

PRESS CONFERENCE:

Eric Langer, U.S. Army Corps of Engineers, Gulf Region Division, Baghdad

Sundis Sali, Ministerial Liaison Officer with the Gulf Region Division

Lloyd Caldwell, Director of the Gulf Region Division

Dr. Ali al-Dabbagh, Spokesman for the Iraqi government

Mark Tokola, Director, Iraq Transition Assistance Office

DATE:

February 23, 2008

TRANSCRIBED BY:

SOS INTERNATIONAL LTD.

PARTICIPANTS:

LANGER

SALI

CALDWELL

DR. AL-DABBAGH

TOKOLA

REPORTERS:

REPORTERS 1-4

***REP1 = REPORTER 1**

***INT = INTERPRETER**

LANGER:

As-Salāmu `Alaykum. Welcome today to the next version of our GRD media roundtable. Today, we're going to be talking with three esteemed panelists as we talk about the reconstruction past and also shooting forward. And we've got a lot of ground to cover today, a lot of good information to discuss with you. Again, our GRD Iraqi media roundtables focus on the reconstruction efforts in Iraq and what we're involved in with our partners with the Government of Iraq. So I'll be turning it over to Ms. Sundis Sali, who'll be introducing our speakers. But before I do that, I'd like to say that everyone has press packets that has information in it about today's roundtable, as well as the bios of our speakers. Please take those on the way out if you don't have those yet. Also, each speaker will speak briefly, and then it will be followed by a question and answer session after each speaker, after the group has spoken. And then, after we close the formal part of the roundtable, we'll have one-on-one questions with anyone that would like to ask any of our speakers one-on-one questions individually. So I'd like to turn it over now to Ms. Sundis Sali, our Ministerial Liaison Officer with the Gulf Region Division.

SALI:

Speaking in Arabic.

INT: Good morning everyone. Welcome. We decided to make this press conference on the occasion of the three years that the Iraqis went to election at the anniversary of the election. I'd like to present to you today the speakers. We start with Mr. Lloyd Caldwell, who is the Director of the GRD. Mr. Caldwell, he came to Iraq since October 2007, and he has many certificates and a Master's degree in civil engineering. And also he received several awards, and I'd like to say as well that he's a grandfather and he has seven grandsons. And we're really honored to have him today with us. And after that, he will talk and after that we will go to the second speaker, Dr. Ali al-Dabbagh. You know him. And Mr. Mark Tokola. And I will give you then a brief summary of each one. Thank you.

CALDWELL: Thank you, Sundis. I'm pleased to be with you today representing the Gulf Region Division of the US Army Corps of Engineers. And to be in the company of Dr. Ali Al-Dabbagh, spokesman for the Iraqi government, and Mr. Mark Tokola, Director of the Iraqi Assistance Transition Office of the US Mission. Together, we represent the US and Iraq partnership that has driven reconstruction in Iraq for almost five years. Since 2004, engineers and managers from the PCO, the Gulf Region Division, and others have met with you on a regular basis to report the work of the US government in reconstruction in Iraq. The reconstruction accomplishments for the

nation of Iraq and the Iraqi people have been vast and they have been important. The slide...do we have the slide? ...indicates the numerous projects performed by the US government across the nation of Iraq. The slide does not show all projects, only the larger projects. For example, for the Ministry of Education, there have been over 2,900 projects. There have been over 1,700 projects for the Ministry of Transportation. For the Ministry of Construction and Housing, there have been over 2,600 projects. For the Ministry of Health, there have been over 1,100 projects. For the Ministry of Water Resources, there have been over 400 projects. For the Ministry of Municipalities and Public Works, over 3,400 projects. For the Ministry of Electricity, there have been over 2,000 projects. And for the Ministry of Oil, there have been over 250 projects. The Gulf Region Division has not done all of these projects, but these represent the projects accomplished by many US agencies in Iraq. Yes, despite the large number of projects, the reconstruction needs in Iraq remain very large. In all nations, the development and sustainment of a national infrastructure is essential to the economic vitality, the national security, and the quality of life for its citizens. It requires substantial annual capital investments. The infrastructure must be maintained and improved. And the funds must be used effectively. The process is continuous. The needs are not met in one year, but the needs of the national infrastructure are

