small permanent footprint. Our recommendation actually was a small permanent footprint and a rotational training agreement for field training exercise and such, built fundamentally around what we call the "program of record," which is the foreign military sales case. So I can speak for the Joint Chiefs having been encouraged by, first, Secretary Gates and then Secretary Panetta to engage our counterparts.

Chairman LEVIN. And did you make the effort to——

General DEMPSEY. I did. Yes, I did, sir.

Chairman LEVIN.—support a continuing limited presence of U.S. forces?

General DEMPSEY. I did.

Chairman LEVIN. Are you willing to have those forces remain without an agreement relative to immunity for those troops?

General DEMPSEY. No, sir, I am not, and it was the recommendation and advice and strong belief of the Joint Chiefs that we would not leave service men and women there without protections.

Chairman LEVIN. And why is that?

General DEMPSEY. Because of the many institutions in Iraq that are still evolving and immature. The Iraqi judicial system is certainly among those. And we did not believe it was appropriate, prudent to leave service men and women without judicial protections in a country that still had the challenges we know it has and a very immature judicial system.

Chairman LEVIN. Is it your understanding that that was the sticking point, that Iraq was not willing to provide that assurance?

General DEMPSEY. You know, sir, it is hard for me to understand exactly what Prime Minister Maliki's fundamental bottom line was, though I have spoken to him within the past 6 months. What I will say is it was part of it. I think the other part of it was that he be-

lieved it to be in his political interest to cause us to live up to the agreement we made to withdraw from Iraq in the 2008 agreement. That was called the Security Agreement. Now, it is important to remember that underneath that was the Security Framework Agreement which establishes six lines of operation, and it was his strong preference in my conversations with him to base our enduring relationship on that and not simply on the matter of military presence.

Chairman LEVIN. So from what you know, there was an unwillingness on the part of the Iraqi leadership to negotiate the continuing presence of our troops for two reasons: one, they would not give us the assurance of legal protection or immunity; and second, that politically it was not in their interest to make such an agreement.

General DEMPSEY. That is my understanding, yes, sir.

Chairman LEVIN. And given that, is it your understanding that our military commanders are also unwilling to have our troops there without that legal protection?

General DEMPSEY. It was the topic of many secure video teleconferences and engagements person to person. And I can state that they also believed we needed the protections, both General Austin and General Mattis, in order to leave our troops there.

Chairman LEVIN. And so the decision of the President to basically comply with a 2008 U.S.-Iraq Security Agreement that was agreed to between Presidents Bush and Maliki, that that decision to comply with that agreement unless we could negotiate a satisfactory continuation of a residual force with protection, with immunity—do you agree with the President's decision to proceed in that way?

General DEMPSEY. I do, Senator.

Chairman LEVIN. Secretary Panetta, some have expressed the concern that U.S. troop withdrawal from Iraq is going to give Iran a propaganda victory with Iran claiming to have driven U.S. forces out of Iraq. Do you believe that Iraqi leaders and other Arab nations in the region will buy into Iran's propaganda that they drove us out of Iraq?

Secretary PANETTA. I really do not. I think that the one thing I have seen time and time again is that Prime Minister Maliki in Iraq and other countries in that region basically reject what Iran is trying to do, view Iran as having a destabilizing influence in that part of the world, do not support Iran and what they do. And my view is that the region largely rejects Iran and its intentions. And I think Iraq is at the top of that list.

Chairman LEVIN. Let me ask you about protection of religious minorities. Since our invasion of Iraq in 2003, I have worked and many Members of the Congress have worked with our military and civilian leadership both here and in Iraq to ensure that the small religious minority communities in Iraq are protected from targeted violence and persecution. Give us your assessments—first, Secretary, and then perhaps, General—of the Iraqi Government's willingness and capability to protect the religious minority communities in Iraq, particularly the Christians.

Secretary PANETTA. I believe that Ambassador Jeffrey and the State Department continue to work very closely with the Iraqis to

ensure that religious minorities are protected there. It is a problem. It is a concern. I think it is going to demand continuing vigilance by all of us, continuing pressure by all of us on the Iraqi Government that they do everything possible to recognize both human and religious rights. There is a lot of history here, and there are a lot of challenges here. But I am absolutely convinced, when you talk to the political leadership in Iraq, that they do not want to have these kinds of divisions, they do not want to have this kind of discrimination take place within their country. But it is going to require constant vigilance to make sure it does not happen.

Chairman LEVIN. General, do you have a comment on that?

General DEMPSEY. No. Just a comment, Senator, on the fact that in the pre-surge period, which many of us remember, it was very common for state-sponsored militias out of the security ministries to be conducting these kind of attacks against those religious groups that did not agree with their particular faith. We have not seen anything like that since the surge, meaning the security ministries have become responsible agents of government. And so not discounting the continued pressure on small religious communities, at least there is no evidence that it will be state-sponsored, and that is a significant change.

Chairman LEVIN. Thank you. Thank you very much.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Since you brought up, regrettably, General Dempsey, 2003 and 2004, the fact is that you did not support the surge and said that it would fail. Secretary Panetta was a part of the Iraq Study Group that recommended withdrawals from Iraq and opposed the surge. And so we are all responsible for the judgments that we make, and obviously, that affects the credibility of the judgments that we make now on Iraq. I regret that you had to bring that up, General Dempsey. The fact is that there are some of us who were over there in those years you talked about, in fact, maybe even had other members of their family over there, and saw that it was failing and that we needed to have the surge and the surge succeeded.

And the fact is that we could have given sovereign immunity, as we have in other countries, to keep our troops there and give them the immunity that they needed. We have other agreements with other countries that guarantee sovereign immunity. The fact is that every military leader recommended that we have residual forces at minimum of 10,000 and usually around 20,000. That was the recommendations made before this committee by General Odierno, recommendations made by General Petraeus, recommendations made by even lower ranking military who had spent, as you mentioned, a great deal of time there and did not want to see that service and sacrifice all wasted away because of our inability and lack of desire to reach an agreement with the Iraqis.

As I said in my opening statement, the Iraqis are largely responsible as well, but the fact is when Senator Lieberman, Senator Graham, and I were there, the Iraqis were ready to deal. And what was the administration's response? They did not have a number and missions last May as to our residual force in Iraq. So as things happen in that country, things fell apart.

Now, can you tell the committee, General Dempsey, if there was any military commander who recommended that we completely withdraw from Iraq?

General DEMPSEY. No, Senator. None of us recommended that we completely withdraw from Iraq.

Senator MCCAIN. And when did we come up with the numbers of troops that we wanted to remain in Iraq? Do you know when that final decision was made as to the exact numbers that we wanted?

General DEMPSEY. To my understanding, the process started in about August of 2010, and as you know, there was a series of cascading possibilities or options that started at about 16,000 and ended up with about 10,000 and then migrated to 3,000 and we ended up with the program of record.

Senator MCCAIN. Do you know when that final decision on numbers was reached?

General DEMPSEY. Well, the final decision on focusing on the Office of Security Cooperation was based on a conversation between our President and President Maliki. Prior to that, I do not know.

Senator MCCAIN. The reason why I think you do not know is because there never was an exact number and missions articulated by our Government which would have been a concrete proposal for the Iraqi Government. So to say that the Iraqi Government did not want us when they did not know the numbers and missions that we wanted to have there, of course, makes it more understandable why we did not reach an agreement with them as it, as you mentioned, cascaded down from 20,000 down to the ridiculously small number of 3,000.

So, Secretary Panetta, we are now going to have a residual presence in Iraq of some 16,000 American embassy personnel. Is that not correct?

Secretary PANETTA. I believe with contractors, that is correct.

Senator MCCAIN. And how are we planning on ensuring the security of those 16,000 Americans?

Secretary PANETTA. A lot of that 16,000 are security people.

Senator MCCAIN. So we will now be using civilian contractors to protect and maintain the security of the State Department personnel, the largest embassy personnel in the world. Is that correct?

Secretary PANETTA. That is correct.

Senator MCCAIN. And the comparative costs of a contract personnel versus a military individual is dramatically different. The costs of a contract personnel is dramatically higher than that of the costs of an ordinary service member. Correct?

Secretary PANETTA. I believe you are correct.

Senator MCCAIN. So in these times of——

Secretary PANETTA. I will give you an accurate answer later.

Senator MCCAIN. So in these times of fiscal austerity, we withdraw all our military troops and hire a whole bunch of contractors, who either rightly or wrongly do not have a very good reputation as opposed to the uniformed military, in order to secure the safety of some X thousands. You have certain thousands who are there for security and some thousands who are there—the 16,000 number is divided up that way.

Secretary PANETTA. Senator McCain, if I could just for the record.

Senator MCCAIN. Sure.

Secretary PANETTA. Actually as director of the CIA, I had talked with Prime Minister Maliki regarding this issue, and then when I became Secretary of Defense, I had a number of conversations with him as well in which I made very clear, along with General Austin and Ambassador Jeffrey, that it was extremely important that we needed to have a SOFA agreement, that we needed to have immunities for our troops, that we needed to have that protection. And he believed that there was possibly a way to do this that did not involve having to go to the parliament, to their council for approval. And it was very clear, among all the attorneys here, that we absolutely had to have their approval through their parliament if we were going to have a SOFA agreement that provided the kind of immunities we needed. I cannot tell you how many times we made that clear. I believe the prime minister understood that, and it was at the point where he basically said I cannot deliver it, I cannot get it through the parliament that we were then left with the decisions that were made.

Senator MCCAIN. Well, you know, again, then we should be having to withdraw our troops from those countries where we have a presence that we do not have it go through the parliament, that it is done through sovereign immunity. And the fact is that the president was presented with options, either a declaration of sovereign immunity made by the government as the case with other countries, which the Iraqis may have been willing to do, and the other option of demanding it go through the parliament. So I guess now we should withdraw those troops from countries that we do not have a parliamentary approval.

So, look, the fact is if we had given the Iraqis the number and the mission that we wanted long ago, if we had done what Condoleezza Rice, the Secretary of State, has said, quote, everybody believed it would be better if there was some kind of residual force. There was an expectation we would negotiate something that looked like a residual force. We met with Barzani and Maliki and Allawi, and they were ready to move forward. And the fact is that they were not given the number and mission that the residual United States troops would be there for.

As General Dempsey just mentioned, it cascaded down. It cascaded down over months, Mr. Secretary, from 20,000 to 15,000 to 13,000 to 10,000 to 5,000, and each time there was a different number given for Iraqi consideration. And it would be hard for me to—and that was what they told us.

Now, maybe they were not telling us the truth, Mr. Secretary. But we have a relationship with them that goes back many, many years, and they have always told us the truth. And the truth is that this administration was committed to the complete withdrawal of U.S. troops from Iraq and they made it happen.

Secretary PANETTA. Senator McCain, that is just simply not true. I guess you can believe that, and I respect your beliefs.

Senator MCCAIN. And I respect your opinion.

Secretary PANETTA. But that is not true.

Senator MCCAIN. And the outcome has been exactly as predicted.

Secretary PANETTA. But that is not how it happened. This——

Senator MCCAIN. It is how it happened.

Secretary PANETTA. This is about negotiating—this is about negotiating with a sovereign country, an independent country. This was about their needs. This is not about us telling them what we are going to do for them or what they are going to have to do——

Senator MCCAIN. This is about our needs as well, Mr. Secretary.

Secretary PANETTA. This is about their country making a decision as to what is necessary here. And in addition to that, once they made the decision that they were not going to provide any immunities for any level of force that we would have there—and this is a lot different than other countries, frankly, Senator. This is a country where you could very well be engaging in combat operations. If you are going to engage in those kind of operations, you are going to engage in CT operations, you absolutely have to have immunities, and those immunities have to be granted by a SOFA agreement. I was not about to have our troops go there in place without those immunities.

Senator MCCAIN. They were ready to make that agreement. They were ready to be able to get it through the parliament, and for months we did not give them the numbers and mission that was necessary in order for us to remain there. And again, your version of history and mine are very different, but the way it has turned out is the way, unfortunately, many of us predicted that it would. And in the view of every military expert that I know, we are now at greater risk than we were if we had had a residual force there.

And by the way, I understand the American people's approval of withdrawing from Iraq. I would imagine they probably would approve if we would withdraw from Korea and that is because we have not made the case as to what is at stake here and what the consequences of our failure are.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman. Thanks, Mr. Secretary and General, for being here.

So I add my voice as one who also felt during the time that the status of forces agreement existed between the United States and Iraq, based on conversations that I had with leaders in both countries, that the expectation was that a residual force would remain at the expiration of the SOFA at the end of this year, 2011. And the reason was clear. It was clear it would have to be negotiated two sovereign nations. The reason was that from our point of view certainly, that we had invested so much blood and treasure in the success, extraordinary, unexpected success, we have achieved in Iraq, that it would not make sense to just pick up and leave unless we felt that the country, that the Iraqis were totally prepared to protect their own security and the progress that they have made, which incidentally in my opinion has not only been great for them and transformational within their history but also throughout the Middle East.

Personally I think that the sight of the Iraqis pulling that statue of Saddam Hussein down, showing people throughout the Arab world that those tyrants were not forever, is one of the pre-

conditions, one of the factors that enabled the Arab Spring or Arab awakening that is going on now to occur.

