

**PRESS CONFERENCE:**

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**Major Joe Price**

**Colonel Lipschitz, Gulf Region Division, Director military construction and CERP program construction**

**Leslie Wright, Deputy Director of Capacity-Development**

**Lieutenant Commander Scott Schalles**

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**\*REP1 = REPORTER 1**

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**LANGER:**

Thank you. Welcome everyone. I'm Erich Langer with the Gulf Region Division of the US Army Corps of Engineers, and today our roundtable is focusing on CERP, the Commander's Emergency Response Program. It's a very, very important program that is affecting lives across Iraq in all different sectors. And we have an esteemed panel of experts in many different areas of CERP, and so we'll be able to talk programmatic area as far as the big picture, CERP, and the money, and the projects as they go across Iraq. And then we'll be able to bring it down to Baghdad and talk specifically about CERP projects in Baghdad and muhallahs here and how those projects are affecting lives and changing lives. And then after that we'll be speaking a little about the vo-tech program. Excuse me we'll be out of order there. But vo-tech program as far as capacity-development and how the vo-tech program is helping ensure Iraqis have the vocational skills they need to help rebuild this wonderful country. And then we'll follow up with an esteemed speaker from our Joint Reconstruction Operation Center who is going to speak about the water and sewage programs and how those dovetail into what we do. So that's pretty much the lineup. Again it's an Iraqi media roundtable. Arabic. We will be speaking in English and Arabic. Each of our presenters will speak and then following that we will open the floor to questions. The floor will be open to

questions from our Iraq Arabic speaking audience initially, and then if we have any western questions after that, we can address those after our Iraq and Arabic media have their chance. We have some press kits. I think most of you have those. They are in a brown panel like this, folder, and they include bios of our speakers as well as the presentation slides you'll see this afternoon. So without further ado, I think I'd like to get started and bring on Major Joe Price, who works the CERP program for Multi-National Corps—Iraq on the big picture, the stratospheric look at CERP. He's worked in Kosovo as well as Iraq, so he's got some slides to show as well. And I'd like to turn over to him now.

**MAJ PRICE:** Thank you Erich. CERP first and foremost is a commander's program. It's a local level, tactical level, town, village, district level program. It was initially intended for small-scale urgent humanitarian relief and reconstruction projects. Over time, that definition has evolved. When we talk about the water program, in 2004, water was destroyed pipelines and sewage in the street and getting fresh water, bottled water to people that needed. As those needs were addressed, refurbishing or rebuilding water treatment plants, over time continuing to expand into major water pipelines, getting water back to the rebuilt schools, the rebuilt homes and facilities. So, on the one hand CERP has expanded from very

point-need level as part of the reconstruction. On the other hand it's still about repriming the pump of the Iraqi economy so it can become self-sustaining and self-governing. Some of the things I'm going to talk to you about are gross numbers of projects, in putting CERP in the context of the bigger Iraqi reconstruction effort, as well as dollars and where those dollars are being spent. I will just touch on the administration of the program more at the local level than myself, the 30,000 foot corps level. And if there are questions, I can talk to any level of the program administration. This slide shows that over the last four years, \$100 billion has been dedicated to Iraq reconstruction. Of that, approximately \$40 billion has been in US-appropriated funds. As you can see better on this chart, of that, almost \$3 billion has been CERP. Clearly, not a significant in the big scheme of things, but this is about sustaining the Iraqi people as capacity is restored, as capability is expanded. And what that translates to in gross number, of the almost 20,000 projects Iraq-wide reconstruction big and small, CERP is over half of that; it's about 10,000. Just in generalities, that works out to about 2,500 a year over the last four years, approximately seven or eight a day. Somewhere in Iraq a new CERP project is starting on top of the hundreds that are ongoing. This is about the local company commander, the local platoon leaders, the local commander working with the local government in identifying those critical

needs that are preventing Iraqi society from moving forward. This is happening in every district in every province, and at that level there's no coordination. It's what is the need today—getting the water turned back on, getting the electricity turned back on, getting the school re-opened, providing security, providing jobs. What is the need that day for that community? There are some general trends that have evolved. In a later slide, I'll highlight the fact that in Baghdad, the greatest dollars, the gross dollars, per se, has been spent in Baghdad. But that's a function of that's the largest population concentration, the most people, the most need. In gross dollars per person, per capita, the most dollars have spent Anbar province, but that's where probably the worst fighting, the most degradation of the infrastructure under Saddam's regime and the most fighting, kinetic operations during our time here. So, per person the largest number of dollars have spent in Anbar. Again, they had the furthest to come back up. The most gross dollars have been spent on Baghdad, again, benefiting the largest percentage of population. This slide shows that over time from the post-combat operations, you can see the average project was approximately \$50,000. Again, that was getting basic services, basic food and water to the people, removing the most immediate dangers to health and safety. Over time, as those needs have been addressed, the per-project cost has gone up. Like I said, we're getting into prime

power generation, into moving water, into the vo-tech schools. You can see on one of the pictures of the over there a CERP project might have renovated the school. Another CERP project outfitted the school. Another CERP project provided the security so those kids could safely attend the school. When there's seven projects per day starting off and there's hundreds more ongoing, that's how it's happening, one at a time. And again, growing in dollars over time. This slide just highlights a snapshot in time, 2006-2007. This in gross numbers of the approximate 10,000 projects, you can see over time that as the forces on the ground grew, our capacity to implement projects changed. So of approximately 10,000 projects over the last four years, you can see a significant number and a significant dollar occurred as we were ramping up. Just to bridge to my JPC contemporary, fully 25% have gone for water. Over time, that number will probably go down, again as the infrastructure is completed. This slide also elaborates. You can see that in...again that it's tailored to the local need, water projects in particular. In Baghdad area 43% of funds went towards water. That number is probably ramping down as the infrastructure is restored and the dollars for electricity is probably going up as we put more and more power down to the house level. There's a lot of rhetoric tied to the production of electricity and the availability of electricity. The average Iraqi citizen has limited, depending on where they are, two,

four, eight, ten hours a day of electricity. So, as opposed to Iraqi government installations, Iraqi critical facilities like hospitals and police stations which have more reliable power. It's a function of their criticality to the success of society, to the safe, good order of society. So where CERP is coming in is filling those needs, filling those shortfalls at the district level, at the mulhallah level, providing local generators. And again there's no central planning here. This is the local commander working with the local mayor, council, district leader. Where the JPC comes in is at sort of a middle government level, helping to organize and direct that, whereas the government of Iraq is working on building its own capacity and looking at the strategic issues of power production nationwide, power distribution nationwide. CERP is filling in at that lower level, that interim fix so the Iraqis can...not have to worry about basic needs and life support and worry about producing a vibrant economy. And that's I think where we'll talk about the vo-tech schools. Again that provides the diversity of skills and diversity of jobs so Iraq can become a self-sustaining, diversified economy. I think I hit all of the notes. I look forward to your questions. Focus on Baghdad now.