maintained over a period of time. As our work in Iraq continues toward this need, and as we progress in 2008, the Government of Iraq will assume even greater responsibility for national security and reconstruction. The Government of Iraq's national budget for 2008 indicates that improving infrastructure is a priority. The budget is increased over the 2007 budget, including an increase for capital improvement projects. Dr. al-Dabbagh, I'll defer to you and your judgment for that regard. This budgetary increase is timely as we are completing construction this year of some of the major projects in several sectors, and as reconstruction and programs draw nearer to completion. We are nearly completed with the currently planned Oil Reconstruction Program. You will note that the US government has contributed \$1.7 billion to oil infrastructure reconstruction. But the World Bank estimates that it will require over \$8 billion to bring the oil system to modern standards and full capability. The US government has invested about \$4.3 billion in electrical infrastructure. But the World Bank has estimated a \$20 billion requirement to bring the system to its needed capacity. And potable water and waste water treatment, the US government has invested \$2.4 billion. But the World Bank has an estimated \$14 billion requirement. For other facilities for the government, the US has invested over \$3.5 billion. And the World Bank sees an additional \$3.5 billion requirement. These World Bank estimates

may be low, because they are, in fact, some years old. We should have a slide now of the Basra's Children's Hospital. And then of the new primary health clinics that have been constructed or are currently under construction in Iraq. I show these because these represent examples of the types of facilities that touch directly to citizens of Iraq and for which the government will have to continue to invest. Therefore, the budget investment by the Government of Iraq is important. Capacity development is part of our continuing support to include training and operations and maintenance of this infrastructure. For example, capacity development training programs in electrical, oil, and facilities assist in the effective operation and maintenance of the facilities. And we know that electrical facilities are yielding additional output through operational efficiencies due to the operation and maintenance programs. The US Government and the Government of Iraq have forged a strong partnership through this reconstruction program. The infrastructure needs of the nation of Iraq remain large, and the responsibility will transition to the Government of Iraq to rely more upon its own resources and leadership in infrastructure reconstruction. However, the Gulf Region Division looks forward to a continuing partnership with the Government of Iraq through the other ongoing US-funded construction, such as the CERP program, the PRDC program, the SF program, and in providing capacity

development and other infrastructure assistance. Our knowledge and our capability in engineering and construction will remain available in Iraq as Iraq assumes the lead in reconstruction. And our partnership, Iraq and the US, in serving the Iraqi nation will contribute to a bright and prosperous future for Iraq. Thank you.

SALI: Speaking in Arabic.

INT: Thank you very much Mr. Lloyd for this presentation and for this presentation and the work they've done for the past four years. And now, we have Dr. Ali al-Dabbagh and, of course, all of you know him. And actually, when I took a look at the résumé, I'm so proud of having Dr. Ali al-Dabbagh today with us and I'm so proud of his skills. And as you know, he's an engineer. He graduated from the engineering university and he has so many courses in the management. And he also has Master's degree in environment contamination, and he also he a Ph.D. in business administration. So he's an expert in managing the businesses. And he has over a 30 year experience. And you know him maybe better than me. And he's the official spokesman for the Government of Iraq. And he speaks several languages, including French and Persian. And of course he speaks English fluently. Dr. Al-Dabbagh.

DR. AL-DABBAGH:

Speaking in Arabic.