I also believe that President Obama and Prime Minister Maliki must have wanted to have a residual force remain in Iraq after January 1st of next year or else they would not have had people on both sides negotiating to achieve that end. So to me, the failure to reach agreement or the inability to reach agreement, causing the total withdrawal of our troops at the end of this year, was not a success but a failure. And I worry about the consequences.

General Dempsey, as Senator McCain said, we have talked to our military commanders over there over the years, and everybody said that we should keep some troops. The numbers went from probably a low of 5,000 to a high of 25,000 at different times.

I was really interested in your answer to Senator McCain, and I appreciate it because I know it is the truth, that no military commander, including yourself, recommended zero troops, American troops, there after January 1st. And I presume that is because you thought there was an unnecessarily high risk for us and Iraq if we had no troops remaining after January 1st of next year. Is that a fair assumption?

General DEMPSEY. Yes, Senator. And the cascading that I mentioned to Senator McCain was a result of negotiating the missions. You know, the force structure is completely dependent upon the missions you ask us to do. Tell me what you want me to do. I can build you a force structure to do it.

Senator LIEBERMAN. Right.

General DEMPSEY. The negotiations that occurred were on which missions the Iraqi Government wanted us to continue to execute, and that is why the numbers went from—the highest number I touched was 16,000—but it could very well have been 25,000—down to about 5,000. But at the end of the day, the Iraqi prime minister deemed that he wanted to rely on the security agreement and base a future relationship on the Strategic Framework Agreement.

Senator LIEBERMAN. Understood.

In your own thinking, since you obviously did not recommend zero American troops there after January 1st, what do you think now are the greater risks that we face as a result of the fact that we will have no continuing military presence in Iraq?

General DEMPSEY. Well, some of the things that the larger military footprint addressed will now have to be addressed diplomatically, and that is some of the things that have come up today about the protection of the small religious communities and so forth, the Arab-Kurd tensions, if you will.

But I also want to mention this Office of Security Cooperation will help us ensure that the foreign military sales program, the program of record, as we call it, that continues to build the institution of the Iraqi security forces will continue to be addressed. So this is not a divorce. It may feel that way because of the way the numbers have—the way the Iraqi Government came to the decision. But the fact is we will be embedded with them as trainers not only tactically but also at the institutional level. And I think that is an important way to mitigate the risk you are talking about.

Senator LIEBERMAN. Let me, Secretary Panetta, pick up from that point. I have heard from friends in Iraq, Iraqis, that Prime Minister Maliki said at one point he needed to stop the negotiations. Leave aside for the moment the reasons. But he was prepared to begin negotiations again between two sovereign nations, U.S. and Iraq, about some American troops being in Iraq after January 1st. So that is what I have heard from there.

But I wanted to ask you from the administration point of view—and I know that Prime Minister Maliki is coming here in a few weeks to Washington—is the administration planning to pursue further discussions with the Iraqi Government about deploying at least some U.S. forces in Iraq after the end of this year?

Secretary PANETTA. Senator, as I pointed out in my testimony, what we seek with Iraq is a normal relationship now, and that does involve continuing negotiations with them as to what their needs are. And I believe there will be continuing negotiations. We are in negotiations now with regards to the size of the security office that will be there. And so there will be—there are not zero troops that are going to be there. We will have hundreds that will be present by virtue of that office, assuming we can work out an agreement there.

But I think that once we have completed the implementation of the security agreement, that there will begin a series of negotiations about what exactly are additional areas where we can be of assistance, what level of trainers do they need, what can we do with regard to CT operations, what will we do on exercises, joint exercises, that work together. I mean, we have these kinds of relationships with other countries in the region, and that is what we are going to continue to pursue with Iraq.

Senator LIEBERMAN. And in fact, just using a term that both of you have used, that would be a “normal” relationship. A normal relationship would not exclude the presence of some American military in Iraq. Correct?

Secretary PANETTA. That is correct.

Senator LIEBERMAN. So what I hear you saying, assuming that this question of immunity could be overcome—so do you, Mr. Secretary, personally believe that it is in the interest of the U.S. to have some military presence in Iraq as part of an agreement with the Iraqis?

Secretary PANETTA. I believe there are areas where we can provide important assistance to the Iraqis, but again, I would stress to you, Senator Lieberman—and I know you have been there—that in order for this to happen, we have got to be able to have them basically say these are our needs, this is what we want, these are the missions that we want to accomplish, and then we can assist them in saying we can provide this in order to accomplish those missions. It has got to be a two-way street.

Senator LIEBERMAN. Let me ask you one final, quick question. We have been concerned—and I have talked to you and General Dempsey about this—about the fact that Iran over the course of the war has been training and equipping extremist groups that have come back into Iraq and killed a lot of Americans and even more Iraqis. What is your belief now about whether the Iranians,

the IRGC particularly, are continuing to train Iraqi Shia extremist militias to come back into Iraq and cause havoc?

Secretary PANETTA. As you know, we went through a difficult period where we knew that the Iranians were providing military weapons to Shia extremist groups, and those weapons were being used to kill Americans. We indicated our concerns about that. That was part of the discussion that I had with the prime minister when I was there, was my concern about that.

As a result of that, they did take actions. They took actions. Operations were conducted against the Shia militant groups. In addition to that, Maliki made very clear to the Iranians that this had to stop. We did go through a period where it did stop, but we continue to have concerns that the Iranians will try to provide that kind of assistance as well. And we have made very clear to Iraq that they have got to take whatever steps are necessary to ensure that does not happen.

Senator LIEBERMAN. Okay. I appreciate the answer. Thank you. And thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

Mr. Secretary, I just wanted to follow up with a question that Senator Lieberman asked. He asked do you think it is important to have a military presence in Iraq, and you did not answer. You said we need to provide important assistance to the Iraqis. But do you or do you not think that we should have a military presence in Iraq?

Secretary PANETTA. You know, I think that providing a military presence that assists them with training, that assists them with CT operations continuing to work against terrorist groups there is important, but I have to stress to you, Senator, that it can only happen if the Iraqis agree that it should happen.

Senator BROWN. No. I understand that. I just wanted to—

Secretary PANETTA. Well, I know, but I get the impression here that somehow everybody is deciding what we want for Iraq and that that is what should happen. But it does not work that way. This is an independent country.

Senator BROWN. I understand that. I want to get a chance to ask my questions. I am not sure what your perception is about what the others have said, but I have some very specific questions.

And to follow up with Senator McCain a little bit and his concerns about contractor cost versus soldier cost, I mean it is a tremendously large dollar amount. It is the same in Afghanistan. It is the same in Iraq. We are going to have potentially 16,000 contractors over there. How does the SOFA agreement or their ability to perform their duties over there affect the contractors? I know that they are going to be performing security and have some very serious legal challenges as well. How is it any different?

General DEMPSEY. Yes, I can take that one, Senator, because you know, when I know was running the Security Transition Command training and equipping the Iraqi security forces, I had a rather small military staff of about 1,000, and I had probably three or four times that in contractors. And the contractors are often third country nationals. These are not all DOD contractors. So security con-

tractors could be from a third country, and as part of the contract, there will be a negotiated position on protections and immunities. But oftentimes they are not protected and if, therefore, something happens, they can be imprisoned and tried in the host nation. And that is a common practice around the world.

You know, we ought to take, for the record, I think though, the issue of cost because there is a distinction on the kind of contractors that are used. A truck driver driving a cargo truck of food-stuffs from Kuwait to Baghdad will get paid at a certain rate, a security contractor at a different rate. These are not all contractors making \$250,000 a year. So I think we ought to peel that back a bit for you to see the real costs.

Senator BROWN. Well, I think it is important to let the American public know because I know when I was in Afghanistan talking to the soldiers who were deeply concerned about those drivers just throughout the post and from post to post getting upwards of \$100,000 and you have a soldier that can do it at \$20,000–\$30,000. When we are trying to squeeze out every last dollar, I think it is important. I would rather be, quite frankly, providing the tools and resources to our military personnel versus contractors. So I would hope that you would look at that.

Mr. Secretary, you committed to not allowing Iran to get nuclear weapons. Do you think we are accomplishing that?

Secretary PANETTA. I think that the United States, working with our allies and implementing the sanctions that have gone against Iran have, combined with other efforts, impeded their effort to move forward in that area. That is correct.

Senator BROWN. Well, we have so many sanctions. Yet, I think the biggest problem we have is in actually enforcing them. I cannot remember the last time we were actually fined a company for performing work and doing business in Iran.

How involved is Russia in actually helping them gain nuclear capabilities?

Secretary PANETTA. Well, I really think you probably ought to ask our intelligence officials about the specifics of Russian engagement there. But there is no question that they have provided some help.

Senator BROWN. Well, I just bring it up because you brought up that we are not allowing them to gain nuclear capability. Yet, we seem to really not be putting any teeth behind the sanctions and really I think we can do it better I guess is my point. Maybe we can talk offline about that.

But I also have heard in speaking to, obviously, members of the committee and others that the prime minister has kicked out officials in the intelligence services and the army and replaced them with his own loyalists. Police sources report that roughly 200 people have been arrested since October 24th on charges of affiliation with the Ba'ath party under Saddam and planning to conduct terrorism within Iraq. Are you concerned with these types of arrests and whether it will either require us to have a larger footprint or how it is going to be affected by a footprint being reduced?

Secretary PANETTA. I am concerned by the actions that the prime minister took with regard to arresting the Ba'athists. And they are

being held at this point without charges and that raises concerns about due process.

At the same time, I have to say that the Sunnis—and it is a reflection of what has happened in Iraq—that the Sunni population there recognizes that even in light of that, that their actions ought to take place through the institutions of government, and they are bringing their pressure through the parliament and through the government to try to change that behavior. And I think that is what democracies should do.

Senator BROWN. What level, do you think—in terms of a percentage basis, would you give Iraq's counter-terrorism forces today? Either one?

General DEMPSEY. I will take that, Senator.

Well, they number about 4,500.

Senator BROWN. How does that rank in terms of percentage capability of being fully ready to perform the mission?

General DEMPSEY. Yes. I would describe their readiness rate to be about 80 percent, and the gap is in their ability—they are extraordinarily good—extraordinarily good—at closing onto a particular target when the target is identified for them generally, in their case, through HUMINT. What they lack is the ability to fuse intelligence, signals intelligence, human intelligence, and identify a network. You visited—by the way, nobody else in the world does it like us. So I am comparing us to them. But the point is when you visit our soldiers, sailors, airmen, and marines in operations centers in Iraq, they will have a wiring diagram of the network in their particular area. And that has come after years of adaptation and learning that we have not yet managed to pass over to our Iraqi counterparts. But in this Office of Security Cooperation, we have a cadre of trainers to continue to build that capability and close that gap.

Senator BROWN. How functioning is the air force? Is it capable of defending its airspace? Does that matter at this point? Or where do you think we are with that?

General DEMPSEY. I will tell you where they are and then I will take a stab at whether it matters or not. But as you know, they have got F-16's on order as part of the \$7 billion foreign military sales program. The first 18 or so of what will eventually be 24 will be delivered in the 2015 time. So there is a gap between now and 2015 on their ability to protect their air sovereignty.

Does it matter? It is not apparent to us that it matters—that there is no air threat to Iraqi sovereign airspace right now. But after the first of the year, as Prime Minister Maliki sees what the security agreement—how that has evolved, what it looks like as we begin our withdrawal, I suspect there will be some negotiation back with us on issues related to air sovereignty. They have also got long-range radars on order that come in this next calendar year to help paint themselves an air picture. So there is a gap at least out through 2015, probably beyond because you have to train the pilots. And when General Babaker, the CHOD, the chief of defense, speaks about not being ready till 2020, it is that kind of capability that he is talking about, not the day-to-day capability on the ground.

Senator BROWN. Well, thank you. Thank you, both.

Chairman LEVIN. Thank you, Senator Brown.

Senator REED.

Senator REED. Thank you, Mr. Chairman.

General Dempsey, was it the uniform recommendation of all the joint chiefs and yourself to the President that without appropriate immunities for American forces, that you could not maintain American forces in Iraq?

General DEMPSEY. It was, Senator.

Senator REED. And from your perspective, the Government of Iraq was not prepared to give appropriate immunities to American forces?

General DEMPSEY. Yes. That was the feedback we received back, that based on the legal advice of not only Department of Defense lawyers but lawyers across the interagency, that the protections we required could only be achieved through an agreement that passed through the council of representatives inside of Iraq.

When that was not forthcoming, then our advice was we could not leave—and by the way, just to Senator McCain's point. We do have soldiers all over the world deployed in JCET's, joint combined exercise teams, but these are small groups of soldiers doing training missions, not what we believe would be a large footprint of men and women potentially at checkpoints conducting combat operations that could be very prominent, very visible and, therefore, very vulnerable to a very immature judicial system.

Senator REED. Meaning that they could be policed up, thrown into a system without any adequate due process and be subject to essentially the whims of whatever Iraqi justice is at the moment?

General DEMPSEY. Well, that was the concern, but the larger concern was that there would be some kind of incident that would put us at odds with the Iraqi security forces trying to arrest one of our soldiers.

Senator REED. And we actually could have force-on-force conflict between—

General DEMPSEY. In the worst case.

Senator REED. The necessity for the core, their assembly, their general assembly—this was a result of the SOFA agreement, I presume, that any amendments to the treaty had to be approved by their parliamentary procedures, including the parliament?