**LANGER:**

Actually, we're going to go and talk a little about the vo-tech program. Colonel Lipschitz down at the very end of the table is our

subject matter expert, along with Ms. Leslie Wright. And I'd just like to give a little bit of background information on the good Colonel. He's an Air Force colonel, and he joins us from his past assignments, and he spearheads our military construction and CERP program construction within the Gulf Region Division. Of course, the Gulf Region Division is the DOD agency that has the lion's share of the reconstruction programs, especially with the ERF. And the ERF is the large projects, the huge water treatment projects, and the huge courthouses and electricity projects as well. But Colonel Lipschitz's projects also involve overseeing the CERP program throughout the country. I'd like to go ahead and turn it over to him and then we'll give a little information on Ms. Wright as well. Sir.

**COL  
LIPSCHITZ:**

Thank you Erich. This slide talks about the current problem with skilled labor in Iraq. Iraq at this point in time has a very serious problem with skilled laborers. What happened in between the last Gulf War and the current Gulf War over the past years right before OIF started was that there was a critical shortage of skilled labor, especially technically-skilled labor to provide up-to-date ability to do any kind of skilled work, especially like plumbing, carpentry, electrical needs, electrical vocations, to provide the necessary economy for construction and the development of the country. After OIF, after the kinetic operations in 2003, not only was there a

lack of skilled labor, or very few skilled people going in for vocational training, but in addition to that, since a lot of the vocational training centers were vacated, this provided an ample opportunity for looting and destroying of the existing vocational training centers as they were. There are some centers at this point in time that have been operating, but it is a very reduced level, and a lot of the equipment is pretty much antiquated. Now, when you compound that with the Iraqi population, a lot of the Iraqi population, about 60% of it younger than 30 years of age. This is prime...the age of a population that can provide the majority of production of a country. Now, a lot of these people are pretty much stagnant with low income wages, low income. And what that prevents is that it flattens out the economy. There's no way to bump up in terms of higher salaries, providing a middle income so that you can go out and generate more cash flow throughout the country. Combine with this the fact that you don't have that additional income coming in due to middle income people who are technically trained, you have an economy that cannot grow. It becomes stagnant, especially internally. The local and internal economy of the country, not to go and mention any possibility of imports and exports. And then it provides for lower standards of living and prevents, provides some dissatisfaction of the population as a whole. Now, what I'm really trying to mention in this is by just

the fact that you have people with low income or who've become unemployed because they don't have the ability to become skilled, now you have someone who is unemployed, who doesn't have the technical skills. And that individual who is unemployed as a possible person who becomes dissatisfied and then possible insurgent. Now the way to go in and turn around that is you want to have somebody who is employed. That person who is employed will have a less likelihood of becoming an insurgent in the country. What is the value of vo-tech training? Vo-tech training, as the slide says, is vital to the development of the nation's workforce. What I want to mention in here is that not only it provides a pool of skilled laborers, but really it provides that energy and that engine to go in and tie in between unskilled labor and professional labor in-country. So it really provides that synergy to provide all necessary skills for all the different systems and production within country like banking services, computer systems, information technology, all of the different types of labor skills for the different vocations to do construction and regeneration of the country and reconstruction. And in addition to that, finally it just grooms skilled tradesmen. The vo-tech training is really critical for a nation like Iraq. Because again it provides that gap-filling from when Iraqis leave high school and they need to go and find a job. And not necessarily they might be interested in going into highly technical like going to college or

going to some other professional education. Let's go on to the next slide please. I want to go and talk about some of the partners in vo-tech improvement phase. The first partner is the Ministry of Labor and Social Affairs. The Ministry of Labor and Social Affairs provides a policy to the government of Iraq for the development of labor. I want to go in also to talk about the provincial governments. They're the ones that act as the local agencies to promote development and to go and provide employment for Iraqis. You have the Multi-National Forces—Iraq...Multi-National Forces—Iraq is the one that provides the policy and the integration between the military forces, the Department of State, and also the Government of Iraq. Under that, you have the Multi-National Corps—Iraq. Multi-National Corps—Iraq is the one that provides all the military forces to go in and provide the security but also provides the capability for reconstruction capabilities for the Iraqis to go in and provide that level of confidence. Then you have the US Agency for International Development, which is a civilian agency which provides one of the primary efforts, for example, for capacity-development and sustainment. USAID is the primary agency in-country that has this kind of expertise. And last but not least, I want to mention besides other agencies is the United States Army Corps of Engineers, the Gulf Region Division, for which I work. GRD is the primary executing agency for design and

construction in-country. So we look at the Commander's Emergency Response Program as one of the programs we use to go in and assist and provide the design and construction services for the development of the construction of vocational training centers. This slide shows the map of Iraq, and you'll notice that it has the operational vocational training centers, which are marked by the stars. You have some of them which are operating with some limitations. You have some of them that aren't operating at all because they either have been looted, totally destroyed, and there has been no necessary plans to try and bring them back into full production operation. You have some employment centers. You have technical learning centers, and you have regional ministry and training centers. As you can see, there are not really many stars, asterisks, and dots in this map. That really should give you an indication as to the really lack of vocational center needs that the country has, especially with a large population like the 60% that I had mentioned before, of people who are 30 years of age and less that would really benefit from vocation training. Here are some of the supported subject areas for vocational training. As you can see, it includes carpentry, labor, construction carpentry, generator repair, plumbing, masonry, tiling, metal working, computer repair, languages, banking services. What I want to mention is the type of training, vocational training that you see listed here is very, very

similar to what you would see not only in other countries but especially like the United States. And I want to go in and mention one program for example in the United States that has been working for a long, long time of which I'm very familiar with is the Department of Labor's Job-Corps program. Job-Corps program has pretty much the same kind of training that you see here. So, it seems to us that if a program like that can work in the United States, it very similarly should be able to go in and work in a country like Iraq. And with that, I just want to mention that all of these areas can go in and support the economic development and communities and overall in the country of Iraq. Erich, thank you very much.

**LANGER:**

Thank you, sir. Thank you very much. Now, Ms. Wright is going to continue the presentation, speaking a little bit about the capacity-development portion of GRD's role in vo-techs. So, we'll want to get back to the vo-tech slides about halfway through after the slide on the different vocational skills that are being taught. Ms. Wright joins us as the Deputy Director of Capacity Development, working directly for Colonel Lipschitz. She also is responsible for the \$345 million ESF capacity-development program. A lot of programs, a lot of projects, a lot of responsibility. She, of course, works closely with USAID, the State Department, and other partners on that, as well as the military side of that. So, Leslie, I'd like you to go ahead

and pick it up if you'd like.

