## THE BROOKINGS INSTITUTION FOREIGN POLICY PROGRAM

## BRIEFING IN ADVANCE OF SENATE AND HOUSE

#### TESTIMONY OF GENERAL DAVID PETRAEUS AND

# AMBASSADOR RYAN CROCKER

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#### Introduction and Moderator

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### Speakers

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#### PROCEEDINGS

MS. CHALEF: Thank you. I appreciate everyone being here today. We have joining us for this briefing Ambassador Martin Indyk, Director of the Saban Center for Middle East Policy and former Assistant Secretary of State for Near East Affairs, and Ken Pollack, the Director of Research with the Saban Center and the former National Security Council Director for Persian Gulf Affairs, and Ivo Daalder, Senior Fellow here at Brookings and a former National Security Council Director for European Affairs. Ken if you don't mind leading off.

MR. POLLACK: Sure. Thank you Gail. It's nice to see you all. I felt that the remarks that I would make would be in terms of the questions that I would be looking to ask General Petraeus and Ambassador Crocker if I were actually going to be part of the Senate and House staffs that would be, or Committees that would be grilling him. Kind of the issues that I see out there in Iraq and that really need to be addressed by the Administration in terms of how we move forward.

I'd start by saying that I think that in many ways the events of last week are extremely important. As I think some of you know, I've been running around for months now screaming about the south and no one's paying attention to the south and we need to pay attention to the south. And I'd like to say that what happened last week needs to be a wake up call, and I hope that it will be a wake up call and will really illustrate the problems that are lying out there in Southern Iraq.

Everyone was focused on what has happened in the northern half of the country. Everyone is focused on the impact of the surge and the surge strategy on the Sunni communities of Iraq. What they've missed is the impact that the surge and the surge strategy have had on the Shia communities of Iraq. And in some ways there has been a very significant impact. In other ways, there has been no impact at all and it's the intersection of those two sets of problems which is

what's causing the tensions, the frictions, what you saw spilling over last week.

The simple fact is that the surge and the surge strategy have had a very important impact on Shia politics as well as on Sunni politics. It has been positive in the sense that it has started to really erode the cohesiveness and the electoral base of some of the biggest Shia militias, in particular, ISCI, the Islamic Supreme Council of Iraq, which as you all know was kind of the core of the Iraqi government in the past. You know, obviously, there is a coalition. Dallah is an important element of it as well. There have been a number of other parties, but ISCI was the core. Hakim was the centerpiece of that coalition, of that governing coalition moving forward and, of course, as you know, ISCI did a very good job of insinuating its personnel into the key ministries and using the Iraqi government to solidify its control over key elements of the central government and also over key elements of Southern Iraq.

Both of those are being threatened by the erosion of its electoral support. And you've seen a number of developments. And I would also remind everyone that it was Adel Abdul Mahdi who chose to block the legislation on the provincial power slot . And I think it's very clear that Abel chose to block it because at the end of the day they felt that giving the Prime Minister the power to remove provincial governors was ultimately a threat to ISCI's ability to maintain a power base in the south. That their feeling was we'd probably still be able to, in the provincial elections that are going to be held in October, we're going to lose a lot of seats, so we're going to lose a lot of provinces. But, we'll probably be able to hold onto three, four, maybe five of those provinces. And given that you're going to have core elections the year after, they're going to bring to power a very different government and probably in that, those core elections, ISCI is going to lose a lot of seats and they'll no longer dominate the governments the way that they once did. They seem to

have been very concerned that you could have a new government that would use its ability to take out provincial governors to pressure ISCI controlled provinces to do things that ISCI didn't want them to do.

So you're seeing that problem right there. And what you've been seeing over the course of the last 5 or 6 months is a whole series of other manifestations, of ISCI trying very hard to maintain its control over Southern Iraq and its political role by continuing to manipulate the levers of power in Baghdad. And, you know, you continue to get lots of complaints from people about the way that ISCI, and to a certain extent Dallah, use the government to take out people who are not loyal to them all throughout the governmental structure and put their own people in place.

And, of course, what happened last week, and I don't think that any of us really understand what a proximate cause was, but something happened that caused elements of the Sadras Movement to basically

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6

say enough. ISCI is pushing too hard. They are using this to create facts on the ground and they're doing it to our detriment.