INT:

Thank you, Sundis. And I'd like to thank the GRD to give me this opportunity. And I'd like to thank Mr. Caldwell and Mr. Tokola for coming today and for presenting all this so that we can present a new vision and give the media an idea about what have been accomplished for the past years, and also to give a summary for the vision of the government for 2008, which is the major challenge for the Iraqi government, because the government seeks to establish a good security situation that will pave the way to provide the reconstruction and their services that the Iraqi citizen waited for a long time, because the Iraqi citizen deserves to see this improvement within the field of electricity, power, water, and all the services that were deteriorated for the past weeks. We allocated over \$14 billion for the 2008 budget for investment projects in the ministries and provinces. And also, there were also money allocated in 2007 that has not been dispersed. And also, we have a number of projects by the donating countries that will make 2008 a good year. This will not be achieved unless all the parts or all the sides work together. And this thing has been...but what we have today is still under the aspiration, or has not met the aspiration of the government. That's why this year there will be a monitoring for all those who are responsible for executing the budget, whether for

the ministries or the provinces, so we can guarantee that there will be an exact and a precise disbursement for the budget in accordance with the plans set in 2008. And before that the government encouraged and removed all the obstacles that hindered the war, because we increased the contracts from five billion to fifty billion so that we will guarantee that there won't be any bureaucracy or any kind of routine that hinder the project of the ministries. And we've given some authorities to the ministries to make contracts for over \$50 billion. And in case of there are more projects over fifty, there will be other supporting committees so that they supervise all the strategic projects. And those will be presented to the session for the Cabinet so that they will be executed. Also we pardoned all the...and there is a reviewing for the contracting procedures. But before all this, we need a good vision and a good responsibility between the provinces and the officials at the ministry regarding the contracts so that they could facilitate the projects, and we'd remove from all these bureaucracy and routine things. And all this will happen in a very transparent way so that we avoid any kind of corruption in these contracts, because we know 2008 will be a really turning point because if all those sides manage to work together, Iraq will achieve a really good thing. And the Iraqi citizen will witness this because the Iraqi citizen has been waiting for this for a long time.

SALI: Speaking in Arabic.

INT: Thank you Dr. Ali Al-Dabbagh for this presentation. And we know your time is really valuable for us, and thank you again. Now, I'd like to present Mr. Mark Tokola. He's the director of the transition team, and he came to Iraq a month ago, or in May 2007. And he's also a member in the State Department. Before coming to Iraq, he's at the office, as a deputy for the US Ambassador in London. And after that he worked the European Union in Brussels, Belgium, and also he was a deputy for the Ambassador in Iceland. And he obtained several awards and worked on several issues in Sarajevo from 1997. And we welcome his as well.

TOKOLA: As-Salāmu `Alaykum. Good morning ladies and gentleman. It is an honor to be with you at this pan-Arab media roundtable on Iraq reconstruction. My name is Mark Tokola, and I'm the director of the Iraq Transition Assistance Office, also referred to as ITAO. ITAO is part of the American embassy in Baghdad and part of the US Department of State. Our job is to help with the reconstruction of Iraq and to support the Government of Iraq in its reconstruction work. Reconstruction means more than just the construction of power stations, oil refineries, water treatment plants, or buildings. It also means helping the Government of Iraq to improve its ability

to provide essential services to the people of Iraq. Reconstruction is a very large undertaking shared by many different organizations. I'm going to focus on ITAO, but we are only part of a combined effort by the Government of Iraq, the provincial governments, GRD, USAID and our coalition partners. The Iraqi Transition Assistance Office has a history in Iraq dating back to the Iraq's liberation back in May 2003. ITAO itself has only existed since May 2007, but we're the successor to an earlier organization called the Iraq Reconstruction Management Office, or IRMO. As the change of our name implies, our role has shifted from reconstruction to a transition to reconstruction by the Government of Iraq. We are proud of the work we have done over the past years in building electrical capacity, schools, public health clinics, water treatment plants, and many other projects. As I'll explain and as Lloyd Caldwell explained, it was never our ambition, and was never possible, to fix everything that was broken. But we have helpfully improved the lives of the Iraqi people. Usually a reconstruction presentation would involve lots of numbers, numbers of projects and amounts of money. I thought today instead I would talk about our policies on reconstruction and transition, and where we see our program going in the future. The first point I would make, since my arrival here in May 2007, I've seen great progress, not only on our projects but in the way we work. The improved security situation