General DEMPSEY. That was both their interpretation and our own.

Senator REED. So this notion of who can bestow immunity rests on the SOFA agreement which the Bush administration negotiated and signed.

General DEMPSEY. I do not know how far back it goes. I mean, this is longstanding legal interpretation that I am sure goes back well beyond the Bush administration.

Senator REED. You are both more familiar with the SOFA than I, but my understanding is that there was very explicit language calling for the withdrawal of all American military personnel but that there was no language or no explicit language calling for further negotiations as to the continuation of forces. Is that correct?

General DEMPSEY. If you are referring to the 2008 Security Agreement—

Senator REED. I am.

General DEMPSEY.—that is my understanding.

Senator REED. But then there are suggestions today that everyone understood that this was just a placeholder, that this major policy decision calling for all forces to withdraw from Iraq, which was approved by their parliament, was simply a placeholder because everyone knew that going down the road, we would renegotiate both sides in good faith and come up with another combination. Do you think that is realistic?

General DEMPSEY. I will not comment on its realism, but I will say that I expected that there would be some negotiation prior to 2001, and by the way, there was. And that negotiation terminated when the Iraqi prime minister determined that he did not need the missions we were willing and capable to perform and would not provide the protections.

Senator REED. And it goes back essentially to the point that the Secretary has made, that that was a determination of a sovereign leader about what he felt was in the best interest of Iraq and that without his cooperation and, indeed, without the approval of his parliament, we have no standing essentially other than to follow what was agreed to in 2008 by the Bush administration. Is that correct?

General DEMPSEY. To my understanding, yes, Senator.

Senator REED. But as you suggested, going forward we still have a relationship in terms of military sales, in terms of not only our diplomatic presence, but there is always the possibility, because that is not precluded by the 2008 SOFA, of amendments which in the future could allow for some participation of American military personnel with Iraqi personnel. That is true also.

General DEMPSEY. It is, Senator. There is the opportunity for them as part of routine theater security cooperation. General Jim Mattis will travel there in January. There is a committee called the High Coordination Committee for each of the six lines of operation in the Strategic Framework Agreement, some of which are economic, educational, commerce, but there is a security line of effort. There is a High Coordinating Council that meets. General Mattis will go and convene one of those meetings in January to discuss future security cooperation.

Senator REED. Mr. Secretary, I presume for the record that we are prepared to entertain any of these serious discussions at any time with Prime Minister Maliki and his cabinet.

Secretary PANETTA. Absolutely.

Senator REED. And it seems to me the key point at this juncture is the point at which Prime Minister and his government begins to reevaluate their position and their perception of the need for additional American military support, and without that, then the 2008 agreement which they negotiated, they agreed to, and they seem to accept stands as the law.

General DEMPSEY. That is correct.

Senator REED. Thank you. I have no further questions.

Chairman LEVIN. Thank you, Senator Reed.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman. I want to thank Secretary Panetta and also General Dempsey for being here today on this very important topic.

I think all of us want to make sure that everything we have fought for and those who have sacrificed in Iraq, that what we have done there does not become undermined. My husband is an Iraq War veteran. This is very, very important, and I think all of us share that. We would like to bring our troops home, but there are serious questions remaining on whether the Iraqis will be able to maintain their own security. And I think that is what we are trying to get at.

I wanted to ask you, Secretary Panetta. In an October 21st conference call, when the withdrawal was initially announced by the administration, that my staff participated in, Dennis McDonough, the Deputy National Security Advisor, and Tony Blinken, the National Security Advisor to the Vice President, were both asked whether if now the Iraqis changed their position and we receive the immunity that our troops need, whether we would change our position on maintaining troops in Iraq. And the answer we got on that call was no.

So my question to you is, is that accurate? If today the Iraqis changed their position and gave us the immunity that we asking for, would we keep troops there?

Secretary PANETTA. Well, you know, obviously both Prime Minister Maliki and the President are moving forward with the implementation of the security agreement. But as I have said here, we are prepared to continue to negotiate with the Iraqis. We are prepared to try to meet whatever needs they have, and if those needs require a SOFA agreement in order to ensure that our troops are protected, then obviously we would be prepared to work with that as well.

Senator AYOTTE. So just to be clear, when Dennis McDonough and Tony Blinken said even if we had immunity now, we would withdraw altogether anyway, were they right or were they wrong in terms of that being the administration's position?

Secretary PANETTA. I think they were reflecting the decision at that point that was clear from the Iraqis and from the prime minister that they wanted to proceed with the implementation of the security agreement. And I think that the decision was, even with the Iraqis, let us proceed, implement that, and then perhaps beyond that, we will negotiate a further presence.

Senator AYOTTE. But it would certainly be a lot easier to, rather than take all the troops out and bring them back, that if we could work this out. You would agree with me there.

Secretary PANETTA. Yes. No, look, I mean, we have been working this for a long time. And I think it came down to the fact that it was very clear from the prime minister and even the other leadership—you know, as Senator McCain said, other members of the leadership there were interested in trying to pursue this, but when it was clear that they could not get immunity passed by the parliament, that that brought that issue to an end.

Senator AYOTTE. Well, the reason that I raise it is I was concerned, when it was reported back to me, that the answer from the administration was that even if immunity was granted tomorrow, that we would still withdraw altogether. That made me concerned, and that is why I raised it.

I wanted to ask you about the recent findings of—the Wartime Commission on Contracting found that from waste, fraud, corruption, and money going into the hands of our enemies, we have lost between \$31 billion and \$60 billion of taxpayer dollars that were obviously wasted, and the worst part is some of it went to our enemies.

Before the Armed Services Readiness Committee recently, we had a hearing on the Wartime Contracting Commission report, and Deputy Secretary Frank Kendall testified before that committee. And I actually asked him about what was happening in Iraq with respect to—you have stated today—roughly 16,000 contractors that will be left there, many of them performing security functions with our troops withdrawing by the end of the year. And when I asked him about that, you know, how will the Department Secretary—the State Department handle that, he told me that there is a lot of risk in this transition and that the State Department has never done anything this big. Would you agree with me on that, Mr. Secretary?

Secretary PANETTA. That is right.

Senator AYOTTE. Also that day before the committee, we had the actual commissioners that did the analysis in Iraq and Afghanistan of the fraud, waste, and abuse and money that went to our enemies. And Mr. Zakheim who testified before our committee that day—I also asked him about what is happening in Iraq and what the implications would be for the State Department putting 16,000 contractors there, many of them asked to handle security. And what he said to me really made me very concerned. He said I do have tremendous concerns. I have more concerns, unfortunately, than I have answers. Clearly if the State Department, until now, has had trouble managing its contracts—and it is no question that they have had some—I do not know how they are going to manage all this.

And he went on to say, now, clearly if you have got a whole bunch of contractors there with guns who will be doing all sorts of things, to me, to my simple mind, this is something that involves security that is inherently governmental. It is a high-risk project so that you are going to have a bunch of contractors either being shot at or shooting Iraqis, and this is a disaster waiting to happen is how he described it to me.

Can you assure this committee that—I guess I would ask you first. Essentially my concern is that we are putting a civilian army there of contractors at an unprecedented level when we have already had some significant issues with contracting. We are going to ask these contractors to protect our diplomatic personnel that are there, our civilian personnel who will still be serving in Iraq. Will they be secure? Will these contractors be able to perform the function that they are needed to perform? Can you assure this committee that the State Department will be able to perform this unprecedented task?

Secretary PANETTA. Well, there is no question that there are risks involved here. What we are facing is an issue of continuing an important State Department role that relates to economic issues, that relates to development issues, that relates to education issues, that relates to the other pieces that we have been assisting the Iraqis with. And the State Department is taking the lead in

trying to build those relationships. So they have got a presence. They have got bases throughout Iraq or locations where State Department officials will be.

In the absence of not having the military presence, then obviously in order for them to do their job, they have got to have security. They have got to have support. They have got to have food. They have got to have transportation. And that is, obviously, brought about through a contracting approach.

Are there going to be risks associated with the contractors? Yes, I think that is the case. Do we have any other alternatives? No.

General DEMPSEY. Senator, could I comment on that question? Do we have time?

Senator AYOTTE. If it is okay with the chairman.

Chairman LEVIN. In response to the question, sure.

Senator AYOTTE. Thank you.

General DEMPSEY. This is not entirely new. I mean, even from the very beginning when it was the Coalition Provisional Authority and then it became the U.S. Mission in Iraq, the State Department has always contracted for personal security. And so it is not as though they have no experience in doing it. But this is orders of magnitude, and I think that is what people are reacting to.

But in order to help mitigate that, we have had a joint committee, the Department of State-DOD joint staff, in place since August 2010 to talk about transitioning activities in Iraq, 437 activities. We have transitioned 387 of them. We would be happy to brief you on that. We are going to retain the contract management. So the Department of Defense will maintain, through directing contracting management authority, oversight or control of the contracts because we have the expertise. The contracting office representatives will be Department of State personnel on the ground. So we have recognized it, and we are working to mitigate it.

Senator AYOTTE. Thank you, General Dempsey. Thank you, Secretary Panetta.

I would just add this, though, back in August 2010, we were all talking about having some military support there, and when I hear from the Wartime Commission on Contracting commissioner that this is a disaster, I have real concerns about this in terms of protecting our personnel and also a waste of taxpayer dollars.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Nelson?

Senator NELSON. Thank you, Mr. Chairman.

And thank you, Secretary Panetta and General Dempsey, for your service and for being here today.

I am going to try to bring things a little closer to home for the moment. The 935th aviation detachment from the Nebraska Army National Guard is scheduled to deploy in Iraq in May, but given our pending departure from Iraq in December this year, I understand that this deployment might be able to be moved, shifted to a new location, or canceled altogether. And I am sure maybe the decision has not been made, but if it has, it would be interesting to know what it is.

Concerning the end of the military missions in Iraq, how is the Department handling scheduled guard deployments? I understand from the Guard that soldiers already sourced for deployment will

have already started to make arrangements with their families, employers, and communities to deploy, everything from hiring temporary employees to cover the deployment of the soldier to moving families. So how will this work now to use units that are sourced for mobilization even when the requirements in Iraq seem to be changing right before our eyes?

General DEMPSEY. Yes, Senator, I will answer that and with my experience as the Chief of Staff of the Army because this was something we watch very carefully to make sure that before we hit a mobilization date, we understand where these organizations can be used so that we reduce the risk of having to demobe them.

So the specific unit you are talking about, if it is inside of a year, it has already been mobilized. Therefore, it is training. Therefore, we will find a place to use it. What we have done in the past is we find a place to use that portion of it that wants to stay. Now, the first step is to see if there are volunteers to go back home, and we find that often a percentage of the unit will be happy to do that. The rest of the unit will typically be re-missioned someplace. First choice would be in the AOR, but there are other opportunities to do that as well. And that is kind of the procedure. You try to make a decision before you move them, but if you have moved them and now the mission changes, we either re-mission them or allow those that choose to go home.

Senator NELSON. So it is probably unlikely that they would be mobilized to go to Iraq.

General DEMPSEY. What kind of unit are they, sir? Aviation?

Senator NELSON. Aviation.

General DEMPSEY. Aviation is in high demand. It is among our most high-demand organizations. So it is likely that they would be used, unlikely that it would be in Iraq.

Senator NELSON. And I would like to talk to you both today about providing certainty for military members and their families. I know that there has been a lot of discussion in connection with cost-cutting and cutting spending in D.C., particularly as it relates to the Department of Defense dealing with military pay and compensation and benefits. I think that, obviously, earned military retirement benefits need to be maintained and, as promised, delivered. What are your thoughts and recommendations to change military retirement for members who are currently serving?

Secretary PANETTA. We have, obviously, discussed this as we have gone through the budget exercise, and I think our view is that this ought to be given to a commission. The President made that recommendation. We would support that to have a commission review the retirement area. But we also made clear that with regards to those that have served, that they ought to be grandfathered. We have made a commitment to those that have deployed. They put their lives on the line. We think we ought to stand by the benefits that were promised to them.

Senator NELSON. Keeping our promises is important. I guess, General Dempsey, you might have a view on that as well. I would be surprised if it was not the same.

General DEMPSEY. It is exactly the same.

Senator NELSON. I understand.

General Dempsey, you might recall that some time ago, a few years ago, I visited Iraq and met with you I think when you were in charge of the training and acquisition mission. And you outlined at that time how the Iraqi Government engaged with our military by contract for acquisition of military equipment because we were able to do it more efficiently and cost-effectively than they were because they did not have the acquisition structure in place in order to be able to do it.

Do you remember why we engaged them at that time in that bilateral agreement to acquire, through the use of their money, the equipment that they needed?

General DEMPSEY. Even then, Senator, it was clear to me that at some point we would have something that we would describe as a normal relationship with Iraq. And one of the ways we solidify that relationship not just in Iraq, but around the world is through our foreign military sales program. And so in those early days, we were able to convince the ministry of defense to invest. At that time, I think it was about \$600,000, and today they have invested about \$7.5 billion. It is a point of managing the relationship but also helping them grow their own capability to be responsible stewards of their own resources.

Senator NELSON. We have had a lot of discussion about the pros and cons of hiring outside contractors, and discussion will be ongoing. And the proof will be how it works out as to whether or not it is as advisable as it seems to be up front.