**WRIGHT:**

Thank you very much. We're on the same presentation. The title of the slide is "GRD's Role." If we could flip to that one please. As the Colonel mentioned, we are one of the players in the improvement phase of the vo-tech centers. Our role is primarily, I'll hone in on our simply our role with respect to the vo-tech rehab process. Our role is primarily to assess the existing centers and the structures out there to then go forward with the rehab process. Thereafter, we are acting as the program and project managers for each of these vo-tech centers, of which I'll elaborate on in the next slide. Just for the sake of definition, project management, organizing and managing resources within in a defined scope, quality, time, and cost constraint. I'd like to elaborate on the program management side. I know there are a number of definitions that exist out there, so I think this is probably important. Process of managing multiple ongoing interdependent projects—and this is an important point—and in coordinating and prioritizing resources across projects, departments, and entities. So, the collaborative portions of what we do in working with MNF-I, MNC-I, USAID, and other organizations, [unintelligible] obviously is critical to the success of not only the rehab phase of the vo-tech improvement, but also the entire national program as a whole. With

respect to the status of the vo-tech rehab, by the end of the fiscal year, that being September 30, 2007, there were seven contracts awarded for rehab and/or new construction, the first of which is in Sulaymaniyah in the north. This is a newly constructed vo-tech center. The second is Abu Ghraib. Abu Ghraib is in the central portions. When I'm speaking by the way of the north, the central, and the south, I'm speaking in terms of GRD's district boundaries.

**LANGER:**

And you can see that on the map up here with the highlighted projects. The northern region up Kirkuk, just north of Baghdad. The central region includes Anbar and Baghdad governances, and everything south of that is included in the GRS region, or Gulf Region South.

**WRIGHT:**

Thank you. A number of the USG as well as GOI organizations we have defined our own boundaries which are often times different. So moving right along, GRC the award was for the Abu Ghraib II vo-tech center. That's soon to be, the "no super-c" should be out really soon. There are five in the south, the first of which is Iskandariyah, which is approximately 85% complete, that's 85% complete of the first phase of this entire program, or should I say project, for Iskandariyah. There's Najaf, Qut, Zubair, and Qasid, all of which are well on its way, doing quite well, progressing nicely. And I'd like to also mention that while we have only seven listed here, that doesn't mean those are the only seven that GRD will be

working toward with rehabbing, or reconstructing, or should I say, new construction. So there's others to my understanding to come, but we are not too certain on what funding streams currently will exist. Moving to the next slide, just to give you an example of...okay, this is the Qut vo-tech center. If we could just scroll back to the Qut vo-tech center, the very first one where we see the structure of the three gentlemen sitting in the yard. There are a number, in your packets you will probably see a number of pictures, the first of which is the Qut vo-tech center. You'd find that a number of these vo-tech centers they look structurally sound. The problem primarily with a number of the vo-tech centers is that the water and electrical systems need to be refurbished. And there's where army engineers come in and actually do what they do best, and that's manage projects and programs that we'll refurbish from a national point of view. Another area in which retrofitting or, should I say, reinforcing concrete structures. It looks as though in all of these that you find in your packets a number of the pictures they seem as though they look like they're fine, sound buildings. While in many instances they are, but these are the water systems and the electrical systems are not up-to-date and need to be refurbished for that reason. So without a doubt, these centers, along with a number of others, some of which obviously have been bombed out.

**LANGER:**

And Leslie, we have several of the posters too of the different vo-tech centers around the room that the journalists might want to go around.

**WRIGHT:**

Wonderful. Maybe there will be a chance for you to just take a glance at those and see just what I'm talking about with respect to the actual centers that are up and running. And actually, I'd have to say also that Najaf vo-tech center's in operation along with a few others and with a number of training classes available to women and men, sewing classes, woodworking classes, machine shop and the like. And in many instances these, I'd like to emphasize that these center serve the communities. They serve the communities in that you have small businesses that basically derive from this type training and with respect to sewing, we have women who have started their small businesses in their communities with I guess sewing different types of, I guess, garments for the folks that appeal to the folks in the communities. So there's where it ties directly into economic development and communities that the Colonel mentioned earlier. In conclusion, I'd like to really emphasize on a few points. While there are plenty of points that are very important to make. And I'd like to emphasize and give you a few takeaways with respect to what the vo-techs will actually bring to the table. A skilled workforce is critical to the Iraqi economy. This is factual; we all know that. It will deter military-aged males from

participating in insurgent and/or anti-Government of Iraq activities. Without operational, modern vo-techs, the Iraqi infrastructure will suffer without a doubt from a lack of skilled laborers, with any economy throughout the world we find that this level of laborers are essential to the development of the economy. Workforce development is a primary key to economic sustainability. That's primary. I can't stress that enough. It's probably the most important. Developing skill sets that satisfy the job market needs is also essential and one that we need to really be cognizant of. A vo-tech has the potential to provide education and services focusing on, among many others, but focusing on continuous workforce improvement, technology deployment, business development. And I'd like to emphasis business development that is consistent with the current needs of the stakeholder. The stakeholder being either the immediate community, the province, and/or the nation. So that's what's important. The term "adaptability" comes to mind when we speak of this particular fact it's important that while the concept of vo-tech is applied everywhere in the world and its capacity-development technique that has proven—a tried capacity-development technique—that has been proven time and time again, worldwide. It's important that we know we have to make these type techniques adaptable to the local communities, not only the local communities provincial and tied in to the national and then

international needs with respect to workforce. Thank you very much, and that concludes my presentation.

**LANGER:**

Leslie, thank you. And I think you can tell by Leslie's presentation that the way CERP actually works is really good on a localized basis, as it ties into the vo-tech system and what a specific vo-tech center will need. It may not be the same as another center. It may need more equipment. It may need more training. It may need more infrastructure work on the facility. So, there's lots of different ways that CERP can fill the gaps on helping us and the Government of Iraq working together towards the reconstruction of this great country. Next, we'd like to move on to Lieutenant Commander Scott Schalles. He's two slots over from me to my left. Scott is the resident engineer for the International Zone plus also about  $\frac{3}{4}$  or maybe it's 80%, Scott, of Baghdad, west of the Tigris. He's got a lion's share of the projects in the Baghdad area that he is directly responsible for. He arrived in August, and he took over the helm of the resident office here in the International Zone in October. And he's been very, very busy with lots of different projects. And he's going to kind of walk us through the type of projects that he's responsible for so you can have a better idea across Iraq what other resident engineers like himself are working on and how he works closely with the government of Iraq as well. Scott, it's all yours.