Now, of course, you saw in the Sadras Movement another impact of the surge in the terms of the increasing fragmentation of the Sadras Movements. And it is very interesting that it seems to have been largely the special groups who stood up and said enough of this B.S. You know, we're going to go and do something about it. Sadr himself stood on the sidelines and other elements of the Sadras Movement didn't participate in this.

And again I think you saw there the increase in cleavages in the Sadras Movement, which at one level is very good and it's very hopeful to a lot of Americans in Baghdad who are looking at again, who have been for the last 6 months saying we want to find ways to see if we co-opt elements of the Sadras Movement, the more moderate elements of the Sadras Movement.

And, again, the splits out there did suggest that those splits exist. But, the more that ISCI does this, the more that you could see those two halves driven back together. If the Sadras Movement really believes that the U.S. is simply going to stand behind ISCI and Dallah and let them continue to do this kind of thing, then I think there is a real risk that those elements of the Sadras Movement, and I don't want to suggest it's kind of a simple bifurcation. I think it's more of a fragmentation. Those might be solidified against the common threat.

And, of course, you know, I've already alluded to a second problem I think that is going on, which is that I am fearful that because of our support for the governments, we're increasingly being seen in the south as being the supporters of ISCI and Dallah, as opposed to some kind of a neutral force in Iraq that simply wants progress. I'm going to raise the analogy again, even though I recognize that it is a very loaded one. But I think that the ultimate risk that we run is the one of repeating a Lebanon

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8

experience, where we were intervening, as we believed, on behalf of the Lebanese government, but as far as every Lebanese faction was concerned, we were intervening on behalf of the Meronites.

And, again, I think that we run that risk. I don't think we're there yet, but that is certainly the risk that we run, which is that if we continue to support the government of Iraq in these kind of internal seen Shia conflicts, that we will increasingly be seen as backing ISCI and especially backing ISCI in a power grab that's actually meant to subvert greater pluralism in Iraq and subvert what actually most Iraqis want.

Okay. Let me bring this to a slightly higher level of elevation. What all this says to me is, again, that Southern Iraq is increasingly becoming the most important issue lying out there. That's not to say that there aren't still problems in the north of Iraq. There are. As all you have heard me say many times, the progress of the surge is important and

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9

it is meaningful, but it is absolutely fragile and it could fall apart tomorrow.

It's all about changing people's perspectives. We've started to do that, but if they start to believe that things are unraveling, it becomes a self fulfilling prophecy. And therefore my own perception is that what needs to happen now in Northern Iraq is a period of consolidation. And that period of consolidation is likely to take at least one and possible as many as three or four years. And during that period of time, we're going to need to maintain the gains in the northern half of Iraq. And at least initially that is going to require fairly significant troop level.

Going in, I think that General Petraeus is right, that it doesn't make any sense to start pulling combat brigades out of the northern half of Iraq, because we have made significant progress. But those gains are fragile and in warfare you can't predict these things and you always want to have maximum

numbers of troops on hand to deal with any contingencies.

Right now for a purely substantive point of view, honestly there's no reason to even pull the five surge brigades out. That is a purely political decision. Honestly, I'd love to keep those five brigades there, because from a military perspective or a political perspective, the smarter move is to keep all those forces in place to allow them to consolidate the gains in Northern Iraq. But, we're clearly going to have the surge brigades coming home. The Administration has already said that. It might delay things a little bit, but I think it's pretty clear we're going to have that 25 percent reduction.

And on top of that, we have the issue lying out there of the south. The positive developments in the Shia community suggest that there are real opportunities in the south. And I think that that is correct. I mean we do have lots of communities, especially in what the Americans call the Five Cities Region -- Hilla, Karbala and Najaf, Diwaniyeh, Kut --

where you've got Shia communities who are reaching out to the United States and saying we don't like JAM. We don't like ISCI. We'd like to join up. We'd like you to do the same thing down here and that is creating opportunities where we could expand our control down there.

By the same token, those are also risks. Because if those people stand up and say we want your help down here and we can't provide them some degree of help, they're likely to suffer retribution of one kind or another.