Now, in connection with that, in the cost differentials that may be there, is it possible to enter into an agreement with the Iraqi Government for cost-sharing on continuing to provide security, training of their troops, and every other mission that we might accept to help them secure, stabilize, and self-govern?

General DEMPSEY. Yes, sure it is, Senator. I mean, when we do multilateral and bilateral exercises around the world, there is always a negotiation on the cost, and who will bear it.

But I also have to mention, in terms of the contractor-supplied security, in any nation in which we are present diplomatically, the first responsibility for security is the host nation and then it is the close-in security that we are talking about that tends to reside with the contracted support.

Senator NELSON. I think it is debatable perhaps about the costs given the fact that the contractors will be paid by contract. The military requires more than just the soldier providing the security, all the backup, the back room, the supply, the support that the military gets. That is a factor that is not necessarily included in the contractor's agreement. Is that accurate, Mr. Secretary?

Secretary PANETTA. That is correct.

Senator NELSON. So it may not be as out of whack. I am not an advocate for contracting, but it may not be as disproportionate as it sounds up front with high numbers for contractors when you add in the cost of the back support for the military providing the security.

Secretary PANETTA. I believe that is correct.

Senator NELSON. General Dempsey, do you have any thoughts on that differential and what it may consist of?

General DEMPSEY. I do, and the answer is we can actually peel that back and provide it to this committee or others.

Senator NELSON. I think that would be advisable.

General DEMPSEY. Yes. We call it ?fully encumbered costs,? and when you fully encumber it, it is not as dramatic as it might seem otherwise.

Senator NELSON. Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Nelson.

Senator Collins?

Senator COLLINS. Thank you, Mr. Chairman.

Secretary Panetta, General Dempsey, before I turn to my question on Iraq, I want to share with you an experience that I had yesterday. I visited a wounded marine from Maine at Bethesda. He was severely wounded by an IED in Afghanistan. He lost part of one leg. The other leg has a lot of shrapnel in it. Both of his arms were wounded, and he has a traumatic brain injury as well. He has recently been moved into a little apartment that have newly been built. They are wonderful accommodations for our troops and their family members. And his spirits are amazingly good and upbeat.

But I asked him if he had any concerns, and I want to share with you his concern. He said that while he praised the care that he was getting, that there was a severe shortage of physical therapists and other trained clinical personnel to help him in what is going to be a very long recovery. He is expected to be there for another 9 months. So he is looking at a long haul.

And this really troubled me because here we had this young man who is probably 19 or 20. He was wounded just 6 weeks after arriving in Afghanistan. He faces a very long recovery period. And his spirits are high. His morale is good, but he is worried that he is not going to get the care that he needs because there has been a freeze, he said, put on the number of physical therapists that can be hired. And he described a session to me where the physical therapist helps him for a while, then has to turn to other patients to help them, and he feels that is impeding his recovery.

So I mention this to you. I promised him that I would bring it to the highest levels. I am delighted that you are here today so that I could keep that promise. And I ask you to look into that because none of us wants to be scrimping in any way on the care that we owe these wounded warriors who have given so much to our country.

Secretary PANETTA. Senator Collins, I appreciate your bringing that to my attention. I have been out to Bethesda a number of times, but I have not heard that there was a problem with physical therapists because, frankly, most of the soldiers, most of the troops that I visited with, all need tremendous physical therapy. It is the only way they are going to make it. They have got great spirits, as you saw. They have got great spirits, great hope for the future. But we have got to have the physical therapists there to try to assist. So you can give him my assurance that I will look into this and make sure that that is not the case.

Senator COLLINS. Thank you so much. I am sure he will be delighted that we had this exchange, and I will get back to him.

Turning now to Iraq, we have been training the Iraq security forces for nearly 8 years now, and yet concern still exists about gaps in the numbers, the training, the capabilities, particularly as far as their ability to successfully defend the borders against the infiltration of weapons and militants from Iran.

Now, some people contend that until we withdraw most of our forces, the Iraqis are never going to step up to the plate fully to defend their country. And I personally think that is a legitimate argument. But others say that if we withdraw our troops, that we will lose the security gains that have been so hard-fought.

So, General, given the outstanding concerns about Iraq's ability to defend itself against direct threats and against the infiltration of weapons from Iran, are you concerned that we are jeopardizing the security gains and that we will see a deterioration of security and a step-up in violence as we withdraw our troops?

General DEMPSEY. That was always a concern of mine. But I will say that over the last 3 years in my contacts with those who are—and I am dated. I have not lived in Iraq for about 4 years, but in my trips back and forth there and in conversations with those who are partnered with them, that is to say, our forces, they all have considerable confidence that the Iraqi security forces that we have built at great cost and effort over the last, as you said, 8 years will be able to maintain security inside of that country. And what they lack is the institutions and that is where our effort ought to be at this point.

Senator COLLINS. What about the Kurdish region in Iraq? There are concerns that Kirkuk stands out as an unresolved area where there is still a lot of tension with the central government in Baghdad. I understand that only a small DOD contingent will remain there, and it is my understanding that the State Department is going back and forth on whether or not it should have a full consulate presence in Kirkuk or maintain a less formal diplomatic presence post. If there is no U.S. military presence to act as a buffer between the Kurdish forces and the Iraqi security forces, are you worried that this region of Iraq will become a destabilizing flashpoint?

General DEMPSEY. I worry about a lot of things, Senator, and I will include this among the list of things I worry about. But as you know, we put in place several years ago joint checkpoints where there was a member of the Kurdish Peshmerga. There was a member of the Iraqi security forces and a U.S. service man or woman and a coordinating center. And part of our Office of Security Cooperation footprint will include our participation in the coordination center. We will not be on the checkpoints anymore. That is true. And so we will have to rely upon the continuing negotiations between the Kurdish political leaders and the Government of Iraq. But this is not, again, a place where we are completely removing ourselves, but your point is accurate. We will not be on the checkpoints. We have been there as a buffer. The risk goes up, but our presence in the coordination center provides a stabilizing influence to get them to find negotiated answers not violent answers.

Senator COLLINS. Thank you.

And finally, Secretary Panetta, we have military relationships with countries all over the world, and we have SOFA agreements

with those countries. Are there other countries where we have a military presence that goes beyond protecting our embassies where we do not have the legal protections that a SOFA provides, or will Iraq be the only one?

Secretary PANETTA. There are obviously different—in different areas, there are going to be different approaches here. There are some areas where we have SOFA agreements. There are some areas where we basically put them under diplomatic protection of one kind or another if they work out of the embassy. So it does vary depending on the area that we are talking about in terms of protections.

I guess what I want to assure you is that in each area we do try to seek protections for the troops that are there because of the concern that they be treated correctly if any kind of incident takes place.

Senator COLLINS. And that is absolutely critical.

What I am concerned about is while diplomatic immunity is pretty easily extended to troops that are guarding an embassy, for example, it sounds like our mission of our remaining troops in Iraq would be broader than that. And so I am worried about whether the legal protections will be there for them.

Secretary PANETTA. And that is a concern that we all have. If there is to be in the future a larger presence there, we have to ensure that they are given the proper legal protections. Depending on the size, that would determine whether or not a SOFA agreement would be required.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Collins.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

And Secretary Panetta and General Dempsey, thank you for your service. We all certainly do appreciate what you all are doing.

In light of Senator Collins' question concerning the wounded warrior that she met yesterday, about 2 weeks ago, my office—we hosted a wounded warriors' luncheon for a number of soldiers from North Carolina, and they brought with them their family member that was helping them recuperate. And it was really a—we have done this before, and it was certainly a welcomed luncheon for me to get to attend and also I think all of these soldiers that were here at the Capitol appreciated the outreach from the office and they also got a Capitol tour.

But what was really intriguing too was one young man had lost his leg to an IED about 2 months before. He had been recuperating for about 2 months. And he said he was most anxious to get back to the battle and that his job was to detect IED's. And I too just really highlight the morale, what these young men and women go through each and every day. So we do need to have as many physical therapists as possible to be sure that they do get the treatment that they have certainly paid for and deserve.

But I wanted to talk about our special operations forces. As you know, our special operations forces have engaged with their Iraqi counterparts in counter-terrorism and training and advising activities. What will things look like in Iraq from a special operations

forces standpoint going forward, and what type of engagement would our special operations forces have in Iraq?

General DEMPSEY. Yes, Senator. The size of the Iraqi special operating forces is about 4,500. They are organized into a counter-terrorism section commanded by an Iraqi lieutenant general by the name of Kanani. We are partnered with him at the headquarters level and will remain so. We are in discussions with Iraq about training trainers that would stay inside the wire of the places where this counter-terror force is located, not go with them on missions, but rather continue to train them to go on missions.

And as I mentioned earlier, the gap is actually in their ability to kind of identify the network and target it. We call it the "find, fix, finish, exploit, and assess cycle." They are very capable of fixing and finishing, not so capable as yet in finding, exploiting, and assessing so that you continue to keep pressure on a network.

But I will tell you they are extraordinarily competent individual soldiers. What we have got to do is keep raising the bar with them on their ability to do the things at echelons above tactics.

Senator HAGAN. Well, with the drawdown taking place in less than 2 months, what is your outlook for the ability to continue this training process to enable them to be able to do this on their own?

General DEMPSEY. Well, they will be limited. They do not have the airlift to deliver them to the target that we might have been able to provide. They do not have the ISR platform to keep persistent surveillance over top of the target. So they will be limited to ground movement and they will be limited to human intelligence, but part of the Office of Security Cooperation provides the trainers to keep developing those other capabilities. But we are some time off in reaching that point.

Senator HAGAN. As we continue this drawdown of our U.S. military personnel from Iraq, I really remain concerned about their force protection, the individuals that are remaining in Iraq. So what are these remaining challenges for our military personnel in Iraq in terms of managing their vulnerabilities, managing their exposures during the drawdown?

General DEMPSEY. Senator, you are talking about getting from 24,000 down—the existing force now and having it retrograde back through Kuwait?

Senator HAGAN. The ones that are going to remain over there.

General DEMPSEY. The ones that will remain will be—

Senator HAGAN. Their protection.

General DEMPSEY. Yes, Senator. Well, they will have—first and foremost, we have got 10 Office of Security Cooperation in Iraq bases, and their activities will largely be conducted on these bases because their activities are fundamentally oriented on delivering the foreign military sales program. So F-16s get delivered. There is a team there to help new equipment training and helping Iraq understand how to use them to establish air sovereignty. Or there are 141 M-1 tanks right now generally located at a tank gunnery range in Besmaya east of Baghdad. And the teams supporting that training stays on Besmaya. So this is not about us moving around the country very much at all. This is about our exposure being limited to those 10 enduring, if you will, Office of Security Cooperation

base camps and doing the business of training and educating and equipping on those 10 bases.

The host nation is always responsible for the outer perimeter. We will have contracted security on the inner perimeter, and these young men and women will, of course, always have responsibility for their own self-defense.

Senator HAGAN. So we will have contracted security on the inner perimeter.

General DEMPSEY. That is right.

Senator HAGAN. Iraqi counter-terrorism forces in partnership with the U.S. special operations personnel have significantly degraded al Qaeda in Iraq's ability to conduct these spectacular attacks by repeatedly removing the group's mid and senior level leadership, which I compliment you on. These operations were enabled by U.S. capabilities including our unmanned intelligence platforms.

What do you assess are the capabilities of Iraqi counter-terrorism forces to continue these similar operations, some of what you were just describing, General Dempsey, against al Qaeda in Iraq, once again, in the absence of our forces, and how will our counter-terrorism activities change following the drawdown of the U.S. military? And you have just identified some, but it seems with the lack of all the other personnel, that this is going to be a very hard task.

Secretary PANETTA. If I could, Senator, in my past capacity, we were helping to provide a lot of intelligence and assistance, and I think some of those efforts will continue to provide intelligence, try to provide assistance in these areas.

Having said that, the one thing that I have been impressed by is the fact that their CT operations have been very effective, and despite the fact that we have drawn down 150,000 to 24,000 now, they have been very good at going after al Qaeda and being able to go after the threats that they have been able to perceive.

There is a need—and I think General Dempsey has pointed this out—with regards to some of the capabilities, helicoptering in, being able to have the ISR above. Those are the areas where we are going to have to provide assistance to them so that they can develop that capability. But they are still very good at going after those targets.

Senator HAGAN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Hagan.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you both for testifying. This is a very important issue for the country, and I think we have had a good discussion.

Number one, I completely concur with the idea that American troops should not be left behind in Iraq without legal protections. It is not fair to them. To say that the Iraqi legal system is mature is being gracious. If an American soldier were accused of rape anywhere in Iraq, I do not think they would get a fair trial. So at the end of the day, Iraq has a long way to go on the legal side and I think a long way to go on other sides.

My concern is that I have never bought into the idea that the impasse was getting the parliament to approve an immunity agreement. And I will just give you one vignette. I went over with Senator McCain and Senator Lieberman in May to talk to the prime

minister about a follow-on force, and I was discussing with him that no American politician, Republican or Democrat, would accept a follow-on force without legal protections. And as we were talking about it, he says, well, how many people are you talking about? What is your number? I turned to Ambassador Jeffrey and General Austin and said you have not given them numbers. He says, no, we are still working on that. That is in May.