has made it much more possible to work with Iraqi authorities at neighborhood levels to determine people's specific needs. Also, the increasing ability of the government ministries and provincial governments to determine priorities and to execute budgets means that we are more and more playing a supporting role in ITAO, which is where we want to be. Signs of progress are encouraging, but serious problems remain. The threat of terrorism is diminished but not yet defeated. As terrorism recedes, the problems of criminality and corruption are coming more into focus. They must be dealt with if Iraq is to reach its full potential. The people of Iraq have made sacrifices to take the steps from a tyranny to democracy, and more sacrifices will be required to preserve it. But the sacrifices have been rewarded by real progress. Let me tell you more about what ITAO does in detail. The Iraq Transition Assistance Office is home to various senior consultants, experts in their technical areas of electricity, water, oil, health, or other fields who have been serving as advisors to the Government of Iraq and its ministries. These consultants are experts in their areas of specialty. Many have come from the American private sector and they have been very helpful to ministries in planning and carrying out the ministries' programs. Once the government ministries redevelop their own high level technical expertise, the senior consultants' work will be done. A large part of the reason that these

outside experts have been needed is that the prior Baathist regime management of essential services and resources such as water and oil included very little effort or investment in maintaining or improving the Iraqi infrastructure. The Baath regime failed to modernize the Iraqi infrastructure as the world around Iraq modernized. The new Iraqi government and its ministries have done much in a short time to repair and improve Iraq's infrastructure. The delivery of essential services and oil exports are at or above pre-war levels. But everyone knows that not everyone in Iraq has enough electricity, water, or other basic services. It will take a sustained effort to overcome the thirty years of neglect dating from before 2003. Oil is key to Iraq's present and future, and ITAO senior consultants have worked closely with the Iraqi Ministry of Oil. Iraq's oil exports are on the rise, providing money for the Government of Iraq to continue to rebuild and improve Iraq. Areas in which the Ministry of Oil is improving its performance include better maintenance of the existing oil production and transportation system, and improvements and additions to Iraqi oil infrastructure. This work, combined with partnerships and investments by the international oil business community will allow Iraq to take a leading place among the world's oil exporters and will fuel Iraq's economy, including through increased production of electricity. One particular area in which ITAO has worked with the Ministry of

Oil is in infrastructure security. Our senior consultants have helped the Iraqi government and its successful planning and ongoing construction of the Beji to Kirkuk exclusion zone, which will protect that pipeline. There's planning for other exclusion zones to be built in the future. The Beji to Kirkuk exclusion zone is a good example of an Iraqi government success. Beyond requiring planning, construction, and staffing, it required cooperation among several Iraqi ministries responsible for construction and for security. It was a complex effort. In another sector, that of aviation, ICAO senior consultants have assisted the Iraqi Ministry of Transportation in rebuilding Iraqi civil aviation at the Baghdad International Airport and throughout Iraq. ICAO senior consultants helped train Iraqi air traffic controllers and gained them international certification. In addition, ICAO played a successful role in assisting the Iraqi government's efforts to bring the Baghdad International Airport up to world standards. Both of these successful efforts allow the airport to operate, even when weather is less than ideal. The economic implications of this success story for passenger and cargo traffic are huge. It will bring new economic development to Baghdad and to the rest of Iraq. The final area I will touch on is our work to assist the provinces. Working closely with our Provincial Reconstruction Teams throughout Iraq, we are providing funding for provincial governments to carry out work on local projects such

as schools, health clinics, roads, and electrical substations. These projects are selected and prioritized by Iraqi local officials. We've been happy to help get this process started, but expect that in the near future, funding for these local projects will come from the Government of Iraq rather than from US funding. You can see that what all three of these examples – oil, civil aviation, and provincial reconstruction – have in common is they're truly transitional. All are designed for the purpose of handing control over to Iraqi authorities. Indeed, our level of activity, for example the number of our senior consultants, has been decreasing since I arrived, and will continue to decrease. That is a sign of success. In closing, I would like to say again that ITAO has only been a small part of the overall reconstruction effort. Any successes we have had have been much more the success of the government and people of Iraq in taking the future of this very ancient but very new country into their own hands. Shukran. Thank you.