In addition, in those parts of the south where we really have no ability to influence events, you allow this internal seen Shia conflict to continue and even to get worse. And it raises the prospect that Southern Iraq will continue to get worse even if Northern Iraq continues to get better. And I think there is a very big question mark, and again for a purely conservative perspective, small c, I wouldn't want to bet that you could have continued progress in

the north if you have continued deterioration in the south.

So the big question mark in my mind is over the next 10 months, how do we simultaneously pull resources out of Iraq because of the need to bring the surge brigades home, maintain our gains in the north and find a way to hive off some resources to prevent deterioration in the south.

That I think is the central quandary for the United States moving forward. I don't think it's impossible. There's certainly things that you can do. Fred Kagan's report is actually a very smart one -you know the most recent thing that he came out with. And you know he's got some ideas in there that again could work. And it certainly is the kind of thing that you would want to look at. But what I don't see yet is the willingness of the U.S. Government to really take that challenge on and to say, you know, we're going to do something like what Fred is suggesting or we've got some other idea. At the moment, they seem to be very much dug in in Northern

Iraq. They're very pleased with the progress they've made there and the impression that I get is still very much a the south, that's for the Iraqis to handle. That's a project for another time and we really don't think it's all that important.

I have a lot of problems. I'm very concerned about that judgment moving forward and I think that the events of last week have at least called into question that notion. And what I want to ask General Petraeus and Ambassador Crocker is to lay out how they think they're going to do this -- pull the surge brigades home, consolidate the gains in the north and prevent the deterioration in the south, all in the same timeframe, all in the next 10 months.

MS. CHALEF: Thank you, Ken. And Ivo.

MR. DAALDER: Thank you. Let me broaden the perspective a little and ask you to place what we will have next week within a larger context. It's unfortunate that the Administration refuses to place it in a larger context by having other people testify at the same time, but we should do it. Which is that

whatever's happening in Iraq has to not only ask a question whether the strategy is working or not and whether we're succeeding or not or how we manage to adjust it or not in the way that I think Ken has laid out very nicely, but also say are we capable of continuing to make the investments -- even at a lower level than Ken would want, but at the current level for the long term. And ask what are the opportunity costs of continuing to make this investment.

Part of the question was already raised in the last time. It was the testimony of what we do in Iraq is making it safer or not. We're now in a slightly different context. We're in an economic situation with 80,000 jobs having just been lost and the Chairman of the Federal Reserve calling this a recession. Were it a question of whether you really want to spend 2.5 to \$3 billion a week continuing for the long term is the right way to spend money, particularly money we don't have, because we're borrowing every cent.

At a time when the American people think, 81 percent of the American people think, that we're on the wrong track. That question is going to be asked more and more. And it needs to be asked. And it needs to be balanced.

Second, opportunity cost. It's with regard to our defense posture. How sustainable is the current investment even at the reduced level for our own forces. We used to have a brigade ready to go in 18 hours, any time, any place in the world. We don't have it any more. It was deployed to Iraq. Any contingency out there is going to raise fundamental problems for us to respond to in an appropriate manner.

We have stolen much of what is in Korea and redeployed it to the Gulf. We have emptied all our warehouses of our preposition equipment. They're empty. We just don't have the capacity if something happens somewhere else, whether it's in Korea or in Europe or in Africa or wherever we have interests to respond to it. And the longer we maintain the current

level of investment, the longer it will take for us to come to the point where we have regenerated the capacity.

And third, there's an opportunity cost in terms of our foreign policy and national security interests at large. The investment we're making in Iraq, we're not making in Afghanistan. We have just seen that Europe may be able to deploy another 1,300 troops, but the message I would think from the people who are responsible in Afghanistan is the 1,300 troops, particularly those troops deployed in particular areas where they are not needed, aren't going to solve the problem of Afghanistan and Pakistan.

So there's a larger -- this debate about how Iraq is doing and how our strategy is working within Iraq ought to be placed in a larger context. Can we afford it over the long term in terms of spending and economic questions? Can we afford it in terms of our defense posture? Can we afford it terms of foreign policy? That it seems to me is the debate we're about

to start. It won't happen this week. It will happen the moment we have a Democratic nominee, because that's going to be the debate that McCain and that Democratic nominee, no matter who he or she is, will want to happen. Not about whether Iraq is succeeding or how to make Iraq succeed, but what are the costs of continuing the current strategy in terms of the opportunities that are foregone by it. And that ought to be started, it seems to me, by -- if it's not going to be started by the candidates because we don't have a Democratic nominee, then I'm going to start on The Hill and it ought to be started by people by raising these questions in the papers. And the reporting -and not allow the Administration to make this about Iraq and the success in Iraq.