So let us get into this, General Dempsey. 16, 10, 5, cascading. Is it your testimony that we were proposing 16,000 to the Iraqis and they said no? Then we came back with 10,000 and they said no. Then we came back 5,000 and they said no. Then it got to be 0.

General DEMPSEY. No, that is not what I testified to.

Senator GRAHAM. What caused the cascading effect? General Austin told me—and I will just tell you now because it is so important—he thought we needed 19,000. and I said, Lloyd, that is probably going to be more than the market can bear. I said that because I am concerned about American politics too.

Then the numbers were around 15 to 16. Then we started about 10. It came to 10, and nobody got below 10. So I know what General Austin had on his mind.

At the end of the day, General Dempsey, you are right. It is about the missions you want that determines the numbers. And we have got through it pretty well. Iraq does not have the intel capacity we do. We need to make sure they have better intel. They do not have an air force. We need embedders. We need trainers. We need CT. we need to referee the Kurd-Arab dispute. I think 10 or 12 is what you need. At the end of the day, we are down to 0.

And I guess my question is, is Iran comfortable with a democracy on their border in Iraq, Secretary Panetta?

Secretary PANETTA. I think they are very nervous about having a democracy on their border.

Senator GRAHAM. Let me tell you what the speaker of the Iraqi parliament, a Sunni, Mr. Najaf, said. Iraq now suffers from points of weakness. If neighboring countries see that Iraq is weak and incapable of protecting its border and internal security, then definitely there will be interference. This interference does not exist now. He was talking about how Iran would step up their efforts to destabilize Iraq if we all left.

Do you agree that is a more likely scenario? They are doing it now. They are only going to do it more if we do not have anybody there.

Secretary PANETTA. I think there will be a continuing threat. I think that the reality is that the Iraqis do not want to have Iran exert that kind of influence in their country.

Senator GRAHAM. Now, if the Sunni speaker of the parliament is worried about that, is there any doubt the Kurds want us there? If it were up to the Kurds, there would be 50,000 American troops in Kurdistan. Do you agree with that?

Secretary PANETTA. Yes.

Senator GRAHAM. So we know the Sunnis are worried about this, and we know the Kurds would have 50,000 if we would agree to put them there. And I would not agree to that, but they are very welcoming of U.S. troops. So I am getting a little bit concerned that all the blame on the Iraqi political system is maybe not quite fair.

Secretary Panetta, you were a politician in another life. Would it be a political problem for President Obama to announce this year that we are going to keep 15,000 people in Iraq past 2012? Did that ever get considered in this administration? Did anybody ever talk about the numbers changing because the Democratic base would be upset if the President broke his campaign promise?

Secretary PANETTA. Not in any discussions that I participated in.

Senator GRAHAM. Do you think it ever happened anywhere? Do you think anybody in the White House ever wondered about the political effect of having troops in Iraq on the 2012 election? You talk openly about the Iraqis having political problems. You do not think there are any politics going on on our side?

Let me ask you about Afghanistan, General Dempsey. Did any commander recommend that all of the surge forces be pulled out by September 2012?

General DEMPSEY. I honestly do not know, Senator.

Senator GRAHAM. Well, let me tell you. The testimony is clear. No option was presented to the President in July to recover all surge forces by September 2012, and you put General Allen in a terrible spot—the administration has. And I think it is no accident that the troops are coming home 2 months before this election in Afghanistan, and if you believe that to be true, as I do, I do not think it is an accident that we got to 0.

Now, at the end of the day, we are at 0. Do you think the people in Camp Ashraf are going to get killed? What is going to happen to them?

General DEMPSEY. As you know, Senator, the State Department is leading an effort to ensure that we work with the Iraqi—

Senator GRAHAM. Can you tell the people back here that the likelihood of their friends and family being killed is going up greatly if there are no American forces up there policing that problem?

General DEMPSEY. I will not say anything to those people because I am not involved in the outcome.

Senator GRAHAM. Fair enough.

I asked Admiral Mullen, your predecessor, what is the risk of an Arab-Kurdish conflict over the oil Reserves around Kirkuk in terms of a conflict if we are not present. He said it was high. Do you agree with that?

General DEMPSEY. I might have said moderate because of my own personal contacts with both the Kurds and the Iraqis.

Senator GRAHAM. So you believe that there is a moderate risk, not a high risk, if there are no U.S. forces policing the Kurd-Arab borderline disputes and the Kirkuk issue.

General DEMPSEY. I do. I would like to take some time to articulate why I believe that, but if you would like me to take that for the record, I would be happy to do so.

Senator GRAHAM. I would.

Now, do you believe it is smart for the United States not to have counter-terrorism forces? Is it in our National security interest not to have any counter-terrorism forces in Iraq?

General DEMPSEY. It is in our National security interest to continue pressure on al Qaeda wherever we find them either by ourselves or through partners.

Senator GRAHAM. But do you think the counter-terrorism problem in Iraq is over?

General DEMPSEY. I do not.

Senator GRAHAM. Secretary Panetta, you have been great about this. You said there are a thousand al Qaeda in Iraq, and I know in your old job that you are very worried that they are going to reconstitute. So will you do the best you can to convince the Iraqis—and I tell you what. I am willing to get on a plane and go back myself—that they would benefit from counter-terrorism partnership with the United States?

Secretary PANETTA. I have made that clear time and time again.

Senator GRAHAM. And they just tell you they are not concerned about that.

Secretary PANETTA. What they tell me is that they are concerned about that. They obviously have their forces that are dealing with that.

Senator GRAHAM. Is it your testimony the Iraqis would not have 3,000 U.S. forces? They do not want any U.S. forces at all. They are not willing to expend the political capital to get this agreement done because they just do not see a need for U.S. forces. Is that the Iraqi position that they have come to the point in their political military life that they just do not need us at all?

Secretary PANETTA. I think the problem was that it was very difficult to try to find out exactly—when you say the Iraqi position, what exactly the Iraqi position was at that point.

Senator GRAHAM. What is the Kurdish position in Iraq about U.S. forces?

Secretary PANETTA. Well, I do not think there is any question they would like to—

Senator GRAHAM. So what is the Sunni speaker of the parliament's position about U.S. forces?

Secretary PANETTA. I think the same.

Senator GRAHAM. Well, when I was with Prime Minister Maliki in May, the next day he announced that he would accept a follow-on force if other parties would agree. So how did this fall apart?

Secretary PANETTA. I heard the same statements and read the same statements. But the problem is in the negotiations that involved the Ambassador, that involved General Austin, in those discussions they never came to the point where they said we want this many troops here.

Senator GRAHAM. Well, I can tell you—and I have taken my time. I can tell you in May they had no number given to them by us. They were in the dark as late as May about what we were willing to commit to Iraq. So this is a curious outcome when you got Sunnis and Kurds on the record and the prime minister of Iraq saying he would accept a follow-on force if the others agreed. I do not know who does the negotiation for the United States, but if I had three people saying those things, I thought I could get it over the finish line. But we are where we are.

And thank you for your service.

Chairman LEVIN. I am just going to have a second round for those of us who are here, just maybe a couple questions each so we can get to our second panel.

Mr. Secretary, did Iraq ever request U.S. trainers or other troops remain in Iraq after December 31st, and if so, what number did they request and were they willing to grant legal protection, immunity to our troops?

Secretary PANETTA. There was no such request.

Chairman LEVIN. Senator McCain?

Senator MCCAIN. Just briefly, Mr. Chairman.

I do not see how you could have expected the Iraqis to agree when we could not give them a number, and that was not just the case in May. We came back. We kept asking the President's National Security Advisor and others what is our proposal, and we never had one until it got down to, I guess, 5,000 or 3,000. I mean, history will show, Secretary Panetta, that they were ready to negotiate in May and we would not give them a hard number both as far as numbers are concerned and missions are concerned. So it is hard to understand how anyone would believe that they were reluctant to negotiate when we would not give them a number to negotiate from. But history will provide that, and I am sure we will have further spirited exchanges on this issue in the future.

But I also wanted to thank you for the letter that you wrote to me and Senator Graham. I think it crystallizes the challenges that our Nation would face if we had sequestration. I do not think there is any two greater deficit hawks than Senator Graham and me. But your letter, I hope, is read by every Member of Congress and every citizen of this country because we cannot put our Nation's national security at risk. And you gave us a very definitive answer, and I want to thank you for that.

Secretary PANETTA. I appreciate it.

Senator MCCAIN. And I want to thank you and General Dempsey for your continued leadership and putting up with these occasional insults that you have to endure here in the Senate. [Laughter.]

Could I just say finally on the Camp Ashraf issue? I know that the Secretary of State is addressing this issue, but it is American troops that are protecting them now. I hope that you can give us some idea as to what the disposition is going to be because I think it is very clear that the lives of these people are at risk.

And I thank you.

Secretary PANETTA. I appreciate that.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman LEVIN. Well, just on that point, if we turn it into a question, it may be, General, this needs to be addressed to you to. There is obviously a greater risk to folks there unless the Iraqis keep a commitment and what is going to be done to make sure, to the best of our ability, that they keep that commitment, and what about the question of removing them from the list—not them but the organization from the terrorist list? We are all concerned about that.

General DEMPSEY. And we share your concern. Lloyd Austin shares the concern, and I know Ambassador Jeffrey shares the concern. And there is no—we are not sparing any diplomatic effort to encourage the Iraqis to do what we think is right in this regard to ensure the protections of those folks in Camp Ashraf.

But right now, actually the Iraqi security forces guard Camp Ashraf with our advisory and assistance group with them. And so

the concern, when we do leave, that capacity is a real one. But I actually think we have got to put the pressure on the Iraqi Government diplomatically to have the outcome we think is correct.

Chairman LEVIN. Just assure them, if you would, that there is a real strong feeling around here that if they violate a commitment to protect those people, assuming that they are still there and that they have not been removed from the terrorist list so they can find other locations, that if they violate that commitment to us, that is going to have a severely negative impact on the relationship. I think I can speak here for Congress, although I am reluctant to ever say that. I think there is a lot of concern in Congress about it, and this will, I believe in my opinion, severely negatively impact their relationship with the U.S. Congress. Let me leave it at that.

Secretary PANETTA. Senator, I want to assure you that Ambassador Jeffrey has made that point loud and clear to the Iraqis.

Chairman LEVIN. Senator Lieberman?

Senator LIEBERMAN. Thanks, Mr. Chairman.

I would add my voice, and I think you can speak for Congress, members of both parties in both houses, in expressing our concern about the safety of the people in Camp Ashraf.

You know, this is one of a series of what I would call ?what ifs? which have different answers now that we are dealing with a sovereign Iraq. I suppose this is true whether we have troops in Iraq or not or outside or in the neighborhood. We are going to be relying on diplomacy, cajoling them. I mean, what if there is a victimization, attacks on the people at Camp Ashraf. What if al-Sadr, who says he wants the U.S. embassy out of Baghdad, begins to strike at the embassy beyond the capacity of the security forces? What if a conflict breaks out between the Kurds and the Sunni Arabs at the fault line there in the north? I think I would just leave that question because it is an answer that is going to be spelled out in our negotiations with them.

I do not know if I am quoting somebody whose testimony on the second panel I read, but I thought it was a great quote. Maybe I got it from somebody else about diplomacy. Frederick the Great apparently said that diplomacy without military force behind it is like music without instruments. And there is something to be said about that.

My question is to ask you, Mr. Secretary, if you would just spend a moment to develop in a little more detail the statement that you made earlier that we will have 40,000 American troops in the region. Does that include the 24,000 now in Iraq? Have we made a decision to increase the number? Based on the failure to have more troops in Iraq after January of next year, have we made a decision to increase the number of troops in the region outside of Iraq for some of those ?what ifs? that I just talked about?

Secretary PANETTA. No. Senator, that did not include Iraq. What we have now is in Kuwait we have got almost 29,000; Saudi Arabia, we have got 258; Bahrain, over 6,000, close to 7,000; UAE, about 3,000; Qatar, 7,000. And if you go through the region and add up all those numbers, that is the 40,000.

Senator LIEBERMAN. So has there been a decision made to increase that number at all because we were unable to reach an

agreement about a continuing presence of American troops in Iraq, in other words, keeping them in the region?

General DEMPSEY. Yes. I would not describe it as a cause and effect relationship based on what happened in Iraq, but rather our continuing concern with a more assertive Iran.

Senator LIEBERMAN. Right.

General DEMPSEY. And we are looking at our Central Command footprint.

You know, Senator, that prior to 2001, we routinely rotated brigades in and out of Kuwait for training, but also as part of deterrence. And I think we have not negotiated this with Kuwait yet, but it would be my view that we should have some kind of rotational presence, ground, air, and naval.

Senator LIEBERMAN. Some of those would be combat troops?

General DEMPSEY. Absolutely.

Senator LIEBERMAN. Thank you.

Chairman LEVIN. Now, Senator Shaheen has not had a first round, but if you would limit it to a couple of questions this second round.

Senator SHAHEEN. Thank you, Mr. Chairman.

Secretary Panetta, General Dempsey, it is very nice to have you both here.

