

# CRS Report for Congress

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## U.S. Embassy in Iraq

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### Summary

The Bush Administration is in the process of building new embassy facilities in Baghdad. An emergency supplemental appropriation (H.R. 1268/P.L. 109-13), which included \$592 million for embassy construction, was signed into law on May 11, 2005. According to the Department of State, this funding is all that is needed for construction of the U.S. Embassy in Baghdad. Completion of the embassy is expected by the end of the 2007 summer. Congress provided an additional \$1,327.3 million within the FY2006 emergency supplemental appropriation (P.L. 109-234, signed June 15, 2006) for mission operations and reconstruction team support in Iraq. In addition, the President's FY2007 budget request includes \$65 million for regular operations. This report discusses reestablishing normal diplomatic ties with Iraq and setting up the new embassy facilities and regional teams. It will be updated as information becomes available.

### Background

From July 17, 1979, when Saddam Hussein first came to power in Iraq, until just prior to the beginning of Operation Desert Storm in January 1991, the United States had full diplomatic relations with Saddam Hussein's government. On January 12, 1991, four days before Operation Desert Storm, the United States closed its embassy doors in Baghdad. At the time of its closing, the U.S. Embassy in Baghdad maintained a staff of approximately 50 and an annual budget of \$3.5 million. From 1991 until 2004, the United States did not have diplomatic relations with Iraq.

With Saddam Hussein removed from power and the United States and its partners militarily occupying the country, the Bush Administration handed over government self-rule to the Iraqis on June 28, 2004. Part of the transition toward self-rule for Iraq is also a transition for the United States from being a military occupier to reestablishing normal diplomatic ties with an independent Iraq.

## Organizational Structure

The U.S. Ambassador to Iraq (Ambassador Zalmay Khalilzad) has full authority for the American presence in Iraq with two exceptions: 1 — military and security matters which are under the authority of General George Casey, the U.S. Commander of the Multinational Force-Iraq (MNF-I), and 2 — staff working for international organizations. In areas where diplomacy, military, and/or security activities overlap, the Ambassador and the U.S. commander continue cooperating to provide co-equal authority regarding what's best for America and its interests in Iraq.

The U.S. Embassy in Baghdad is among the largest American embassies in both staff size and budget. According to the State Department, the U.S. Mission in Baghdad is staffed with about 1,000 Americans representing various U.S. government agencies and between 200 and 300 direct hires and locally engaged staff (LES, formerly referred to as foreign service nationals, or FSN).

Americans representing about 11 government agencies are providing the face of America in the embassy and regional offices in Iraq. The agencies include the Departments of State (DOS), Defense (DOD), Agriculture (USDA), Commerce (DoC), Homeland Security (DHS), Health and Human Services (HHS), Justice (DoJ), Labor (DoL), Transportation (DoT), Treasury, and the Agency for International Development (USAID). Agencies that did not recommend staff for an Iraq presence include Departments of Energy, the Interior, and Veterans Affairs, as well as NASA, Peace Corps, Secret Service, and Social Security.

The United States has a number of experts from the various agencies on the ground in Iraq working as teams to determine such needs as security, skills, expenditures, contracting and logistics, communications/ information technology, and real estate. In addition, the United States has consultants from the agencies working in an ongoing basis with the various Iraqi ministries such as the Iraqi Health Ministry, Education Ministry, Foreign Ministry, Ministry of Oil, etc. to help Iraq gain a strong foothold on democracy and administrative skills. (See the organizational chart, **Figure 1**, on page 5.)

## Location, Security, and the Role of U.S. Diplomatic Posts in Iraq

The State Department has been using three sites for embassy-related needs. The sites are the Chancery, formerly a Baathist residence which was later occupied by the U.S. Army; the Annex (the Republican Palace) previously used by the CPA; and the Ambassador's residence, once occupied by Ambassadors Bremer and Negoponte. The U.S. government is not paying Iraq for the use of property and buildings, according to the State Department. The Iraqi government has reportedly requested that these facilities be returned to it, with improvements, which State Department officials say will happen when the New Embassy Compound (NEC) is completed in 2007. On October 31, 2004, the United States and Iraqi Ministry of Foreign Affairs signed an agreement on diplomatic and consular property. Among other things, this agreement transferred to the United States title to a site for the new American Embassy compound and future consulate sites in Basra and Mosul. State's Overseas Buildings Operations (OBO) identified a 104-acre site for a NEC on a site adjacent to the Tigris River in the Green Zone. OBO claims that NEC construction is 60% completed and is on schedule to open in late summer, 2007.