LANGER:

Thank you Director Tokola. At this time, we'd like to open it up for questions and answers. And we've got approximately 28-29 minutes to do so. I'd like to raise your hand, and one of the gentlemen to the right or left of you will come over with a microphone. And if you can give the name of your organization and your name as well as the question, and who you'd like to direct

it to, and we'll proceed from there. And again, let's keep the topics germane to what we're talking about today, which is reconstruction and going forward where we're at today. Um, the young lady in the back, please.

REP1: Asking question in Arabic.

INT: Masda Mosuwi from the Pros Baghdad Newspaper. Question to Ali Al-Dabbagh. We're really honored by you and...question to Ali Al-Dabbagh. The Iraqis and they really suffer because there's no power and there's no water, and the Iraqi people is tired from what's going on. The billions that are being dispersed here and there and the projects, despite these projects and until now, we still have any kind of sign of hope. In all these sectors you talked about there's no any kind of sign of hope to the Iraqi people. Iraqis are kind of...are desperate. And many people talk, and ever since I came here I just wrote you words that you always repeat. And those are just words; nothing has been done. That's the first question. What are the eight ministries that have been allocated to have \$50 billion? And how will these be distributed among the ministries? And do you think the Iraqi citizen will be, will believe that he is an Iraqi or will have sovereignty? Will he receive all the services like water and electricity? I hope you give me an honest

answer for this. We are tired of words and transparency. So we just need an honest answer.

DR. AL-DABBAGH:

Speaking in Arabic.

INT:

Well, Iraq is a sovereign country. And whether there are services or not, we can't say that we lose hope. We know that there are so many problems. I don't want to go back to date and tell you how many problems. Ever since 1980, not a power plant nor a school or anything has been built until...we have a huge burden that came from the former regime. And this was accompanied by the chaos ever since 2003. Now for the first time, we have started that there is a really something that's called planning. Yesterday we had a forum for the Minister of Electricity, and he was talking a pipeline or a power line that was targeted over one thousand times and was sabotaged several times. I do agree with you and agree with all the Iraqis. I don't like to hear excuses. I know the Iraqis want electricity. I know they want water. I know that as an Iraqi, you expect to get these services. The Prime Minister is heading a crisis committee, which is an energy committee, and they hold sessions every week to resolve the issues of electricity. I don't want to pick a rosy or give you a rosy image of what's going on. But we know we have a prices in fuel. But we don't want to say that the

consumption of electricity has increased. I know that the Iraqis just want services. And this is the point that we are all working on. The Minister of Electricity and the other ministries, or the ministers are following up this and the Prime Minister. But there is a crisis in managing in the ministries due to lack of experience and other routine problems. And this affects the...and also causes a burden. But there are some serious efforts to resolve these problems. We also, we should take into account the threat of the terrorism because the terrorists even targeted the water pipelines. And we have no option but to succeed in Iraq. And despite all these problems, we have the problems of terrorism, and also we have the crisis of lack of experience. So, all those things are challenges that face the Iraqis. We have only one option, and that is to succeed. As for the eight ministries that are the Ministries of Electricity, Oil, Municipality, Education, Housing and Reconstruction, Ministry of Trade. And I think those are the eight that we allocated. And the Ministry of Defense and Interior. The disbursement will be, or the contracting was about \$5 billion. And each ministry has to, has the right to invest over \$5 billion, and now it has been increased to \$50 billion. And if they're contracting increased or surpassed the \$50 billion, they go to the Council of Ministers. Yes, we know that there has been efforts to reduce corruption, but still those things did not contribute in executing the budget. And the other ministries

were given...as for the rest of the ministries, they were given over \$30 billion. Also we gave \$30 to the provinces. And there is also a committee that is holding sessions so that they supervise all the contracts and the essential strategic projects that should be delivered or handed over or delivered to the Council of Ministers so that we monitor everything. And you know 2008 is a year of reconstruction and fighting terrorism.

LANGER: ...would like to add a comment or two to that?