You mentioned, General Dempsey, the more assertive Iran and clearly Iran's attempting to assert influence throughout Iraq. Can you discuss how we are working with some of our partners in the region to try and thwart that influence? Specifically if you could start with Turkey because we have cooperated in the past with Turkey on the Kurds in northern Iraq, and we are seeing that violence between Turkey and the Kurd rebels has escalated since the summer. We saw a major Turkish operation into Iraq, and yesterday there were reports that U.S. drones had deployed into Turkey from Iraq for surveillance flights. So can you just give us an update on that situation?

General DEMPSEY. I can. Thank you, Senator.

Each combatant commander has a theater security cooperation plan that supports both building the capability of our partners, allows us to make ourselves better, and deters potential adversaries. And so in Turkey, for example, we have recently, as you have described, taken the ISR platform that was currently flying out of Balad in Iraq and it is now flying out of Incirlik in Turkey to support the Turks in their fight against terrorism. The Turks recently agreed to put a Tippy 2 radar as part of the European phase adaptive approach, integrated air defense, against the possibility of a rogue missile strike from Iran if they develop that capability.

And then if you walk down the Gulf, the Gulf Cooperative Council, we have bilateral agreements with each of them, some of which are multilateral, for example, air defense, some of which are exclusively bilateral.

And then the other thing we do is exercises as well as this foreign military sales program, which becomes a significant cornerstone of our relationship with these countries.

Senator SHAHEEN. Relative to the U.S.-Turkey cooperation on the Kurds, how is Iraq responding to that?

General DEMPSEY. Iraq has consistently denounced the presence of the PKK on Iraq soil, and so too, by the way, has to Kurdistan regional government. And so there has not been any friction as long as there has been transparency about intent.

Senator SHAHEEN. So we are cooperating with them as we are doing these kinds of actions.

General DEMPSEY. We are, Senator.

Senator SHAHEEN. You talked about some of the other neighbors in the region. Obviously, again, back to Iran and their effort to influence Iraq and the region, does Iraq view its potential to be a proxy for Iranian influence and for some of the other influences in the region to play out in Iraq? Do they see that as a possibility and are they concerned about it?

Secretary PANETTA. I think they are aware that that is a possibility, and I think more importantly they clearly resist that effort. They have made very clear that Iran should have no influence as to the government in Iraq.

Senator SHAHEEN. And again, to stay on Iran, I know that the hearing is about Iraq, but given the recent reports this week from the IAEA about Iran's pursuit of nuclear weapons capability, obviously that threatens not only us, the region, but Iraq, I would assume, is very concerned about that prospect. So are we working with Iraq to try and isolate Iran in response to this report, or have we been doing other actions around Iran's potential to get nuclear weapons?

Secretary PANETTA. I mean, we have worked very closely with Iraq in trying to make it very clear to Iran that they ought not to provide any kind of military weaponry particularly to the extremists in Iraq, and they have cooperated fully in that effort. In addition, I think they share the concern about any kind of nuclear development in Iran.

Senator SHAHEEN. And are they also working with other nations in the Middle East to share that concern? So do you see, in terms of their relationship with other Middle Eastern countries, Saudi Arabia, Qatar, some of the other countries you mentioned—do you see that as a cooperative effort that everybody is concerned about?

Secretary PANETTA. I do not know the extent of the cooperative effort there, but I think they have made their position clear. And from my own experience, the other countries in the region basically share that same viewpoint.

Senator SHAHEEN. You talked, I believe, in your opening statements about our continuing strategic relationship with Iraq. And as we look into the future, the next 10, 15, 20 years, what is the shared interest that we expect to continue to have with Iraq? I mean, obviously, in the short term we have spent a lot of resources and certainly human lives to help defend Iraq and support their ability to have a free democratic country. But long-term I think we are in a different situation than post-World War II, for example, where Europe and Japan had the threat of communism to help us have a mutual strategic interest. But what do we see that interest being in Iraq?

Secretary PANETTA. Senator, I think the President has made this clear and the prime minister has made it clear that we are going to continue a long-term relationship with Iraq. Obviously, it is

going to be multi-tiered. And my hope is that we can develop that normal relationship that we have with other countries in the region so that we can assist on training, can assist on counter-terrorism operations, can assist with regards to intelligence in other areas. I mean, I think if we can develop that kind of relationship with Iraq, that we can actually strengthen their ability to deal with the threats that we are concerned about.

General DEMPSEY. If I could add, Senator, because I lived there for 3 years and studied it quite extensively. I think when you talk about the future of our relationship with Iraq, Iraq sits on three prominent fault lines, Arab-Kurd, Arab-Persian, Sunni-Shia. So I think Iraq has the potential to be a stabilizing influence. It also has the potential to be a destabilizing influence. It has been for 20 years. We would expect and aspire to help them to be a stabilizing influence and have enormous economic potential. So I do think we should take a long view of this thing.

Senator SHAHEEN. Thank you.

Chairman LEVIN. Thank you, Senator Shaheen.

Senator Sessions? He has not had a first round either.

Senator SESSION. I have not had a first round, but Senator Graham had a time constraint. Could I yield to him and do my first round later?

Chairman LEVIN. Of course. The second round was a couple questions.

Senator GRAHAM. Yes, I will try to make it very quick.

One, we have people in military custody in Iraq. Is that correct, Secretary Panetta?

Secretary PANETTA. That is correct.

Senator GRAHAM. There is a suspect called Dakduk, a Hezbollah suspect, who has been accused of plotting the murder of five or six American soldiers. Do we know what is going to happen with him at the end of this year?

Secretary PANETTA. We have made our concerns known to the Iraqis about the importance of detaining that individual, but others as well that we are concerned about.

Senator GRAHAM. Do you agree with me if he is tried in an Iraqi court, justice is not going to be delivered. He should come to the United States and be tried by military commissions.

Secretary PANETTA. I think he would certainly find better justice here.

Senator GRAHAM. And I promised to be very quick.

General Dempsey, did any Iraqi commander ever suggest to you that they did not need a follow-on force or did they ever object to a follow-on force?

General DEMPSEY. The Iraqi military leaders were universally supportive of us continuing to partnering with them.

Senator GRAHAM. One last question. Do you agree with me that if we had 10,000 to 12,000 U.S. forces performing refereeing duty between the Kurds and the Arabs, embedding counter-terrorism, intel gathering, and training, that the likelihood of Iraq becoming a successful, stable state is dramatically improved?

General DEMPSEY. I am not equivocating. I do not know, Senator. I think that probably there is a higher likelihood that it would be

stabilizing. But there is, nevertheless, the possibility that it would be destabilizing—

Senator GRAHAM. Would you recommend to the President if the Iraqis would accept—give us immunity to keep troops there?

General DEMPSEY. If the Iraqis approach us with the promise of protections and we can negotiate the missions—

Senator GRAHAM. Right.

General DEMPSEY.—then my recommendation would be to find a way to assist them.

Senator GRAHAM. Is that true with you, Secretary Panetta?

Secretary PANETTA. Yes.

Senator GRAHAM. Thank you both.

Chairman LEVIN. Thank you.

Senator Sessions.

Senator SESSION. Thank you.

Well, that was a very significant question because we have got a big decision to make, and we are heading toward a path that, from my perspective, creates great concern that as a result of an artificial deadline, we are placing at risk a goal that we have spent many years now working toward, expended great amount of money and lives and blood to achieve. And so to accelerate too fast in the last days for some artificial reason, not a core military reason, is very worrisome to me. Now, that is just my perspective, and I am really worried about it.

Second, Mr. Secretary, you have been in the White House. You know how the world works. There has been a belief somehow that the State Department can fill the role of the military. We are going to have a big embassy there. We are going to have 16,000 State Department—does that include the security personnel also—there that is going to replace the military. Forgive me, but I just am not confident that they are capable of fulfilling that role. State Department people cannot be asked to go down a dangerous road. General Dempsey says we are going down the road. They salute and they go. They put on their helmets. They put on their bullet-proof vests. They get in their military vehicles and they go do the job. They go meet some tribal leader, some regional official, some mayor. They do that. So now we are going to have a series of State Department compounds apparently with some private security.

But would you not agree, Secretary Panetta, that a determined adversary could place the State Department personnel at risk if they move away from those compounds and actually get out and travel the countryside and attempt to build a stronger, healthier nation?

Secretary PANETTA. I mean, obviously that is the purpose of having that security detail with them. But I would also say, Senator, that our hope would be that this is not just a State Department presence, but that ultimately we will be negotiate a further presence for the military as well.

Senator SESSION. Well, thank you for saying that. And I just would say sometimes in the White House elbows fly. You have been there. You know they do. So would you bring to bear your experience and best judgment? And would you be sure that it is well discussed the dangers of a total removal of the military and totally turning this over to the State Department?

Secretary PANETTA. I think everyone understands the risks involved here, and that is the reason we are in negotiations with them about trying to maintain a military presence that can assist them to help provide the right security.

Senator SESSION. Well, I remember Secretary Condoleezza Rice saying to me that—maybe in testimony—that she was prepared to call any member of the State Department that they needed in the theater and ask them personally to go. The Secretary of State personally would ask them to go. So that indicates—I mean, that just reveals the fact that State Department personnel are not required and have the same duty that the military does to go into dangerous areas. And I just would tell you—first of all, thank you, General Dempsey, for your service in Iraq and the war on terror. All the men and women who have gone into harm's way, gone wherever they have been asked to go even though it was dangerous. And State Department personnel are not assigned to do that in the same way and I just believe we will lose something if you are not successful in maintaining a military presence.

Thank you, Mr. Chairman. I know the vote has started. So you guys can relax from my perspective.

Chairman LEVIN. We thank you very much for your testimony. And we just appreciate all you do for our troops and their families.

We will move to our second panel even though a vote has begun.

Okay. We are going to begin with this panel, and I am going to try to catch the end of the first vote and vote the second vote. Here is what we are going to do. We are going to begin with the testimony of the second panel. Some of my colleagues are going to be voting the first vote, I hope come back, and then go and vote at the end of the second vote. That is what Senator McCain is going to try to do. What I am going to do is open up the second panel, listen, I hope, to all of the testimony and then run and vote, stay for the beginning of the second vote. The bottom line is this is going to be a little bit scattered, but I think the witnesses are probably all familiar with the way that works around here.

So let us continue today's hearing on security issues relating to Iraq with the second panel comprised of three outside witnesses.

First, Brett McGurk. He served as a senior policy advisor on Iraq issues for both President Bush and President Obama. On President Bush's National Security Council, Mr. McGurk served first as the director for Iraq and then as special assistant to the President and senior director for Iraq and Afghanistan. He remained on the National Security Council into the Obama administration serving as a special advisor. Mr. McGurk also served from 2007 to 2008 as the lead U.S. negotiator on the U.S.-Iraq Security Agreement and the bilateral Strategic Framework Agreement. He is currently a visiting scholar at Columbia School of law.

Second is Dr. Douglas Ollivant. Am I pronouncing your name correct?

Dr. OLLIVANT. Ollivant.

Chairman LEVIN. Ollivant. He is a senior national security fellow with the New American Foundation and a retired lieutenant colonel in the U.S. Army. Earlier this year, Dr. Ollivant returned from a 1-year tour as a counter-insurgency advisor to the commander of Regional Command East in Afghanistan. He served also at the

National Security Council as director for Iraq in both the Bush and Obama administrations. From 2006 to 2007, he served in Iraq as the chief of plans for Multinational Division Baghdad.

Finally, we have Dr. Kenneth Pollack, senior fellow and director of the Sabin Center for Middle East Policy at the Brookings Institution. He has twice served on the National Security Council from 1995 to 1996 as the director for Near East and South Asian affairs and from 1999 to 2001 as the director for Persian Gulf affairs. Dr. Pollack has also served as a military analyst at the Central Intelligence Agency. He has written extensively on Iraq and Middle Eastern affairs, including several books.

We welcome our witnesses. We thank our witnesses, and we look forward to your testimony.

Senator McCain will be back to give his opening statement as soon as he has had the opportunity to vote.

I want to make sure I am calling in the order indicated. So, Mr. McGurk, I will call on you first.

**STATEMENT OF BRETT H. MCGURK, VISITING SCHOLAR,
COLUMBIA UNIVERSITY SCHOOL OF LAW**

Mr. MCGURK. 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 8 years, spending more than 3 years in Baghdad and 4 in the White House. My testimony this morning is my own personal opinion and not the views of the U.S. Government.

I will review where we have been and then look forward to over the next 12 to 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 this right and I believe we can.

I divide the past 8 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 an 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 the planning stages, we called it a bridge: a boost in resources to bridge gaps in Iraqi capacity and set conditions for U.S. forces to move into the background. As President Bush said at the time, if we increase our support at this critical moment and hope 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 forces but 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 nonetheless 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 at the time, one of the most sensitive issues, including immunity for U.S. personnel and contractors, were at first unrealistic. Thus, when a proposed U.S. text leaked over the summer, our talks reached a dead end.

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

On November 26th, 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 in the Iraqi parliament, and on the morning of the final vote, I don't saw 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. I was in Baghdad at that time. 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 31st, 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 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 that milestone. Iraq had just held national elections. Less than 1 percent separated the two major lists. Government formation had yet to begin. So withdraw to 50,000?

When I returned to Baghdad that summer, however, I saw firsthand that Iraq had already crossed the bridge. Outside the special-

ized area of high-end counter-terrorism, which by 2010 did not require a large number 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 of last year.