Abizaid and Casey used to testify together. No longer. Fallon, in fact, had to resign because he disagreed with strategy. We cannot allow Iraq to be the way in which you define this issue. We have other interests and it needs to be done a larger context.

MS. CHALEF: Thank you, Ivo. And Martin.

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Thank you, Gail . Thanks for MR. INDYK: organizing this. I too think what happened in the south the last couple of weeks really does kind of lift the lid off the can of worms there and in a salutary way. Ken I think has made the case very clearly and compellingly that what it shows is that we are overstretched in Iraq and if you add to that what Ivo said about the way in which we're using our forces and the way in which we don't have capability to deal with other crises now, particularly Afghanistan. But, in particular, the problem it poses for us in terms of how do we get the situation in the south under control without jeopardizing gains that we've made elsewhere, you really get the sense of the fact that the surge has managed to stabilize the situation, but inability to maintain that level of forces, and even that level of forces wouldn't be enough to actually put us in a position to extend the gains to the south. So that's point number one.

Point number two, about what happened in the south, is that it raised a question on the military

level about the ability of Iraqi forces to fill in the gap that we cannot fill in ourselves and the press is already writing that story. But I think that we're not going to find easy or and certainly not quick relief from our Iraqi partners in this effort.

The third issue that it exposed is the extraordinary kaleidoscope that Iraq has become which is to say that, you know, if you turn the kaleidoscope at any particular moment, you see a whole different pattern revealed. Ken talked about ISCI and Dallah advancing their own parochial interests against the JAM. That's not something we've much been aware of, but it was clearly there in the politics of the Iraqi situation.

Today we hear that the Sunnis are getting upset because Maliki is recruiting Shia tribal fighters into the Iraqi Army, but refusing to recruit Sunni Sons of the Awakening into the Iraqi Army. And so, again, we see, you turn a kaleidoscope and we see the Sunni Shia tensions that are just below the

surface, the Shia attack on a Sunni funeral today as well.

And then there's, of course, the sleeper issue of the Kurds who have some very real interests in the north that they still are waiting to advance and not particularly interested in fighting in the south. I think Bob Seller at one point got up and said this is not our fight. I don't think Kurdish units were sent to the south, were they?

MR. POLLACK: There's some already there. I mean the divisions in the south are actually reasonably well integrated.

MR. INDYK: So, that underscores I think a point that Crocker and Petraeus are not going to be able to solve very forcefully, which is that a political reconciliation which the surge was supposed to create the circumstances for, even though there are some things that have happened were positive, it remains a very fragile -- and I think that's the word Crocker himself uses -- very fragile situation. And the Administration, I think, has put a lot of effort

into trying to move that political reconciliation forward. They actually have five ambassadors on the ground there kind of working full time on this issue, but, in fact, they're getting very little traction. And it'll take a long time for that process to work. We're talking about years if not decades. And we simply can't hold the ring for that period of time.

And finally, and perhaps most importantly, what the situation in the south revealed was that Iran has managed -- while we've been investing the blood and taxpayer's money in trying to stabilize the situation, they've in fact consolidated their influence, both in Baghdad and certainly in the south. And both are considerable strategic achievements for them and they cannot be easily undone, if undone at all.

Again, what Ken said highlighted the difficulty of our trying to take control in the south. But were we to do so, I think the Iranians have a number of options to make that immensely complicated for us.

The fact that they were able to broker the ceasefire in Quam between Maliki and Sadr gives you just some sense of the way in which they are able to play all sides of this issue from a way that advantages them. And there's no good answer for that challenge either.