**LCDR  
SCHALLES:**

Thank you Erich. As Erich told you, my name is Scott Schalles, and I am here to give you an overview of how I use the Commander's Emergency Response Program funds. I would like to start by telling you a little bit about my office. I am the leader of the International Zone Resident office. I am responsible for construction contracts in Baghdad west of the Tigris River. I have right now about 150, 146 I believe, contracts going on. And I have, to accomplish those contracts, 40 personnel, three-quarters of whom are men and women from Iraq, from Baghdad. Now, of those 30 folks, 30 Iraqi civilians that are working for me, it is about half that are project engineers, and the other half are quality assurance representatives. The project engineers run the day-to-day workings of each project, while the quality assurance representatives go out to each project site and make sure that we are getting what we pay for in terms of construction. When I say getting what "we" pay, what I'm referring to is your country, not the American military. These projects are all vetted and approved through Iraqi and Baghdad governments. If I can go into some more detail on what my office does. We execute construction contracts. We do not plan or propose them. Other people outside of my office plan projects, propose projects and award projects to local contractors. These awarded contracts come to me to execute. Executing projects means working constantly with contractors to ensure we get a

quality product for the money spent, as I said before. We also work closely with military commands here in Baghdad and with authorities local, such as the Amanat, as well as the Ministries of Electricity, Health, and Oil, and yet others to ensure that what we build is what Baghdad needs. My project engineers and I visit the project sites frequently to see how things are going, to make sure the projects are going in the right direction. And to further assure quality construction, the quality assurance representatives that I mentioned before visit the sites on a daily basis, take photos, and basically act as our eyes to make sure that we are building the right way to benefit this city. Next slide, please. Before I get into CERP projects in particular, this is a list of all of the projects that my office is currently taking care of. If you read down the list you can see that all of them except for nine listed there is military are to the city and to the country's benefit. Next slide, please. Now let's delve into the CERP projects in particular. Excuse me, back one slide please. I seem to be missing one. I'm sorry. To deal with the CERP projects in particular. Of those 146, I have 16 projects that are funded with CERP money. And of those 16, all of them fall into the following categories, the following types of facilities that are being built. They can be schools, petrol stations, roads, bridges, water piping, sewer lift stations and sewer piping, and new hospitals. Now, next slide please. I seem to be mixed up. There is

a slide that says “Boys’ and Girls’ Schools” on it. If we could get to that one, please. I’m sorry, ladies and gentlemen. We’ll go through each of the types of facilities I just mentioned one by one here. We can spend, for example, for boys’ or girls’ school about anything from one-half to one million dollars to either renovate or build new using the CERP funds. And if the list is there, yes it is, get the facility whose dimensions and amenities are listed on that slide. In order to complete a project like this, my people in my office work closely with the Baghdad Amanat and also the Ministry of Health, among others. We must work closely with the authorities here in order to build what is required. Next slide, please. I’m sorry. I’m looking for a slide about petrol stations. There it is. On some of these examples I show you “Before” and “After” pictures. This is one of them. This demonstrates what \$200,000-\$300,000 of CERP money buys for Iraq, a totally refurbished petrol station, a place you can go fill up your tank. The Ministry of Oil, in cooperation with again, the Amanat, and other authorities and military units in the respective areas where the petrol stations are located, work very closely to complete these on time and within the budget. Next slide, please. Looking for water piping system. Now, these can be much larger than the two examples I’ve already given you. For water piping projects funded with CERP funds, they can reach as high as \$1.5 million, and they can cover as much as an

entire mulhallah, with brand new water piping. We work, of course, with the Baghdad Water Authority and with the Amanat to make sure that the contractor gives us what we want. Okay, “Sewage Lift Stations,” please. Another one where I was able to provide “Before” and “After” photos. In case any of you have not noticed, sewage disposal in the city is of prime importance. We’ve got to solve the problem, and this is one place where CERP funds are doing just that. We spend anything up to \$2 million on lift stations, on entire mulhallahs full of brand new sewer piping and on other requirements for the system to get the sewage out of the city. And the Amanat, with indeed all of these projects, sewage projects included, work closely with us and help us with gaining permits for our contractors, among other things. And finally, my own favorite, the hospital projects that are built with CERP funds. We can spend, like the schools, anything from one-half to one million, and get either a fully renovated or a brand new hospital. This particular one that’s pictured here is serving now 250 people per day. And if you see one picture in the upper right, it shows a building with what appears to be a parking deck on top of it. That is not a parking deck. This project was actually built so that a follow-on construction project can build a second floor and add more capability to the hospital. It is your city authorities and your Ministry of Health that are looking ahead and understanding that

they need a heck of a lot more capacity in their healthcare system and requesting from us designs like this that they can expand accordingly. Next slide, please. Finally, this goes for CERP projects and, of course, for all the others that we run through this office. We have our challenges. We make mistakes in this office like every other. Sometimes, we find, for example, that a contractor we work with does not know, frankly, how to do the work. We have to train them or show them the right way. This is not always the case, and we want to give these construction contracts to local contractors so that not only do we stimulate the local economy, but we train the workforce, much like the vo-tech schools do. That is the training mission that I allude to there. It's not really an official mission on the part of the office that I run, but it works out to be that many times. Sometimes also, the city permits we have some contractors that on occasion that are so eager to begin construction that they do so without seeking the proper permits from the Amanat, from the water authority, from the various ministries here that are the government. Other times, I work with people in the Joint Reconstruction Operation Center, or JROC, to ensure that permits are received in a timely fashion from those authorities. And finally, perhaps our greatest challenge, and thankfully one that has abated somewhat, and I hope continues to abate, violence in this city and around the country can stop or slow down a project. I

hesitate to use the terms. We know that violence can do that with a construction project, but we also know that violence, slowing down construction projects pales in comparison to what violence does to all of us. It brings about a lot of anguish and it takes away a lot of love and life, and I'm glad that it's going away. So, it is now less and less of a factor in completing construction jobs for the city. Next slide, please. That is all I have. Thank you.

**LANGER:**

Thank you, Scott. I appreciate it very much. I think you can tell from Lieutenant Commander Schalles' presentation that he's got his hands full across the city of Baghdad with a variety of different projects, all, of course, making an impact on the Iraqi public in a variety of different areas. It's very important. Of course, he has the ERF project as well as CERF projects, so he's able to manage all of those. And I've worked with his employees before and they're all professional. Most have degrees, engineering degrees, from universities in Baghdad. They put their life on the line everyday when they go out to these reconstruction projects to document how the contractors are working and how they are progressing, because we don't have enough eyes to be everywhere, so our QA/QC engineers are extremely important in playing a role for that. And, as Scott said, prodding them along if they need a little assistance here and there, or helping with coordination with the Amanat. So,

it's a really interesting relationship, how it's all tied together. And I think this really naturally ties to our next speaker, Mr. Shukari Rabadi, who is actually an official with the Joint Reconstruction Operations Center. We call it the "JROC." Americans are big at acronyms. But the JROC is an organization of people coming together, Americans, MNF-I, Iraqi officials, and all that work in the Baghdad Amanat, and work to tackle problems before they get to be too big of problems and help coordination roles in bringing things together. Mr. Rabadi is a specialist in water and sewage, and I just asked him here today because I wanted to hear a little bit more about what he does, and how he helps the coordination role, and how I know he works very closely with Lieutenant Commander Schalles. Sir, the table is yours.