The next stage of transition was the drawdown of all U.S. forces by the end of this year.

Chairman LEVIN. Mr. McGurk, I am going to interrupt you—forgive me—because I am going to have to run and vote now.

We are going to recess for about 10 minutes or 15 minutes. Can you all stay here for that period of time? I am sorry for the chaos. And if anyone else comes back during this period, they can restart it. So it will be about 10 minutes. [Recess.]

Senator MCCAIN [presiding]. I would like to apologize to the witnesses for the machinations of the U.S. Senate which require us to be on the floor which, obviously, has affected the lunches that are coming in. We would like to go ahead with your testimony, but I would like to recommend to the chairman that we bring you back on another day. I think your opening statements we should proceed with and maybe ask you to return on another day because I think your testimony is important. I think your involvement in this issue is important. And unfortunately, the majority of my colleagues are not here to listen to what you have to say. And I hope you understand and I apologize for it. So I will recommend—I think maybe we could go ahead with the opening statements, and then I will ask Senator Levin if perhaps we could go ahead and ask you to come back again another time before the committee.

Mr. McGurk, were you—

Mr. MCGURK. I was, Senator. I can pick up where I left off.

Senator MCCAIN. Please continue.

Mr. MCGURK. Thank you.

Senator MCCAIN. Again, my apologies.

Mr. MCGURK. Thank you, Senator.

In the beginning I just laid out where we had been from the surge until now, the surge being so critical to getting to the point we are now.

The next stage of the 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. In my view, there is 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 simply would not do so, a view confirmed by the Iraqi leaders on October 4th 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 independent research institution is consistent with what I 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 to 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 its 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 all U.S. military trainers in Iraq, 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 is exceedingly complex, multifaceted, and deeply troubling. But it is also self-limiting by history, ethnicity, and religious orthodoxy. Iran will continue to push, but the Iraqis will push back. 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 may be 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-16's, 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-16's, topping \$10 billion in its FMS program, which already includes 140 M1A1 Main Battle Tanks, naval patrol boats, reconnaissance aircraft, and over 1,000 up-armored Humvees. A number of countries have 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 to 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 under Iraqi law of a treaty. 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 2 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 9 years. The withdrawal of U.S. forces with Iraqis in charge of their own security and violence at record lows was unimaginable 4 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 nonlinear 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. troops 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 platform for training Iraqi forces through its 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. Counter-terror 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 2 years and double in 5 years. Iraqi officials are now focused on public services and how best to invest their country's resources, a sea change from 4 years ago. We can help. 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. The SFA offers a platform for knitting these and other 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 leader 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: serious government repression; wholesale withdrawal of forces supporting the government; serious declarations of secession; new and significant foreign support to militants; and 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 wild card, 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 wheth-

er Iraq's constitutional arrangements allow inevitable conflicts to be managed peacefully through the parliament and accepted legal means.

There have been some 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 Shia 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 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 the United States.

Thank you.

[The prepared statement of Mr. McGurk follows:]

Chairman LEVIN [presiding]. Dr. Ollivant?

STATEMENT OF DR. DOUGLAS A. OLLIVANT, SENIOR NATIONAL SECURITY FELLOW, NATIONAL SECURITY STUDIES PROGRAM, THE NEW AMERICA FOUNDATION

Dr. OLLIVANT. Chairman Levin and members of the committee, it is my pleasure to testify today on the future of Iraq following the withdrawal of the U.S. troops by December 31 of this year. This is an important foreign policy issue for the United States, and I am pleased to see it receive at least some of the attention that it deserves.

I began working on Iraq policy over 7 years ago. I first went to Iraq in June 2004 as a uniformed Army officer. During this tour, I fought in the battles of Najaf Cemetery and Second Fallujah, conducted nascent counter-insurgency operations in the Kadhamiya district of Baghdad, and was in southern Baghdad for the January 2005 elections, and witnessed the first outburst of Iraqi nationalism through a democratic process. I also lost several friends.

I returned to Baghdad in late 2006 as the chief of plans and chief strategist for Multinational Division Baghdad. In this capacity, I led the team that wrote the coalition portion of the Baghdad security plan, the core implementing document for the 2007 surge.

After 14 months in Iraq on this second tour, I came to Washington to serve on the National Security staff as the director for Iraq, where I worked on, among other issues, the dissolving of the Iraq coalition in late 2008, the first transition moment, the securing of the status of forces agreement for our few remaining coalition partner nations after the signing of our SOFA, and initiated the planning for the transition of police training from the Department of Defense to the State Department.

I was last in Iraq in the summer of 2009 in a private capacity but have retained my contacts on the issue, despite spending a year in Afghanistan as a civilian counter-insurgency advisor in the interim.

My bottom line on our position with Iraq is this: the complete withdrawal of U.S. forces from Iraq is the right policy at this time. Our forces are no longer welcome, as the mood in the Iraqi parliament demonstrates, and serve as a major distraction in Iraqi politics. Further, while Iraq does face numerous challenges, the presence of U.S. forces would do little to ameliorate them.

I do have two concerns. First, Iranian influence in Iraq, though not to the extent that I find common in Washington, is a very real concern that we need to watch closely. Second and more importantly, I am concerned that once U.S. military forces are withdrawn, Iraq may suffer from neglect by the Washington policy community. Iraq has been a deeply divisive issue in our domestic politics for some time, and it may be tempting to just put the entire subject behind us. This would be a mistake, and the United States should actively engage Iraq as an emerging partner, engage in educational and cultural exchanges, and most importantly, do everything in its power to assist the engagement of the U.S. business community in this emerging market.

Our forces should withdraw from Iraq, and the President has made the right call in abiding by the agreement signed by his predecessor despite the open courting over the past year by some agencies of U.S. Government to remain indefinitely.

First and most importantly, we should leave because we said we would. There are significant portions of the “Arab street” that are convinced that the United States invaded Iraq to gain access to its oil resources. While we can never hope to disarm all conspiracy theorists, the departure of all military forces from Iraq will signal to any open minds that this is simply not the case. Our departure, after removing the previous regime and eventually, if belatedly, bringing some semblance of stability to the country, signals that the United States may hope for friendship but is not looking for neo-colonial territories. If and when the United States has to intervene in yet another country, it will be immensely helpful to be able to point to the utter absence of U.S. military forces in Iraq to demonstrate that we do leave when asked.

Second, U.S. troops should leave because the Iraqis want us to leave. Yes, the Sadrists and their Iranian-influenced leadership are the most vocal advocates, but Iraqi nationalists of all stripes find the continuing presence of U.S. forces to be deeply humiliating, even when their presence appeals to their rational interests. If we stay, our presence will continue to be a galvanizing, even defining political issue in Iraq. Conversely, our departure may allow the Iraqis to spend precious political bandwidth elsewhere.

Third, U.S. troops should leave because they are the wrong instrument for the political problems that the Iraqis now face. I am the first to admit that Iraqi politics are immature and that numerous political issues, Kurd versus Arab, Sunni versus Shia, relationships with the neighbors, executive versus legislative power, distribution of hydrocarbon revenue and authorities, all remain unresolved. Military forces are at best irrelevant to these issues and at

their worst, complicate them by ham-handed attempts to intervene in them. Soldiers tend to make poor diplomats, and the bulk of Iraq's remaining challenges are diplomatic in nature. Let us get the soldiers out of the way and let the diplomats solve them.

Finally, while my position on withdrawal of U.S. military forces is not driven by domestic politics, it is nonetheless good domestic politics. President Obama is now abiding by and overseeing the agreement signed by his Republican predecessor to put an orderly end to our military presence in Iraq. We should all welcome this lamentably rare bipartisan moment.

This does not mean there are not continuing challenges in Iraq and it is still possible that Iraq could go badly wrong. It is simply that a U.S. military presence no longer reduces that possibility.

Let me briefly review some of the challenges facing Iraq. The most urgent from our perspective is the continuing Iranian influence in that country. This is a real threat, and the intentions of the Iranian Revolutionary Guard Corps Qods Force units are most assuredly not benign. But the threat is overstated. Iran shares a border and a religion with Iraq, but here the commonalities end. Iran is a majority Persian country, while Iraq is majority Arab. The Iraqis have no desire to be a client state of their Persian neighbor, and they have not forgotten that they fought a long and bloody war with them not so long ago.

With respect to politics, yes, they are gridlocked with Prime Minister Maliki taking advantage of this gridlock to expand executive power at the expense of the legislature. Many have accused Maliki of becoming the next Saddam, settling himself in as a Shia dictator with his Dawa Party as the new Ba'ath. And recent purges of Sunni officers in the security forces do add fuel to this fire.

However, these accusations are also overstated. Maliki is consolidating executive power, as those in executive office tend to do, but the appropriate comparison is probably less Saddam and more Erdogan in Turkey. It is something to be concerned about perhaps but hardly a cause for panic.

Finally, relations between the various factions in Iraq, Shia, Arab Sunni, and Kurds, continue to experience friction points. This should not be surprising to us as these groups have differences that caused civil war to break out in 2005 to 2008. But while a return to civil war is always possible, I consider it strongly unlikely. All of the factions know that a return to civil war will be counter-productive to their interests. The Sunni have learned the hard way that to attempt violence against the government will spur reprisals from Shia militias. And the Kurds have carefully watched the re-professionalization of the Iraqi army and have no desire to trade their new-found quasi-autonomous status and exponential economic development for the pain and dubious payoffs of armed conflict.

In fact, what we see today is exactly what we would have hoped for, but would not have dared hoped for in 2006. These three groups have very real differences. And yet, despite a relatively gridlocked politics, these groups have not returned to widespread violence, but instead continue to work through a political system, however frustrating it must be. That said, we should continue to encourage Iraq to integrate all sectarian groups into positions of power in order to promote societal harmony.

Iraq does continue to have a terrorism problem. The most prominent of these groups, al Qaeda in Iraq, is a mere shadow of its former self, but this does not mean it is toothless. We should expect AQI to continue its nihilist campaign of violence against Shia Iraqis, and it is quite possible that they may try to attack Western targets outside Iraq. However, we have a committed partner in the Iraqi security forces and we can expect them to continue to aggressively target AQI forces throughout Iraq.

The various Shia extremist militias backed by Iran will be interesting to watch. I believe that nationalist forces in Iraq have largely turned a blind eye to these forces as they targeted the unpopular American basis. However, now that the American forces are departing, it will be interesting to see if the Iraqi masses remain as tolerant of these Iranian quislings in their midst. I am sure that Iran will attempt to use these militias to influence Iraqi politics. Again, it will be interesting to see how the Iraqi Government reacts to such a move. I suspect that once American forces depart, these Iranian proxies will discover that any reservoir of good will they might have had disappeared when the Americans crossed the border. We have seen Maliki settle scores with Shia groups who threatened the central government before in early 2008. I would not be surprised to see a reprise.

As was pointed out at several points during the debate over residual troop presence, Iraq will need Western military trainers, most notably for their Navy and their fledgling air force but also for U.S. ground equipment such as the M1 tanks and the M198 artillery pieces. Not only will they require technical advice on the care and use of these individual pieces, which will come through the Office of Security Cooperation, but they will need to know how to employ them in concert.

However, this does not require U.S. troops. There are numerous firms that will be happy to respond to any request for proposal from the Iraqi Government for properly skilled trainers. The market will respond quickly to Iraqi petrodollars and the absence of U.S. troops need not be a show stopper. This would just mean the Iraqis pay the bill instead of the U.S. taxpayer.

As an aside, it would also be helpful were the Iraqi defense establishment to request that firms provide not only trainers, but also technical solutions that could help with the very real vulnerabilities of explosive detection as opposed to the modified divining rods they now use and to the security of their borders.

Finally, speaking of firms, the departure of military force from Iraq should mark the transition not so much to just the State Department, but also to America's real strength, the private sector. I would suggest that the best way to ensure that America's war in Iraq was not in vain is to promote investment by American firms throughout Iraq alongside the already burgeoning Chinese, Turkish, and French presence. This is not to minimize some real challenges to doing business in Iraq, but this is where America should focus its diplomatic effort. It is when Americans and Iraqis interact with each other not as adversaries, but as business partners that we can let the peaceful bonds of commerce work to the advantage of both sides.

Iraq should not be afraid of this engagement. Iraq is blessed with abundant oil Reserves, perhaps more than we can now identify, but it is a truly diversified economy that is in the interests of the Iraqi people. We can help the Iraqis generate wealth and participate in that wealth generation. As the Iraqis begin to participate in the great transformation that a market economy can bring, we can become more confident of the long-term health of the democratic institutions that we planted, however tenuously, there.

In summary, I am not trying to paint an overly rosy picture of Iraq. There are real challenges and for many of its people, it remains an unpleasant place to live. But the problems that remain do not lend themselves to military solutions. I believe the most likely outcome of the removal of the U.S. troop presence will be a slow normalization of Iraqi politics as they realize that we are no longer present to either assist or take the blame. Iranian influence will be a reality. They share a border and thousands of years of history. But Iraq will move decisively to limit this influence. Iraq will work hard in the coming months and years to ramp up their oil production.