We have a -- because of our insistence on Democratic elections in Iraq, we have a Shia dominated government in Baghdad. We can't undo that. The Shia leadership is, at least for the time being, beholden to Iraq and it's going to, again, take a long time for the Iraqi side of their identity here, as opposed to the Shia side of their identity to become dominant -- and in the south it's really difficult to see how we resolve that, but what this all means is in a sense we're damned if we do and damned if we don't. If we withdraw our forces, draw down our forces further, then all of these factors which we've managed to suppress are going to emerge in full force one way or the other. But if we don't begin the process of withdrawal, we're going to find a

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23

situation in which these forces are not really going to be ameliorated and will develop in all sorts of ways that we can't control as the events in the south demonstrated, and so the next president is going to find him- or herself in a very big dilemma.

To come back to Petraeus and Crocker, I really think that in some ways their testimony in 6 months' time is going to be far more important than their testimony next week because there they can make a plausible argument for holding to the existing strategy, but the existing strategy is not going to take away any of these problems or resolve any of these dilemmas. At best we're going to be I think in a situation which is a kind of holding pattern until the next administration and the next president comes in and will essentially have to make a decision as to stay or leave or what pace to leave which in the end will come down not to whether staying can really make a huge difference here, but where our larger interests lie in sticking out in Iraq in the hope that something positive will develop or beginning a process of

cutting our losses so as to concentrate on, as Steve has suggested, our broader strategic interests.

MS. CHALEF: Thank you.

SPEAKER: I'm a little surprised that nobody harped, my word and not yours, on Maliki's performance over the last couple of weeks anymore than kind of just mentioning in passing, whether you expect Petraeus and Crocker to face in terms of questioning about whether we're backing the right guy, whether he can hold up, or whether his performance --

SPEAKER: I'm glad to start with just a few comments. I'm not terribly concerned about it because I never expected much from Nouri al-Maliki. This was the lowest common denominator candidate, one person that they all could agree on who wasn't a threat to any of the Shia militias and was nothing but a façade. I'm actually kind of pleasantly surprised whenever he shows some spine and does something that's not in the interests of SIIC which does happen every once in a while and on those occasions when he acts as nothing but a cat's paw of SIIC and their coalition allies, my

feeling is par for the course, that's exactly what I expected of him. Again I think that the point, and this is something that Ryan Crocker has understood very well and I think he's doing a very good job of making Washington understand to a greater or lesser extent, is that you can't say Nouri al-Maliki is the Prime Minister of Iraq and by God he's got to make tough decisions because the fact of the matter is he is a weak man in a weak position. And the only way that you're going to move the Iraqi government in the right direction is by completely restructuring the incentives in which he and the militias behind him operate. And to the extent that there has been progress, and again I give the administration credit, I think that progress has been much faster than I would have expected. I think a year ago, maybe more, when we sat down at another roundtable like this, I think at that point in time I was predicting that best case we'd get to where we are today in about 3 to 5 They did it a lot faster and I think it was years. because they did a nice job of changing this incentive

structure. Ryan did an excellent job of putting Maliki in a position where he could do the right things and in other cases putting him in positions where he had to do the right thing. But he doesn't seem to have covered himself in glory. As Eva was pointing out or as Mark was pointing out, one of you guys, the Iraqi security forces did not live up -actually, I think they proved to be exactly where Minstiki would have said they would be which is without U.S. forces partnered with them they're not nearly as effective.

That was proven. He acted in the south I would say more as a partisan of SIIC and Dela than as prime minister of Iraq. That's problematic but it's exactly what I expected. And again, I think that it is a very big mistake to assume that Nouri al-Maliki is some great statesman who is going to do the right thing. He is not. As I said, he's a weak man in a weak position.

MS. CHALEF: Isn't this extremely troubling? It's one thing not to be surprised, but there are some

people who see this as a sign that the U.S. could be dragged to support one side or has been dragged to support one side of a Shia civil war and it's going to boil over and that provincial elections which we see as this great progress and probably one of the big things that they've been able to achieve actually has this dark side to it where it will maybe -- how concerned are you that in the run-up to these elections we're going to see a lot of inter-Shia violence over the next few months?