TOKOLA: I can say two things, I guess, about the electricity problem. Well, three things. One is that demand has risen very quickly, and so the Iraqi people are expecting to have more electricity than they wanted in the past. Many have new machines that are drawing power. So, the problem for the Ministry of Electricity is trying to keep up with increasing demand. There are two specific problems now. One is importing diesel fuel from outside of Iraq to run some of the big generators, for example Musayem. And that's being dealt with by the imports of starting to increase. Another problem is the distribution of electricity throughout of Iraq. The Ministry of Electricity sets amounts that each province should take so that the electricity is distributed fairly evenly. There's a bit of difficulty in enforcing those rules. Some provinces are drawing more electricity

than there allotted by the ministry. Because of that it causes instability on the entire national system, and that's caused some problems. [Muffled conversation] That's good news.

LANGER: Mr. Caldwell, do you have anything to add to that? Okay. Next question please. Over here. Sergeant Major.

REP2: Asking question in Arabic.

INT: Well, are you satisfied with the nature of the projects that has been accomplished compared with the amount of money that has the United...the American administration of the US Government allocated? And the second question to Dr. Ali Al-Dabbagh. The experts in economic said that the capabilities for implementing the projects in the provinces and Iraq generally are not similar to the budget in 2008. And also, several foreign companies cannot come to Iraq. So, you allocated a lot of money, but you don't have foreign companies to work due to the security problem.

CALDWELL: Was the first question directed to me? Okay, thank you. I believe your question was, are we satisfied with the work that has been accomplished with the funds that were expended? And I would say to you that the answer is generally, yes. But in some cases more

could have been done with those dollars had we had a more secure environment in which to work. Clearly, the insurgency has had an impact on our ability to execute the work, and not only for the US Government but also for the Iraqi Government to execute that work in the fashion that we would prefer to see it executed. So, I think that what you see are really almost heroic efforts that have taken place by the people that have been responsible for these projects to ensure that they have advanced in a progressive way. We do have problems on occasion with projects. That is natural in the business of construction. Though you have very qualified people, very conscientious people that are working them and are working hard to get good results. We also have great results for many of these projects. And if you look at the primary health clinics, for example, we have health clinics that have been designed to accommodate perhaps a patient load of a 150 people per day, and yet those clinics are seeing patients of 200 or 250 people per day. And they're being treated there. So I think there's a lot of very positive things that are coming out of these projects, even though all of us would like to see more out of them.

LANGER: Thank you, sir. Dr. Al-Dabbagh.

DR. AL-DABBAGH: Speaking in Arabic.

INT:

Well, I agree with what you said, with part of what you said. We don't have an option, and we work with what we have. And the only thing we can do is to challenge that the reality that is in front of us now. The contractors in Iraq and the level of implementation is not the level that we aspire. And also the implementation, it's not that the level that the contractors work in the other countries, because Iraq has been excluded from the other countries. And there has not been any kind of development in the technology. Those people, those contractors were trying to encourage them and also try to categorize those people and give them to category so that they can partner with international companies. We also invite some international companies to come to Iraq. And the Iraqi government showed support, and said they will provide security to those people. So we're also inviting companies to come. And we said the Iraqi Government will provide everything to protect those people because Iraq is, as you know, is one of the... is labeled as an unstable country. We have also some legal legislations. In 2007, we signed a contract, the Mega Contract that provides the rights, or insures the rights of all the investors who come to Iraq. Also, we have the Iraq this year will also deal with some companies that will work with several companies that have several agendas and procedures, so that the Iraqi Government is working on providing a safe environment

so that they will insure all the companies to come and work in Iraq. As for the technical and management problems that do exist – and we cannot deny this – all those we can't...everything...we know that we have a few ability...we're not asking money for the countries. We do have money. But we need to build our capacities. We need them to develop our...the mentality and the ability of the employees at the institutes, the government institutes, so that they develop their skills. So, we have only...the only thing we have under these circumstances is to do this. And this determination is being done on all the aspects and all the levels of the Iraqi Government. The only thing that we have is to succeed. We have no other option but to try this and succeed. We know that the Iraqi people are suffering, and I know that this kind of determination and this kind of follow up by all will have a good outcome in 2008. And I know that 2008 or the outcomes will not be as much as we aspire, but we hope they will be much better.