I want to see a continuing American influence in Iraq. But I want this influence to come via our training of hundreds of Iraqi military and police officers in the United States, letting them see how a democratic army behaves within its own borders and what a real rule of law system looks like. I want this influence to come through American educational institutions, which should open their doors to Iraqi students, aided by liberal, if carefully screened, student visas. And I want this influence to come via American business both large and small, which helps the Iraqi economy diversify first into agriculture, small manufacturing, and then into a future which I cannot predict. All these efforts would fit neatly within the boundaries of our existing Strategic Framework Agreement with Iraq referenced to in depth by Mr. McGurk.

In short, now that the Saddam regime is gone and the civil war put to rest, the environment is ripe for America's cultural and economic institutions to welcome Iraq into the family of nations. Again, the Strategic Framework Agreement signed in 2008 between the United States and Iraq makes it clear that these exchanges are welcome and in the interest of both sides.

We have sacrificed much blood and treasure in the past years in Iraq, and while we should leave the final accounting to history, I am sure we can all agree that at the very least we have overpaid for this outcome in Iraq. But we find ourselves at a surprisingly good outcome that we could hardly have predicted in the dark days 5 years ago. Again, it is entirely possible that Iraq could still end up very badly. The future is contingent. But as our military-to-military relationship with Iraq normalizes with the withdrawal of troops, I feel much better about the prospect of a democratic Iraq that is an ally in the fight against terrorism and that respects the rights of its citizens.

Thank you.

[The prepared statement of Dr. Ollivant follows:]

Chairman LEVIN. Thank you, Dr. Ollivant.

Dr. Pollack?

STATEMENT OF DR. KENNETH M. POLLACK, DIRECTOR, SABAN CENTER FOR MIDDLE EAST POLICY, THE BROOKINGS INSTITUTION

Dr. POLLACK. Thank you, Chairman Levin. It is an honor to be before this distinguished body. I have prepared written testimony, Mr. Chairman, that I would ask to be entered into the record in full.

Chairman LEVIN. It will be made a part of the record.

Dr. POLLACK. And I would prefer to give only a summary of my remarks for now. Thank you.

Although I am glad to discuss the totality of U.S. policy toward Iraq since the 2003 invasion and even before, I would like to focus my remarks on U.S. policy to Iraq looking forward beyond the departure of all American troops at the end of this year. And while I certainly have opinions about American policy in the past and even at the present time, I fear that to try to begin cataloguing all of the mistakes that the United States made both under the Bush and Obama administrations would take much longer than the time allocated for the hearings.

I will say that I believe that the departure of all American troops scheduled for the end of this year is premature and a mistake, but it is also a reality. And I think the most constructive thing that we can do is focus on the U.S. relationship with Iraq moving forward and how best to secure our interests during that timeframe.

I would really like to make three principle points.

First, the state of Iraq today is one that is not headed in the right direction and therefore could benefit from considerably greater American assistance in the future. Iraq today is wracked by economic and political problems, and these are, unfortunately, beginning to unravel the security gains of 2007 to 2010. Iraq's political system is deadlocked. What is, in effect, a national unity government worked out in late 2010 has simply brought all of Iraq's political differences into the government and, in effect, paralyzed it. There are growing signs of potential political fragmentation in Iraq.

Graft, which had been contracting, has now begun to expand again and is even exploding by some accounts. Were it not for the graft, I would argue, in fact, that the Iraqi Government might not be doing anything at all.

Iraq's military and civilian bureaucracy has been increasingly politicized by the prime minister and his staff who is replacing anyone not deemed 100 percent loyal to him with others who are and often with members of his own family, his own party, his own sect.

Shia death squads have reemerged. They are killing both Sunnis and Shia and are enjoying considerable immunity from the rule of law. For their part, alienated Sunnis are talking again of banding together to resist the government, as they did before the Sunni Awakening, and support for Sunni terrorist groups is slowly increasing and many Sunnis are even asking if they will need to re-arm to protect themselves since the government simply will not.

The second point I would like to make is that it is hard to postulate a very optimistic scenario for Iraq's development over the course of the next 5 to 10 years, but some of these scenarios on offer are dramatically worse than others. The most dangerous scenario and the place that it is worth starting with is, of course, the

possibility of a return to civil war. And unfortunately, this may actually be the most likely of Iraq's potential scenarios. There is extensive academic work on civil wars, and these have found that between one-third and one-half of all states that experience a major intercommunal civil war experience a resumption of that civil war within 5 years of a ceasefire. Iraq was a quintessential example of such a civil war between 2005 and 2007, the ceasefire occurring in late 2008.

There is also ample evidence that Iraq may be sliding back into civil war in textbook fashion. The group in control of the government is using it to advance a narrow agenda at the expense of its rivals. It is not reaching out to them, making hard compromises and demonstrating a desire to put the common good above its own self-interests. The group controlling the government is purging personnel not members of their own group. The group controlling the government is using the powers of the government to hurt other groups, to crush their military power and is ignoring the violence perpetrated by groups allied to it against its rivals. All of this is breeding mistrust, fear, anger, and resentment against the group in power, and the rivals of the group in power are supporting their own violent extremists, discussing secession and whether to re-arm their own militias.

These are all classic indicators of the resumption of civil war. They do not mean that Iraq is bound to return to civil war. They simply illustrate that Iraq is prone to the same problems that have caused other states to return to civil war and that we should very nervous that Iraq will do so in the future. In fact, it is easy to imagine dozens of scenarios whereby Iraq slides back into civil war. And I am struck by the fact that when I was last in Iraq over the summer, numerous Iraqis were remarking and numerous Americans as well were remarking that it felt like 2005 all over again to them.

It is also worth pointing out, Mr. Chairman, that typically civil wars start and resume after a period of time when the problems reemerge but seem relatively minor, easily controllable, easily addressed. But then in these cases, typically something happens that is unexpected but that suddenly crystallizes all of the fears, all of the desires for revenge and a gradual descent suddenly turns into an uncontrollable plummet. Of course, this is exactly what happened to Iraq in 2006. And again, what we are seeing now is consistent with the same pattern repeating in the future.

Now, there are a variety of other circumstances, not all of which I am going to touch on in detail. Certainly Iraq could move back toward a dictatorship. As Dr. Ollivant pointed out, this is something that many Iraqis are concerned about. I think we can set that one aside for the moment. It is not to dismiss it. It is simply to say that I think that it is better for us to focus on other issues.

In addition, I think that there is real potential for Iraq to become a failed state in the future. If the government does not get its act together, if these calls for greater autonomy and even secession gain steam, if the government's centripetal efforts are countered more effectively by other centrifugal forces, we could see Iraq turn into a failed state, again something that is worth thinking about,

something that ought to guide our own policy toward Iraq moving forward.

The only set of positive scenarios out there for Iraq are one where it muddles through its current impasse and eventually begins to muddle upward. After a protracted period of stalemate, one could imagine one of three things happening: Iraq's leaders realize that they have to make a compromise or else face a renewed civil war; a charismatic or altruistic leader emerges—or actually both a charismatic and altruistic leader would have to emerge, who sweeps the lesser leaders aside, brings the Iraqi political system along with them, in effect, an Iraqi Mandela; or that the Iraqi people are somehow able to impose their will on their political leadership in a way that they have not so far, forcing the leadership to act responsibly forcing them to put Iraq's long-term interests in place of their own short-term political calculations. This could lead to a situation where Iraq's leaders begin to make compromises, small at first but building trust over time, allowing more meaningful compromises in the future, which would then allow outside powers and businesses to see progress in Iraq and begin to invest again and have violence more widely discredited.

I consider this family of scenarios possible, but unfortunately the least likely at the present time. There is simply no evidence that this is happening or that it will happen. It may. We cannot rule it out, but that is not what is happening on the ground right now. Iraq's leaders are not compromising. They are, unfortunately, adhering to the terrible Middle Eastern dictum, "when I am weak, how can I negotiate, and when I am strong, why should I?" They are all waiting for the situation to turn in their favor and digging in their heels. There is no sign of an Iraqi Mandela out there.

And what is more, the Iraqi people have been unable to impose their will on the government despite their efforts to do so both in the 2010 national elections and then again in February 2011 in the Day of Rage demonstrations, both of which seemed momentarily to perhaps have this galvanizing effect but neither of which ultimately resulted in such compromises.

The third point I would like to make and where I would like to end my comments is that although American influence has declined dramatically in Iraq, both because of the withdrawal of American troops and the conduct of that withdrawal, the United States still has a certain ability to affect events there, and what is more, we could build additional influence in the future if we were willing to do so. What is most important is to understand that the best way that the United States can help this situation in the future is by strengthening Iraq's own domestic politics. Nevertheless, that is going to be very challenging. The withdrawal of American troops has removed a tremendous source of American influence in Iraq, and of course, ideally the U.S. would be willing to make up for that diminution with a massive increase in aid of other forms, military, diplomatic, economic, et cetera. Unfortunately, I live in Washington and my experience of the current budgetary and political climate suggests that that massive infusion of aid is not likely to be forthcoming.

What is more, the White House has signaled by its behavior, its withdrawal from Iraq and Afghanistan, its willingness to take a

supporting in Libya, its inactivity on the Middle East peace process, its restraint toward Iran, that it plans to scale back its involvement in the Middle East at least over the coming year, and certainly that is the perception in Iraq, and ultimately the perception is what could further limit our influence in Iraq. Nevertheless, there are things that the United States can and, I would argue, should do.

In particular, I would argue that modest amounts of aid could be very helpful to Iraq in the near term and would not significantly affect our own fiscal problems. There is a remark ascribed to any number of former Senators. I have heard it ascribed to a whole variety of different people, including Senator Russell, but Senator Symington as well, that a billion here, a billion there, and pretty soon you are talking about real money. When we are looking at a national debt of \$12 trillion, a billion or 2 for Iraq is an utterly meaningless figure from the perspective of our financial situation and could be extremely important for Iraq.

In addition, obviously, as Mr. McGurk, as Dr. Ollivant have already suggested, we need to find ways to use our diplomatic strength to help Iraq with its diplomatic problems by using our know-how to find creative solutions to Iraqi problems where we are unable to provide cash or other resources. As Mr. McGurk described at great depth—I think he is absolutely right—the proper vehicle for renewed American aid or a blossoming of new American aid toward Iraq is the Strategic Framework Agreements. But there are great problems there. We have yet to fill it out. We have yet to make Iraqis even aware that it exists. In polls of the Iraqi people, we have consistently found that the vast majority of Iraqis are unaware of the Strategic Framework Agreement, let alone the prospect of considerably increased American assistance to Iraq in the future or the notion of a long-term American program to provide assistance to Iraqis in the future. We need to develop that. We cannot simply rest on our laurels. We cannot simply wait for the Iraqis to come to us and ask us what we are willing to provide. We need to aggressively seek out the Iraqis, make clear what is on offer to them, and make public so that all Iraqis understand what it is that their government is failing to take advantage of, what is on offer for them, what they could have if their government were willing to do so. We need to make it incumbent upon the Iraqi politicians themselves to seek out our assistance to make the SFA a reality, to turn it from a document on paper to a full-fledged long-term aid program to Iraq because the Iraqi people desire it. Once we have done so, if we are able to do so, that will provide us considerable new leverage and influence with Iraq.

The last point I would like to make on this—and I believe it is particularly relevant because of the particular writ of this committee—is the importance of American military aid to Iraq moving forward. I will simply say that in light of our experience with Egypt over the past year, we should all recognize the importance of an ongoing American military relationship with Iraq. U.S. military assistance to Iraq and to other Middle Eastern countries has proven incredibly important not just in terms of developing military-to-military ties, but in improving the civil-military relations

and even in heading off some of the worst foreign policy adventures of these different regimes.

Over the past 30 years, we have found that American military assistance has helped move countries in the direction of better civil-military relations, something that Iraq desperately needs, and has headed off some of the worst military ideas of various Middle Eastern regimes. At different points in time, the United States has, through its provision of military assistance to various Middle Eastern countries, headed off wars in the region. There are people who lived who might otherwise have died. There are wars and crises that would have begun that did not because the United States was able to say to our partners in the militaries in the region we do not want you to do this and we will not support you if you do so. And in a number of critical cases, those militaries were forced to simply forego their planned operations because they literally could not take action without American military support.

In short, while I see Iraq as being in a very difficult place and most of its roads being dark ones, I still believe that there is the prospect that Iraq could slowly muddle upward, and I believe that American assistance to Iraq is going to be absolutely critical if Iraq is to find the right path and not descend back into one of the many problematic paths, one of many of the disastrous paths that are still open to it.

Thank you very much.

[The prepared statement of Dr. Pollack follows:]

Chairman LEVIN. Thank you very much, Dr. Pollack.

This is where we are at because of these two votes that intervened here. We never know when those votes happen, as I think our witnesses know. What we are going to do to try to make available more information to colleagues—number one, we obviously all have your statements and they will be made part of the record. But more importantly perhaps, since that is already accomplished, we will keep the record open for a reasonable period of time so that the questions which would have been asked of you will be asked of you. And then if you can accommodate us with the written answers, that would be helpful. With that, we will keep the record open, let us say, for 3 days for questions, and then as promptly as you can after that, if you could provide us answers, we would appreciate it. The testimony was extremely thoughtful and very, very helpful.

We will with that—and again, with our thanks—some of you traveled some distance and rearranged your schedules. We are appreciative.

We will stand adjourned.

[Whereupon, at 1:10 p.m., the committee adjourned.]