

# CRS Report for Congress

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## U.S. Embassy in Iraq

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### Summary

The Bush Administration is in the process of establishing a new embassy in Baghdad with regional offices throughout Iraq. The President has requested more than \$1.3 billion in its FY2005 supplemental request for the logistical, security and construction costs associated with the embassy. In 2005, even before it is built and fully staffed, this embassy is the largest worldwide in both staff size and budget. As of June 28, 2004 sovereignty officially was transferred to the Iraqi interim government. At the same time, the lines of U.S. government authority in Iraq were transferred from the Department of Defense (DoD), the Coalition Provisional Authority (CPA), and Ambassador Bremer to the Department of State (DoS), the American Embassy in Baghdad, and the newly-confirmed Ambassador Negroponte. This report discusses re-establishing diplomatic ties with Iraq and setting up the new embassy and regional teams. It will be updated as changes occur.

### Background

From July 17, 1979, when Saddam Hussein first came to power in Iraq, until just prior to when Operation Desert Storm was begun in January 1991, the United States had full diplomatic relations with Saddam Hussein's government. On January 12, 1991, four days before Operation Desert Storm, the United States closed its embassy doors in Baghdad. At the time of its closing, the U.S. Embassy in Baghdad maintained a staff of 41 and an annual budget of \$3.5 million. From 1991 until 2004, the United States did not have diplomatic relations with Iraq.

Now that the United States has removed Saddam Hussein from power and has militarily occupied the country since March 19, 2003, the Bush Administration handed over government self-rule to the Iraqis on June 28, 2004. Part of the transition toward self-rule for Iraq is also a transition for the United States from being a military occupier to re-establishing diplomatic ties with an independent Iraq.

## Organizational Structure

While the U.S. Ambassador to Iraq, John D. Negroponte (who was confirmed as Chief of Mission (COM) by the Senate in May 2004) has had full authority for the American presence in Iraq with two exceptions: 1 — military and security matters which is under the authority of General George Casey, the U.S. Commander of the Multinational Force-Iraq (MNF-I), and 2 — staff working for international organizations. In areas where diplomacy, military, and/or security activities overlap, the Ambassador and the U.S. commander continue cooperating to provide co-equal authority regarding what's best for America and its interests in Iraq.

The U.S. Embassy in Baghdad is the largest American embassy in both staff size and budget.<sup>1</sup> According to the State Department, the U.S. Mission in Baghdad is staffed with about 1,000 Americans representing various U.S. government agencies and between 300 and 400 locally engaged staff (LES, formerly referred to as foreign service nationals, or FSN). The total staff estimate of about 1,400 makes this the largest U.S. embassy anywhere in the world.<sup>2</sup>

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

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

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

The State Department is using three sites for embassy-related needs. The sites are the Chancery, formerly a Baathist residence which was later occupied by the U.S. Army; the Annex (the Republican Palace) previously used by the CPA; and the Ambassador's residence, once occupied by Ambassador Bremer. The U.S. government is not paying Iraq for the use of property and buildings, according to the State Department. State's Overseas Buildings Operations (OBO) has identified property on which to eventually build the New Embassy Compound (NEC) on a site adjacent to the Tigris River in the

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<sup>1</sup> As of January 2005, U.S. Embassy in Tokyo, Japan, ranks as the second largest with a staff of 214 and an annual budget of \$43.8 million.

<sup>2</sup> Estimates as of February 2005 by the Department of State.

Green Zone. OBO has estimated that NEC can be constructed within two years of receiving appropriations from Congress. All consular affairs activities, trade promotion, and other diplomatic roles will be conducted from Baghdad.

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

Beyond the official consulate posts in Iraq, the Department of State has Foreign Service Officers embedded in U.S. military commands located in Tikrit, Ramadi, Baqubah, Najaf, Karbala, and Diwaniyah. DoS and DoD civilian employees also are at these locations. The State Department plans on having a total of 35 personnel in the Iraq provinces, including diplomatic security personnel.

Security is key to establishing diplomatic relations. If the effort to achieve security is unsuccessful, U.S. diplomacy will likely be ineffective. State's Diplomatic Security (DS) will have responsibility for keeping embassy personnel secure. Overall security in the country, however, will continue to be the responsibility of the commander of the multinational forces. DoD and contractors will be the major contributors to a secure atmosphere. Regarding funding of security activities, the Administration has determined that security for the embassy will come from a combination of DoD's budget, as well as State's Diplomatic Security funds.

## Funding

From the beginning, the Bush Administration estimated total needed funding (for initial staffing and eventual leasing or building of the embassy) to be in the vicinity of \$1.5 to \$1.6 billion. To date, Congress has authorized \$20 million toward activities to build a new embassy in Baghdad.