LANGER: Um, back in the back.

REP3: Asking question in Arabic.

INT: Question from Somadiyah TV. Dr. Ali Al-Dabbagh. What is the stance of the Iraqi Government regarding what's going on for the

problem in Kurdistan and Turkey? Thank you. The crisis between Kurdistan and Turkey.

DR. AL-DABBAGH:

Our information confirms that there is no, or the number of the troops, of the Turkish troops are not exact. Our information say that the Turkish troops are less than one thousand soldiers and the operation is limited. The Turkish commanders confirmed and told us this operation will be a limited one, and it will not violate the certain standards they have set, because they are targeting several PKK fighters. And the Turkish troops are taking care of this. The Iraqi Government and the Prime Minister and the President, through making phone calls with the commanders, said there's a respect of Iraq's sovereignty and there will not be a...or if there's any kind of operation, it shouldn't destabilize the situation. And we know the threats that Turkey's facing, but the military operations will not solve the PKK problem, because Turkey tried to resort to military options, but this never resulted in a good thing. That's why we think Turkey should adopt another kind of solution. This is up to the Turkish government, but of course, we consolidate with the Turkish government and we know that they are suffering from the terrorist PKK organization.

LANGER:

Thank you. I appreciate that question very much, and Dr. Al-

Dabbagh of course has good information on that topic and available. But let's keep the rest of our topics germane to our subject today, which is reconstruction and rebuilding Iraq. Front row please.

REP4: Asking question in Arabic.

INT: Question from al-Arabiyah newspaper. For the past years there was some illegal companies that entered Iraq and they were corrupted. And they plundered the Iraqi money. Could you tell us? Do you know about this? It's directed to anyone. Yes, question to...the second question...the Iraqi citizen knows there are some combat operations and soldiers, but they don't know anything about the GRD, so could you tell the Iraqi citizen about the GRD? Because the Iraqi citizen wants some residential places to be built for them. Do you have any plans to build any residential complexes or compounds?

CALDWELL: Thank you. Let me answer your first question. I am not aware of any contractors that have come into this nation and plundered the funds. I will tell you that we do...about 90% of the construction is accomplished by Iraqi firms. And we're very proud of the fact that the Iraqi construction is capable to do almost everything that needs

to be done in this nation. We also have within our systems, as do the ministries of the Iraqi Government, we have systems that ensure that our contractors are only paid for the work they have accomplished satisfactorily. So, we believe that the public funds are well protected in that regard. Your second question regarding GRD. I'll briefly tell you that GRD is the Gulf Region Division. It's a part of the US Army Corps of Engineers. And the US Army Corps of Engineers is an organization in the United States which is somewhat unique within the world, in that it is an engineering organization that provides both military construction, of course, but also provides civil construction within the United States and within other parts of the world. We provide engineering support to many nations throughout the world as well. So Iraq is not the only nation that we have a partnership with in which we can bring our engineering capability and assist with reconstruction efforts that you may have an interest in. We work closely with many of your ministries in helping them with their questions of construction. And we find also that we learn from them. I'll also tell you that we have many Iraqi nationals that are working with us and are an important member of our staff as well. Thank you.

LANGER:

Next question please. Any more questions? Okay. We'll close it now, the formal portion of the roundtable. And I know Dr. Al-

Dabbagh has another commitment a little after 12:00, so he probably won't be able to stay around very much longer. But our other two panelists will be available for some one-on-one questions if you'd like to ask those as well. So again, thank you for coming. And our next roundtable will be in approximately two weeks on energy. Thank you. Shukran.

SALI: Thank you very much all. Shukran jaziilan. Shukran, Dr. Ali (speaking in Arabic).

INT: Thank you Dr. Ali Al-Dabbagh again for this opportunity.

SALI: Also Mr. Mark Tokola, thank you very much for coming. And of course Mr. Lloyd Caldwell, director of the program. Thank you very much. Shukran jaziilan.