Regional teams are located in Mosul, Kirkuk, Basrah, and Hillah; each consists of limited staff representing DOS, as well as other agencies and contractors in designated locations. Altogether, 46 people are spread among the regional offices. (See the map, **Figure 2**, on page 6.) Each regional team's mission is primarily advising and coordinating with local officials and interacting with citizens to better understand the attitudes of the Iraqi people toward America. Both in Baghdad and in the regional offices, American Foreign Service Officers will be conducting public diplomacy — promoting American values and policies in Iraq.

Beyond the official consulate posts in Iraq, the Department of State has Foreign Service Officers embedded in major U.S. military commands located outside of Baghdad. DOS and DOD civilian employees also are at these locations. The State Department reportedly plans on having a total of 50 personnel in the Iraq provinces, including diplomatic security personnel.

Security is key to establishing diplomatic relations. The current facilities used by DOS in Baghdad have been subject to attacks, some of which have injured and killed Americans. According to the Department of State, Diplomatic Security (DS) has responsibility for embassy security. Overall security in the country, however, will continue to be the responsibility of the commander of the multinational forces. DOD and contractors will continue to be major contributors to a secure atmosphere. Regarding funding of security activities, the Administration has determined that security for the embassy will come from a combination of DOD's budget, as well as State's Diplomatic Security funds.

## Funding

To date, Congress authorized \$20 million (P.L. 108-287) for housing and other expenses incurred prior to construction of the new compound in Baghdad and \$592 million (P.L. 109-13) for construction of the NEC on the 104-acre site. Department of State officials say that the funding is sufficient and the NEC is on track to being completed on time — by the end of summer, 2007.

In his FY2006 budget request, President Bush did not include funds for construction of the U.S. Mission in Iraq.<sup>1</sup> A week after submitting his FY2006 budget to Congress, the President sent Congress an FY2005 emergency supplemental funding request. Included in the supplemental request was more than \$1.3 billion for the embassy in Iraq: \$690 million for logistical and security costs for the embassy in Baghdad and \$658 million for construction of the new embassy compound there. Congress provided \$663.5 million and \$592 million respectively in the FY2005 supplemental (P.L. 109-13). Included in the latter are the costs of housing, a power plant, enhanced security, and expedited (24-month) construction.

In early February 2006, the Bush Administration requested \$65 million for Iraq embassy operations in its FY2007 State Department budget. A week later, the Administration submitted another emergency supplemental request which included \$1,497 million to cover Iraq mission operations and security. Congress provided \$1,327.3

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<sup>1</sup> The FY2006 budget request did include \$65 million for Iraq embassy functions.

million in the FY2006 emergency supplemental appropriation (P.L. 109-234, signed June 15, 2006) for the embassy in Iraq operations and security within the diplomatic and consular programs account of the Department of State budget. To date, Congress has not passed the FY2007 State Department budget which would include the \$65 million. A continuing resolution extends funding (based on the lesser of the House-passed FY2007 levels and the FY2006 enacted levels, including the FY2006 supplementals in some cases) until November 17th.

## **Congressional Responsibilities**

While conducting foreign policy is the prerogative of the President, Congress maintains three important responsibilities with respect to U.S. foreign policy: 1) confirmation of political appointees (held by the Senate), 2) appropriations, and 3) oversight. Congressional opportunities to have input on U.S. diplomatic relations with Iraq and the embassy can occur within the nomination confirmation process, the annual State Department appropriation legislation, and biennial foreign relations authorization.

The position of Ambassador to Iraq was initially filled by John Negroponte, who served from May 2004 to March 2005. On April 5, Secretary Rice announced President Bush's intention to nominate Zalmay Khalilzad (formerly the Ambassador to Afghanistan) as the new U.S. Ambassador to Iraq;<sup>2</sup> this appointment required Senate confirmation.