In his FY2006 budget request, President Bush did not include funds for construction of the U.S. Mission in Iraq.<sup>3</sup> Instead, a week after submitting his FY2006 budget to Congress, the President sent Congress an FY2005 emergency supplemental funding request. Included in the supplemental is more than \$1.3 billion for the embassy in Iraq: \$690 million for logistical and security costs for the embassy in Baghdad and \$658 million for construction of the new embassy compound there.

The State Department has identified \$990.85 million thus far for security and operation expenses of the U.S. Mission in Iraq: The FY2003 and FY2004 supplementals provided \$35.8 million from State's Diplomatic and Consular Program (D&CP) account. Another \$105.75 million came from the 4<sup>th</sup> quarter FY2004 Coalition Provisional

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<sup>3</sup> The FY2006 budget request did include \$65 million for Iraq embassy functions, however.

Authority (CPA) appropriations. About 1% of the \$18.4 billion (or \$184 million) of the Iraq Relief and Reconstruction Funds (IRRF) was designated for the embassy. Also, DoD's FY2005 appropriations bill (H.R. 4613/P.L. 108-287) included an amendment for \$665.3 million for State Department's D&CP for costs in Iraq.

## **Congressional Responsibilities**

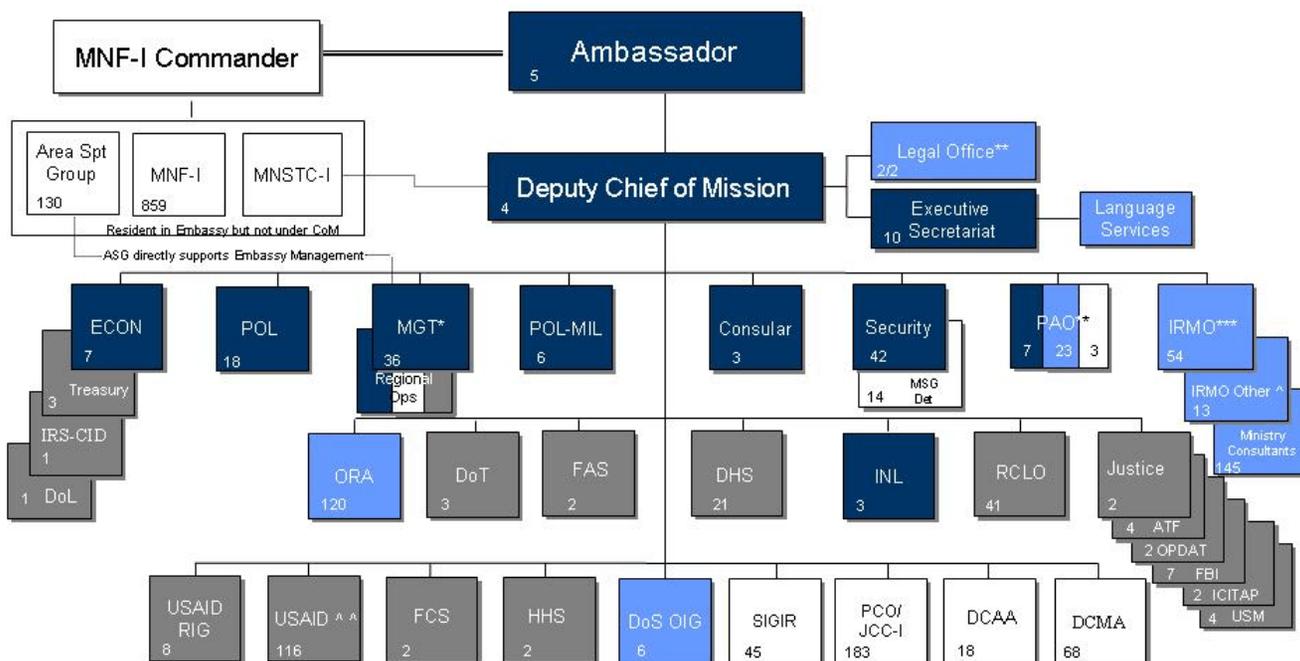
While conducting foreign policy is the prerogative of the President, Congress maintains three important responsibilities with respect to U.S. foreign policy: 1) confirmation of political appointees (held by the Senate), 2) appropriations, and 3) oversight. Congressional opportunities to have input on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

The position of Ambassador to Iraq was filled when President Bush announced on April 19, 2004 his intention to nominate John Negroponte. The Senate Foreign Relations Committee, on an expedited basis, voiced its unanimous approval on April 29<sup>th</sup> with the full Senate voting to confirm his nomination on May 6, 2004.