**RABADI:** Thank you. Hello everyone. As Erich mentioned, my name is Shukari Rabadi and I work for the JROC, which stands for Joint Reconstruction Operations Center. Our role to coordinate among Government of Iraq and coalition force reconstruction agencies, plan and prioritize requirements, resolve reconstruction issues, support the joint planning commission. *Speaking in Arabic.* I'd like to give you an overview of the water and sewer situation as of now in the city of Baghdad. Regarding water, we have a number of issues here that are taking place. I have...the water treatment plan

is going on and scheduled to complete in February 2008. We have the R3 water treatment facility in Sadr City scheduled to start up on February 2008, overall capacity 96,000 cubic meters per day. This project has been going on for the last two years. It's a new construction, and will be commissioned the next couple of months in February 2008. We have ten combat units that Baghdad Water Authority is to install throughout the city of Baghdad where it is mostly needed. *Speaking in Arabic.*

**INT:** The Board of Directory in Baghdad will also provide on these projects the...

**RABADI:** ...Has been waiting very well the last few years. *Speaking in Arabic.* About the chlorine, Amanat Baghdad is taking responsibility. After March of 2007, the US Government was in charge of the chlorine distribution to water and waste water facilities throughout the country of Iraq and to the city of Baghdad. The contract has ended in March of 2007, and Amanat Baghdad and the Minister of Municipalities right now is in charge of getting the chlorine and distributing it to water and waste water facilities throughout Iraq and Baghdad. And as I said, Amanat Baghdad or Baghdad Water Authority, is in charge now of distributing the chlorine to their facilities in Baghdad. A number of water networks, as new construction and expansion, are going on right now. I can say approximately 35 water networks are taking place in

Baghdad districts. We have also Sharq Dijlah water treatment facility that there was an assessment being done to the facility, and now the contractor who is doing the work is doing the design and the BOQs for construction and expansion of the plant. For the long-term, we have the Rusafa water treatment facility assessment is going on, and a man at Baghdad Water Authority is taking charge of this assessment, and later on will be contracted to an Iraqi contractor who will be doing the work and putting this plant into its operational status. Regarding the sewage in Baghdad...regarding the waste water treatment facilities, we have two facilities which is Rustimiyah north and south in the Rusafa area, which is operating as of now under the [unintelligible] program. And we have also the Kerkh water facility in the Kerkh side of the river which is not operational since 2005. In 2005, the plant was rehabbed by a USAID project and put back into its operational status, but unfortunately, there was a lot of terrorist activities in that area in Dora. The plant manager got killed, and the facility got looted, vandalized, and nothing left of it as of today. Or, I could say, 20% of the facility is still remaining. Equipment, electrical panels has been all looted. Regarding this facility now, it's one of the highest priorities to put it back into its operational status, because 50% of the waste water from the Kerkh side of the city for three million Iraqis that goes to the Tigris River without treatment. And

regarding Rustimiyah north and south from the other side of the river, they are working but with this capacity. So, these are the three only waste water facilities in Baghdad. Regarding the trunk lines, we have existing trunk lines, the Zeblin trunk line, the northeast trunk line...the east trunk line which we call it the Baghdad line, or Baghdad trunk line, and we have the west trunk line. These existing three major trunk lines are working, but with some problems being clogged with sludge and grease. And back in 2004, Zeblin was treated and we spent \$7 million on a project to clean Zeblin trunk line, and it was cleaned, but now, after three years, we still have the same problem. The Iraqi Government has proposed several trunk lines to be built in the next year of 2008. One of them is the northeast trunk line. We call it [unintelligible] trunk line. This trunk line is to help in taking pressure off Zeblin. And also, we have another trunk line which is proposed by the Iraqi government is the Quds trunk line. Both trunk lines will be hopefully built by 2008 to take pressure off the Zeblin and the east trunk line and make the situation better as it is now. In the western side of the city we have another proposed trunk lines like the southwest and the additional southwest trunk lines. These are also from the Iraqi Government proposed projects for the year 2008. That's in general, but again when we talk about the Kerkh waste water facility, we are in negotiations with the Amanat on the rehab

of this facility, how to do the assessment and to rehab and put this plan into operation. And the security is a major issue here. Amanat Baghdad is refusing to send any one of their engineers or technicians to go to the facility and do the assessment and the work because of the security. It's a hot area where they cannot do anything before the security is imposed and the facility is protected for work.

**LANGER:** Sir, I think our Arabic speaking audience would like to hear you speak Arabic.

**RABADI:** Yeah, I would like to do that. I'm sorry I was changing between. Thank you, I have to change it to Arabic now. *Speaking in Arabic.*

**INT:** Actually I was talking about the sewage system in Baghdad. We have three major stations for water purification or for the water waste, in Rustimiyah, the northern, and the southern, and we also have a project of Kerkh. The Kerkh project that is not working and that has not been working since 2005 due to security and the director of the project was killed, and the Amanat Baghdad refuses to conduct any rehabilitation until security is established in Dora on both areas. The two Rustamiyahs are now being rehabilitated, are actually being worked on under the GRD program. And it started in

May 2006. And this project aims at rehabilitating and improving and fixing the generators, providing fuel and chlorine to...this is for the first stage, and now we're on the second or third stage that started in July. The fuel issue, we left to the Iraqi government and Amanat Baghdad so that they can provide fuel to the stations, whether it was chlorine, fuel, etc. However, the program is still ongoing, and we have a contractor in the northern and southern Rustamiyah and he's working on the maintenance now. And the work that we're doing now is focusing on the training. Training is really important. Now we train the staff of the Amanat so that they can take over these projects and other projects themselves, starting from maintenance, running the projects themselves. The program is ongoing, and it will continue until mid-2008. In general al-Kerkh needs rehabilitation, and the Iraqi government and Amanat Baghdad should pay attention to this project. The sewage system and the pumping stations of the sewage system we worked on a project that we presented to the Iraqi government to be part of the 2008 budget with a \$26 million to fix the sewage network and also the pumping station in the fourteen neighborhoods or mulhalla in Baghdad, like in the [unintelligible] municipality that was divided also. So I think we have now fourteen municipalities there. But according to the coalition, we divide them into ten parts, ten security parts. We so far provided this plan to the Iraqi government, and we hope the

Iraqi government could pay attention to this, because the sewage system is really bad in Baghdad. We have so many problems in the network sewage system and all around. And do we have also problems in the pipes, like cleaning the pipes, and whether it's on the western or the southern lines. As there are some lines that suggested by the Iraqi Government and some other lines suggested by us. Also like the [unintelligible] line in Rabiya and [unintelligible] lines; all these lines are being suggested by the Baghdad directory...hopefully the government will pay attention to them next year so that this will reduce the pressure and reduce the problems on the other lines, because we have three lines that are actually pretty old. This is actually what we want, and the plan was presented to the Iraqi Government, and now we're seeking approval from the government so that the government or the Amanat Baghdad could start working on these projects. Thank you.