Appropriations for the new U.S. Mission in Iraq have come from a variety of sources. To date, no funds for either the interim buildings or new embassy construction have come from the regular appropriations process, according to the Department of State. The initial phase of establishing the U.S. post in Baghdad involved the Administration finding funds without specific appropriations for the embassy. Subsequently, much of the total required funding appeared in emergency supplemental requests, CPA funds, and DOD appropriations rather than in the regular budget. Many have had difficulty in discerning exactly what the Administration has already received and what is still needed; what has been spent and what is in the pipeline; what is available for operational activities of the Mission versus activities related to construction of the new compound. On March 16, 2005, the House passed an emergency supplemental appropriation (H.R. 1268). The bill included \$592 million for Embassy Security, and Maintenance (\$60 million less than requested). Congress provided an additional \$1,327.3 million for Iraq mission operations and security in the FY2006 emergency supplemental appropriations (P.L. 109-234).

Oversight includes congressional monitoring of how the embassy represents American foreign policy, cultural and commercial interests. While the 108<sup>th</sup> Congress was criticized in the media for doing too little oversight in general, and specifically with transferring of supplemental funds from Afghanistan to Iraq, construction of the new embassy in Iraq has been a high priority for some Members. Congress can provide the State Department with authority and direction to implement new programs or new emphasis on existing programs, and can set reporting requirements on spending or conducting such activities.

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<sup>2</sup> [<http://www.state.gov/secretary/rm/2005/44285.htm>]

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Figure 1.