Appropriations have been the most complicated aspect of congressional involvement with the U.S. Embassy in Iraq. The initial phase of establishing the embassy involved the Administration finding funds without specific appropriations for the embassy. With little of the total required funding appearing in the regular appropriation legislation, Congress has had a difficult time determining exactly what the Administration has already received and what is still needed; what has been spent and what is still in the pipeline.

Oversight includes congressional monitoring of how the embassy represents American foreign policy, cultural and commercial interests. While the 108<sup>th</sup> Congress was criticized in the media for doing too little oversight in general, and specifically with transferring of supplemental funds from Afghanistan to Iraq, the effectiveness of the new embassy in Iraq may be a high priority for many Members. Within the context of the foreign relations authorization legislation to be undertaken by the 109<sup>th</sup> Congress, Congress can provide the State Department with authority and direction to implement new programs or new emphasis on existing programs — such as focusing democracy promotion and public diplomacy programs toward Muslim populations. It can also set reporting requirements on spending or conducting such activities. The success of the new embassy will affect the success of the U.S.-Iraq relationship, as well as the strength of Iraq's democracy in the future.

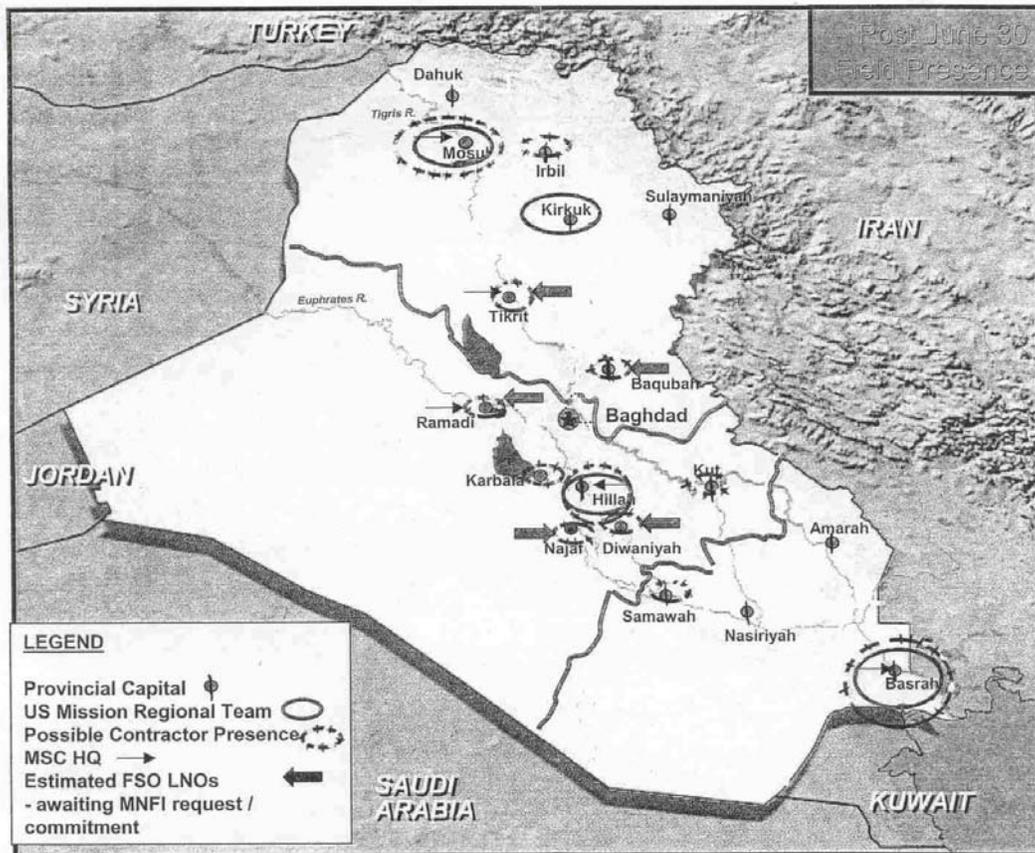
# US Mission Iraq, Country Team



**Legend:**

1057	Number of US positions under CoM	* Management: includes FMO, GSO, HR, IMO, MED, Maintenance
DoS	141	** DoS/DoD Team: Legal Office: 2 DoS; 2 DoD; PAO: 7 DoS, 23 3181 (other DoS Units), 3 DoD.
Other DoS Unit	367	*** 10 IRMO positions are Regional operations positions; DHS, DOJ, AID, PCO, DCMA authorized may include REO/SET staffing.
DoD	328	** Includes 11 Commission on Public Integrity, 2 Redirected Scientists Program.
Other Agencies	221	** Includes 23 Army Corps of Engineers (USACE).
Note: Defense Criminal Investigative Service (DCIS) has 2 TDY personnel on the ground.		

Figure 2. Post June 30 Field Presence



Source: U.S. Department of State.

**Note:**

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

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

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