**LANGER:** Thank you Mr. Rabadi. At this time I think we'd like to take any questions that you may have. Again, our Iraqi and Arabic media have first priority, but we'll try to get to everyone. And if you would, also announce who you're with, and who you'd like to direct your question to would work out great. In the front row first.

**REP1:** Asking question in Arabic.

**INT:** This is a question from al-Sabah newspaper. I have two questions,

the first for Colonel, for the Lieutenant Colonel, and the other question is for Ms. Leslie. To Lieutenant Colonel, you mentioned at the beginning of your comments that you found that Iraq has a shortage in people who were working, particularly after war in 2003 and manpower, that is. You also worked on courses and training courses to rehabilitate those people. Could you give us some statistics of those you have trained or the training centers? And could you give us the number of the participants and how much they have benefited from these courses? And do you think that those who have been trained, do you think they will also train others so that it can benefit their community ultimately? Same question, in your own opinion, when do you think that Iraq will need...could you specify a timeline when Iraq will no longer need these kind of training? The other question is to Ms. Wright. You've mentioned also that you've conducted rehabilitation and training for men and female. What is the percentage of the training courses presented to the Iraqi females? Have you rehabilitated the Iraqi woman and you've included them in the community. Because we know that the Iraqi woman suffered for years from marginalization and etc. Thank you.

**WRIGHT:** Let me just clarify. I'll take this moment to clarify with respect to vo-tech, the presentation was on GRD's role as primarily rehabbing

those vo-tech centers. There are courses there that USAID is actually sustaining and maintaining a database of folks that they've trained, folks that they've moved on, and really basically establishing performance measurements on these training courses. So we at GRD would not have that level of data. USAID would have that. However, there are women being trained in sewing classes and other English classes, and things of that nature. However, I would like to mention aside another program outside of the vo-tech program. We do have a GRD is a women's program where—it's primarily in Baghdad currently—where GRD basically works with JCCI to train women and other business people in how to respond to tenders, how to develop proposals that will give them a better chance to basically have their bid accepted. And so, and that number I can tell you back in 2003-2004 it's probably less than 60-70 contracts that were won by women. There's a young lady by the name of Asu Humadi who manages that program. I could say today there are—and it gives me chills thinking about it quite frankly—today there are more than 500 women-owned businesses who have actually bid on contracts and won then, and we're talking about millions of dollars. So that's a program that's aside from vo-tech we're not very much involved in. I guess once we rehabilitate we pass it to USAID. We don't have the data at hand for vo-tech specifically, but being mindful of that very fact, there's another

program that GRD actually is very much involved in through the program manager who works under myself, Asu Humadi. And she has really the measurements on the performance of that particular program has exceeded everyone's expectations.

**COL  
LIPSCHITZ:**

Let me go and answer the part you ask about the possibility of training Iraqis, specifically like trained skilled people, who could be participating as technicians, as teachers, as train-the-trainers. That program does exist right now as a development, where you would have primary people who are very well skilled in a particular labor trade, like carpentry, masonry, electrical trades, computers. Those would be the people who would be acting as trainers, and then they would go ahead and train other Iraqis to go in and learn the particular skills. So, in essence, it pretty much promotes itself to have more Iraqis to have them being as skilled laborers. Now, to go in and answer your question does this program ever end? Absolutely not. This is a continuing program that keeps building upon itself as you have more Iraqis who are skilled, who know how to be carpenters, who know how to be masons, know how to be electricians. It promotes more of the trades to go and promote more construction efforts and more development of Iraq. And therefore, you could have those same Iraqis later on when they come out of the trades, out of the construction, they can come back into the

vocational training centers and become trainers themselves. So, now you have a system that pretty much promotes itself to continue vocational training, and that expands in terms of the possibilities of what the nation of Iraq can go in and do. I don't really have the numbers as to how many Iraqis go through each particular vocational training center. I think USAID would pretty much have better of an answer.

**WRIGHT:**

Actually to add to that, sustainment is the piece that you're trying to build. So you'd like to sustain these centers and its capabilities and maximum capacities as opposed to finish up. And you'll always need this level of labor.

**COL  
LIPSCHITZ:**

Let me give you an example. Let's say you have, for example, a vocational training center that is not necessarily well rebuilt, has not been renovated. One of the good things about having a trained Iraqi force, the trainers themselves is that all you need to do with like a CERP program is you just bring the materials into the vocational training center and those trainers themselves as they train the Iraqi laborers, they're the ones that actually start rebuilding the center itself. So now you have good facilities to train Iraqis and it also provides additional capacity and space to train more skilled laborers. So it kind of builds upon itself to go in and have the

vocational training center with trainers, to go in and bring materials. And now you are actually building up a vocational training center, and you can go in and promote that to other centers that you might want to go in and build throughout the country. You take those same trainers to another location where you can actually start building that vocational training center at the same time that you're training Iraqis as to have to go in and learn the trades.

**REP2:** Asking question in Arabic.

**INT:** Ziad Nihad from al-Hora TV. I have three questions. I have a question first to the Lieutenant Colonel. There are so many numbers that you've mentioned about the projects in Iraq, in Baghdad, but you have not mentioned places and neighborhoods in particular. The total money in 2006 and 2007...there were no clarifications about the exact money that had been disbursed. And the second question is to Mr. Shukari. Through what you've mentioned that there's a coordination between you and Amanat Baghdad. And there is some lagging in Amanat Baghdad that the work of Baghdad. But there's an improvement in the security situation, so why is there this lagging? And also to Lieutenant Colonel Scott, there are also some projects that witnessed corruption by contractors. And when we compare these projects,

we can see that a lot of millions of dollars are being disbursed in vain and there are no actual projects. So corruption is the main problem.

**MAJ PRICE:** In addressing your first question, since the end of major combat operations or the fall of the Saddam Hussein regime, Iraq-wide there have been approximately 17,000 reconstruction projects. Of that, approximately 10,000 were CERP projects. As I mentioned earlier, it was the majority of projects, because there's the majority of the people out there implementing them. You asked about dollars expended. Of that, again over the four year period, approximately \$3 billion has been spent nationwide on these 10,000 projects. Over time that number has increased, the dollar-wise has increased. Again, it's tied to local need and tied to the cessation of hostilities, be it the elimination of al-Qaida in Iraq or the elimination or cessation of hostilities by insurgent groups. Where the soldiers are available to work with the community, the dollars are obviously increased dollars spent. If your question was about various areas in the country, I would have to research that data and get back to you. The two highlights I brought was that, in gross dollars, the majority has been spent in Baghdad because the largest population is here. The largest need is here.