US Mission Iraq, Country Team

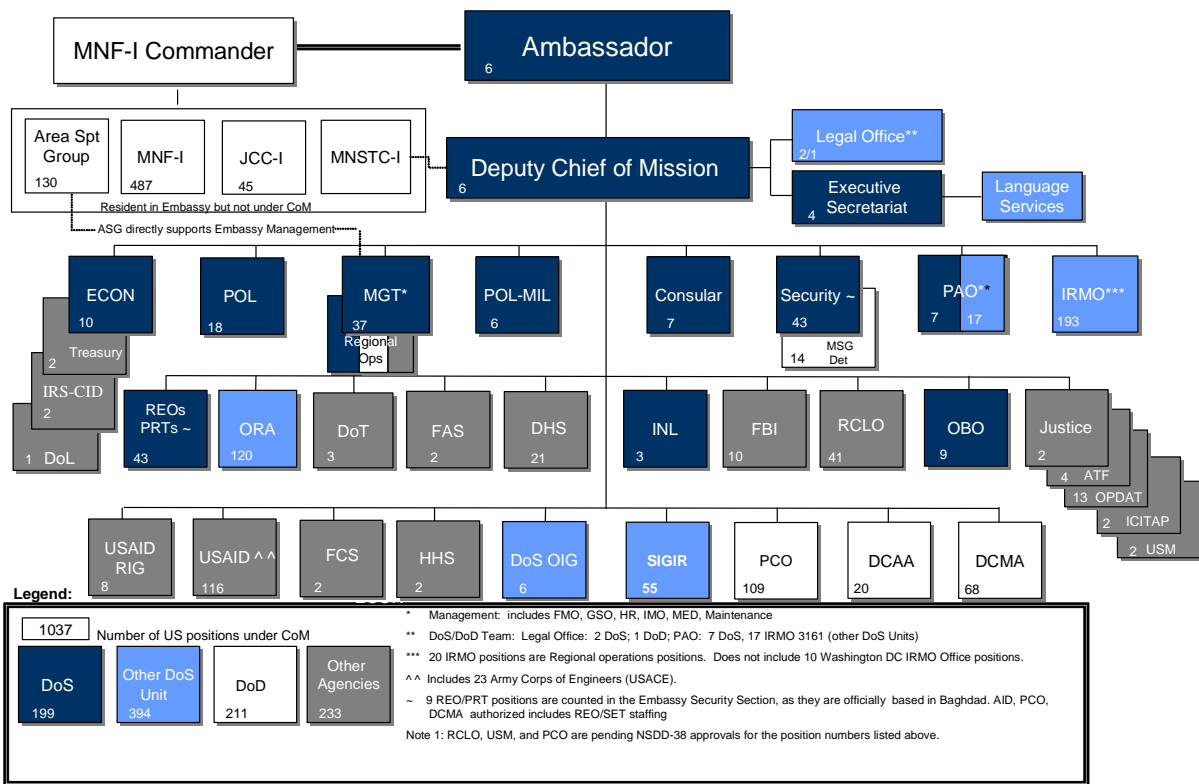
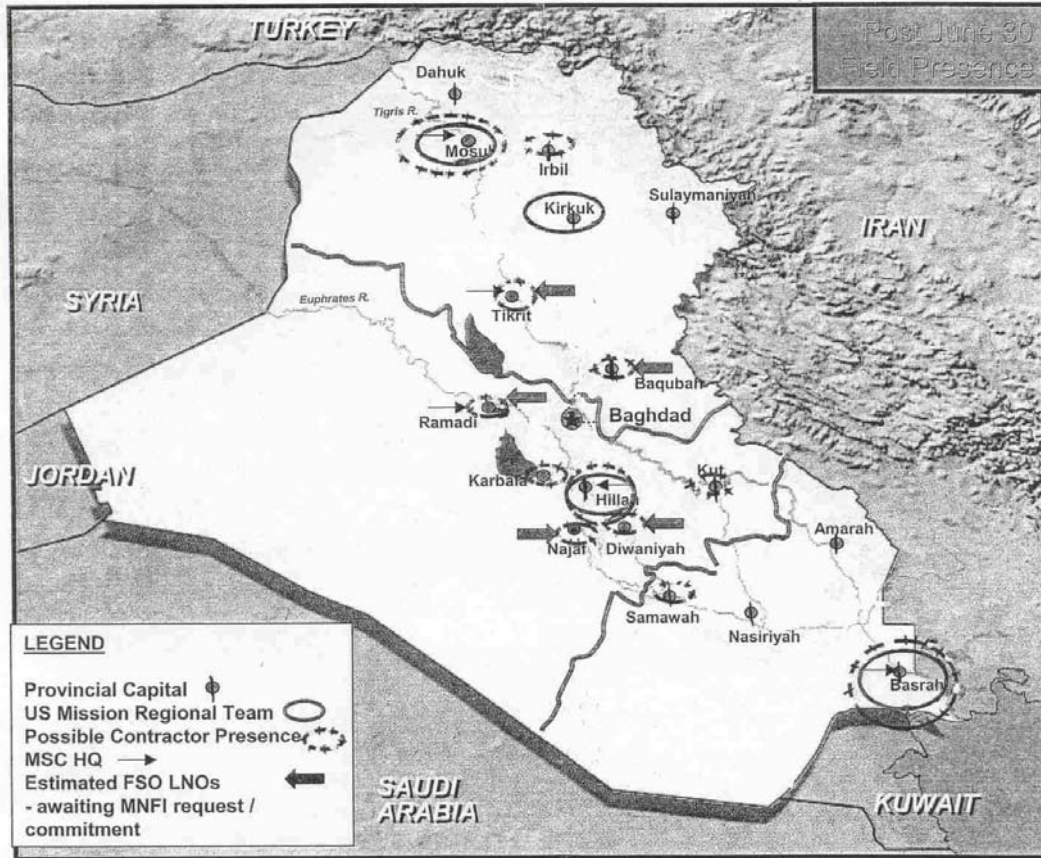


Figure 2. Post June 30 Field Presence



Source: U.S. Department of State.

**Note:**

Provincial capitals: Dahuk, Irbil, Kirkuk, Sulaymaniyah, Baqubah, Hillah, Kut, Samawah, Amarah, Nasiriyah, Basrah

Areas with U.S. Mission Regional Teams: Mosul, Kirkuk, Hillah, Basrah

Areas with possible contractor presence: Mosul, Irbil, Tikrit, Baqubah, Ramadi, Karbala, Hillah, Najaf, Diwaniyah, Kut, Samawah, Basrah