**REP2:** Asking question in Arabic.

**INT:** There's a confusion about the data. Now we're approaching the year 2008, and you gave me projects about 2007 or about projects you worked in the past four years. You didn't give us any details about the projects by the GRD. What is the amount of money that has been disbursed in 2007 this year? This is what I'm asking.

**MAJ PRICE:** GRD has been involved, certainly nationwide, with most, if not all, reconstruction projects, above and beyond CERP. They've worked the Iraqi reconstruction. They've worked with USAID. We call it appropriations. They've worked with a number of different dollars. Of the \$40 billion the US has spent, just \$3 billion of it is CERP. Of that \$40 billion, the portion that GRD has had its hands on it probably fairly sizable. So GRD is...again, I didn't bring that level of data. Of that \$3 billion, a lot of it has been for compensation for families of Iraqis who were killed in the hostilities. Microgrants. It was mentioned earlier with vo-tech, with economic development. Millions of dollars has been spent on those microgrants, investing in Iraqi business, so...

**COL LIPSCHITZ:** Joe, I think I may be able to go in and answer that. From what I recall from FY07, approximately about the numbers that we've seen from last year for GRD, it was probably about \$123 million that

were spent on projects. And a lot of those that we saw were very small amounts of money. And especially if you look like the vo-techs, the vocational technical training center, the amount of money that's spent on those is like between \$300,000 to like about \$1.5 million, not more than \$2 million. So if you have like about, let's say, ten or fifteen of those, when you really add all those amounts, it really doesn't necessarily mean that you're going to be spending millions and millions and millions of dollars, and really do not need to go in and spend that much amount of money on CERP by that amount. At the same time like Joe was mentioning, when you do have situations that you have had, for example, a waste water collection system that has broken, the only amount of money that you spend is the necessary to go in and bring that sewage system back into operation. As a matter of fact it happens because of a mistake or accident that happened during operation. Let's say for example you went into a town. You had to go in and conduct the military operation there, and oh by the way, while you were running the operation, due to the operation itself, you were the ones who caused the breakage of that waste water system. So CERP in itself would go in and correct that problem. And not necessarily have to go in and spend a lot of money to do that. So it pretty much falls in place with the amount of money that I mentioned that you're asking for. It is around...what we saw was like about \$123 million for it

for that.

**MAJ PRICE:** I guess the bottom line figure is the budget, the Fiscal Year 07 budget was we expended \$940 million. That was nationwide, all districts. And that wasn't just hard brick and mortar reconstruction. That was condolence payments. That was economic development as well as brick and mortar projects, refurbishing schools, outfitting the vocational schools. The \$940 million was the budget expended in Fiscal Year 07.

**LANGER:** Scott, did you want to add to that? Did you have anything you wanted to add to that as far as in the Baghdad area.

**LT COM** Uh, no. I think it covered that one.

**SCHALLES:**

**RABADI:** Speaking in Arabic.

**INT:** As far as coordinating with Amanat Baghdad, we as a joint reconstruction center, we work with the Amanat Baghdad and also with many other ministries and other municipalities like the Ministers of Electricity, Water, Border Resources. But mostly we work with Amanat Baghdad and the water sewage system. And of course there are so many problems regarding the sewage system in Baghdad and the lagging process that we actually witnessed. And we are working on it right now. And the projects are ongoing. And we put priorities to any projects and municipalities also. However I agree with you that there is a lagging process. Amanat Baghdad, for example, should coordinate with the municipalities. Or even

from the American side the contractors there is sort of a lagging process sometimes. And all this is due to the security situation. When the security situation is bad, the work itself is bad and is slow. And the approvals and all the techniques and other things is another issue. Amanat Baghdad should pay more attention to stuff like that. Every time we start a project, there should be a list and plans of projects, and they should approve these things if they actually meet the standards of the Amanat themselves. And so why are they lagging? They're the ones who are actually lagging, so why don't they allow the contractor to work? There is a slow process inside Amanat Baghdad itself when it comes to approving the plans or the projects. And during the process of work and when it's being conducted, there is a committee that supervises according to each and every municipality that supervises the work of the projects and supervise the work of the contractors that is following the good, standard procedures. We know that there could be mistakes, and any contractor could make any mistakes. And there should be a committee that supervises each and every project that any contractor oversees. This committee is present one day and is absent in another. So this is a problem. So the Amanat Baghdad should pay attention to work the [unintelligible] of these committees and should monitor the work of the contractor so that the work of the project is being conducted in a good way. The

commander beside me talked about that. There are some contractors who work without any approval. This happened. An example for that, a week or a couple of weeks ago, the deputy of the Amanat Baghdad asked us to cease all of our projects because there was a contractor in the Kerkh municipality had no approval, and this caused problems with the officials in the Amanat Baghdad. And so they asked that the work stopped. And we started an investigation and we found that the contractor had no approval to start working. But we managed to solve this problem. And the language itself is also a problem because we don't have a coordination between the communication. The way to communicate with Amanat Baghdad or those who execute the project. The contractors themselves are also responsible for some problems. For instance, we have one of the contractors in Dora who should extend the line of the sewer system. So instead of extending it for 1,000 meters, he extended to 700. So we are missing 300. So the Amanat has complained about this. So it's not the fault of the Amanat Baghdad but it's the fault of the contractor itself. So there should be someone who supervises the work of the contractor. That's why the Amanat Baghdad always complains about the work of the contractors. That's why Amanat Baghdad says, "Why don't you always monitor the work of the contractors?" So at this point it's not the Amanat Baghdad. It's not the fault of

Amanat Baghdad. The contractors themselves need to be monitored so that we make sure they follow the right and correct procedures in their work. And sometimes the contractors themselves they don't follow the standard procedures in their work.

**REP3:** Asking question in Arabic.

**INT:** Question from al-Kulra[ph] Iraq Newspaper to Mr. Shukari. Is there a budget to...for the streets and to pave the streets in Kerkh District? Because we have some neighborhoods that have not been paved. Thank you for this question.

**SHUKARI:** Honestly, every and each municipality in Baghdad, we have a plan. Yes, we do have a plan for each and every municipality and each and every street. We're rehabbing the street and the stores in that street and I have a list of projects of water, electricity, and etcetera. According to the public works, we have...what is being planned... we have 694 projects with a budget of \$565 million and we have also other small and big projects that is worth \$812 million. So we do have problems, sorry, projects and plans, but it could be for the public roads, for gardens, for parks or...all this is in the list. But we do have...do we have plans? Yes, we do. But we put priorities to these projects and all this is connected to the security situation itself.

**REP3** Asking question in Arabic.

**INT:** What's the benefit of flowers in the streets and you don't pave the streets themselves. You put flowers and you don't pave the streets themselves. What's the point?

**MR SHUKARI:** A few years ago, one of the most important things was that...we started these projects that would take the most important thing first like the purification, water purification stations, electricity. Those are priority. But we have other priorities and other projects according to our own standards. And we also...Amanat Baghdad also, they have a representative in our directory and they have their own projects and we're working on them.

**TBD:** One more question, please.

**REP4:** Speaking in Arabic.

**INT:** Question from Al-Sharq Newspaper. I have two questions. First is to Lt. Col. Gabriel. The security situation has been improved and the number of the attacks has been decreased, why don't we see that the level of the services provided is matching the improvement in the security situation? And the second question is to Lt. Col. Scott. For the past four years, all the expertise of the engineers in the

United States could not solve the problem of electricity in Iraq. So how would you explain that? How could you explain that your engineers from the United States, you work in institutes that work on generators and diesel generators, so how would you explain that?

**COL  
LIPSCHITZ:**

To address your issue of security, of course the primary thing you want to do, you first bring security to that area where you want to go in and do the reconstruction. There is a lag of time between the time you address security until you have people within that township, that province, that area that actually start becoming sufficiently confident that the security is of a sufficient level and for certain period of time until you can actually start bringing the population back in to be able to do the reconstruction efforts or at least to do the labor that they need to do to not only maintain and sustain that area but to also start bringing the business and the commerce back into place. So it is not really a situation that you go in as soon as you have security you can actually start bringing labor right into place. There has to be a level of confidence and time that has to happen for people to go in and come back and say, "Yes. I feel confident enough. I feel assured enough. I feel trustworthy enough that we can go in and start reconstructing." This is very different from like, for example, if you would have a situation like a natural disaster. A natural disaster, and you have the disaster come

over; let's say, for example, Katrina, when it hit Louisiana. As soon as that thunderstorm or at least the hurricane happened, people are able to go ahead and come back and start the reconstruction efforts fairly quickly. In a security situation where we have issues of insurgency, it really takes a longer time to go in and promote that level of security and to be able to have people confident enough to go in and come back and do the reconstruction effort. I hope that answers your question. Thank you.

**LANGER:** And the second part of the question related to how long have we been in Iraq and electricity?

**LCDR SCHALLES:** Okay. Colonel Lipschitz has provided already a lot of explanation that could also explain my answer to your question. However, I wanted to add more to that. I have seen estimates that it will take some \$20 to \$30 billion to bring the electric system, the electricity distribution system in Baghdad, up to where we would like to see it be. I'm sorry?

**LANGER:** The \$25 billion estimate is nationwide.

**LCDR SCHALLES:** It's nationwide? Okay. Excuse me.

**LANGER:**

And for instance, next year's budget for investing in that...paying down that bill is only \$2.5 billion. There are many competing priorities within Iraq. And that's the decision the Iraqi Government has made. Part of governance, the transparency in governance is communicating that and this is one venue, one forum for accomplishing that. So even when those \$2.5 billion are provided, that 10% down payment, you're competing on a world market that is very tight, very limited. There are countries like China and India who are growing very rapidly and are buying up available demand. These power plants take many years to build. So, even if the government put \$25 billion against the problem tomorrow, it would still take months or years to let the contracts. It would take many years after that to build the plants before they could come online and provide that capacity. That's...I guess that goes back to CERP is critical in maintaining that stopgap, keeping the lights on until those investments can get made and get delivered.

**PRICE:**

I think this ties in, too, also the great need that Iraq suffers from across all infrastructure areas. I mean, there's been estimates of over \$100 billion as far as what needs to happen in Iraq just to get up to current standards. And we've talked about some of the numbers that the U.S. Government has put into the projects, but that's really only a small portion. The rest is going to have to come

from Government of Iraq receipts through oil sales and also through other donor nations. And the work that we're doing right now in conjunction with the Iraqi people is really to jump start the whole program—get things going; get things better. But realizing that there's a lot more work to go. So, that's pretty much in a nutshell as well. And the ministries are starting to spend more and more of their money as well. But as the good Major said, there's competing interests and the need is so great across the different sectors, so we can't probably have 100% of anything anytime soon just because of that. Ma'am, did you have a question in the back?

**REP5:** Replies off microphone.

**LANGER:** You do not? Okay. Ma'am—in the third row. Do you have a question?

**REP6:** I actually do have a question.

**LANGER:** Okay. Very good.

**REP6:** [unintelligible] from The Los Angeles Times. I had a question. I'm not sure who is the best person to answer this, just about the CERP program in general. As far as I knew, it wasn't considered when it

was approved in '03 to be a permanent program. When...how much longer is it going to go on? And in terms of specifics on funding, what was the CERP budget, the entire CERP budget, for fiscal year '07? And what...I know that \$977 million has been requested for fiscal year '08 and '09. That's for Iraq and Afghanistan together. Has that been approved?

**PRICE:**

It's been authorized and when the authorization bill clears the Senate—hopefully it will, hopefully in the next week—the authorization will be granted. The issue is the actual dollars are in the supplemental appropriation which is tied up in the bigger omnibus bill. Absolutely, CERP was never intended as a long-term program. It was an interim fix, a stopgap measure to bring up the quality of life and the infrastructure to a minimum level and then longer term economic programs would take over: AID and GOI, international investment. There's been some lag. Which is why I don't want to say CERP has been liberalized...it's been extended because of the utility. To quote SIGIR, the Special IG for Iraq, it's probably been our most effective tool while we wait. Just in simple numbers, we talked about programs being executed just in simple numbers, there is 165,000 men and women in uniform; that's the largest workforce we have. The only tool available to them is CERP. So as the PRTs ramp up, as AID expands, the expectation

from our side is that will transition to longer term investment, longer term programs. You asked about fiscal year '07, the budget was \$977 million just for Iraq.

**REP6:** Just for Iraq.

**PRICE:** Just for Iraq. Of which \$940 million according to the gentleman behind you was spent so \$30 million carried forward. Of the \$977 million authorized for fiscal year '08, \$770 million is specifically for Iraq. And actually, the \$970 [million], I believe, was increased to \$1.2 billion; the increase was for infrastructure in Afghanistan. So, our expected portion when the supplemental appropriation passes is \$770 million.

**REP6:** Okay. Thanks very much.

**PRICE:** You're welcome.

**LANGER:** Thank you very much. At this time we'll close the formal part of the panel. Some of our speakers have other commitments and need to be traveling on. But some of our speakers are available for some one-on-one interviews if you'd like. We can do those in this room here. Just bear with us a little bit on translation. But we appreciate

everyone coming today. A lot of our staff have headed out but our next roundtable in the next couple of weeks will be focusing on security, Baghdad security specifically. And we will have representatives from the Ministry of Interior and they will be talking about infrastructure and also training plans with MNSTC-I, Multi-National Training Corps—Iraq. So that will be coming up very soon. And we'll get a media advisory out to everyone on that. Again, thank you very much.