SPEAKER: Quite concerned. I think you missed the point. I think I made early on the analogy was to Lebanon where my great concern about the south is that the more that we are seen backing the government of Iraq, what we call the government of Iraq in the south, to everyone it looks we are simply backing SIIC and Dela. And as in Lebanon where we claimed to be intervening on behalf of the government of Lebanon but were seen as simply backing the Maronites, we do run that same risk in the south. And I absolutely agree with you, I do think that -- I'll

put it this way. I can see ways out of all these problems. I can create strategies and scenarios by which we solve all of these problems. They could also run amok. They can be disastrous. But the successful scenarios all require successful provincial elections and I think you've got to do that because that is the only way that you get to any of these successful scenarios. But you are absolutely right, handled improperly or just if we get bad breaks, the provincial elections will be a spur to further violence. I think there's no question there will be further intra-Shia violence in the run-up to the elections. The question is how bad is it.

MS. CHALEF: Ken, what option does the United States government have but to support what the Maliki government is doing in the south? The United States is out in the region calling for neighbors to support the Maliki government and if they didn't support them in these operations, what would that send?

I think that there's support and SPEAKER: there's support, and I think that you can always temper calls for support with qualifiers about what else you would like to see the Maliki government do. For instance, I quess was it Charlie who made the points about how -- maybe it was Martin -- I just flew back from L.A. and so I'm very sleep-deprived at the moment. One of you guys made the very good point that one of the problems we've had all along with the Maliki government is their unwillingness to allow Sunnis proper representation within the security forces. And you could very easily suggest that on the one hand while it's important that the government be seen as succeeding in the south because we don't want militias and vigilante groups, nevertheless, this also underscores the need for the Maliki government to take steps that will better co-opt and integrate the other communities into Iraq, and I'd like to get both of those things.

SPEAKER: One of the fundamental problems we've had in the past and we continue to have now,

that there isn't an entity that represents other than sectarian interests including the government so that anybody you support almost automatically will lead you to support a particular side in either an intra-Shiite or the Shiite or interethnic tribal or whatever conflict. That's the problem. The problem is there is no single state represented by a government that has control over the means of violence. That doesn't exist. And that therefore when you get dragged into supporting one side or the other, you're always supporting one side to the detriment of the other side. We are also arming an entire Sunni militia at the same time. We're paying for them, we're arming them. They're not being integrated. They're ready, trained to go the moment that they feel it's necessary to train and go. So just as we're supporting the Maliki government which turns out to be in particular not an Iraqi government but a particular section within the Shia community to the benefit or detriment of Iran, in fact, always to the benefit of Iran no matter who we support, we're also doing the same with

the Sunnis, and frankly we're doing the same with the Kurds. And that's our problem. When you have a country that is deeply riven and divided, you can do two things. You can support one side and hope that they win, or you can try to be neutral by supporting all the sides in which case you're just prolonging the conflict. And my sense is that essentially we don't know who to support because we don't really like the side that is most likely to win so we have this myth that we're supporting the Iraqi government with an Iraqi prime minister who turns out to be neither Iraqi nor much of a prime minister.

MR. INDYK: There is a certain plausibility to the idea that you support all sides and you play the balancing role, and this is the kind of sophisticated approach, you can call it a British approach, to the problem, and it has its advantages as we can see with the surge, the backing of the Sunnis. But ultimately there has to be the political reconciliation which enables these parties to play out their battles on the political playing field and not

on the military playing field, and the surge was designed to create that circumstance. It hasn't been able to do that. It couldn't do it because, as I said before, it's going to take a long time, I think a decade, and the big dilemma is we don't have the staying power for a decade of playing this game. Our armed forces can't handle it and we've got other demands, and most importantly, the American people won't support it I don't think and I don't see any indication they will. And so that's the dilemma. That's the heart of the dilemma. By now I think we know more or less how to do it, it's been a very steep learning curve for 5 years, but we are exhausted, and that's also the British model.

SPEAKER: If I could be so bold as to ask each one of you a question and I'll try to be quick. Ken, what I'm trying to see is what influence if any the surge had on the situation that we now have in the south, if it's really an example of how our influence has waned and it's just playing out what was going to play out or if it's because we pushed for these

provincial elections and this is the kind of the runup to the elections. That's what I'm trying to understand. Martin, if you expect to see any more negotiations. You talked about the importance of Iran. Do you expect to see any more or any mention of continuing the talks with the Iranians? Could that be helpful? And then Ivo we saw last September after the last Crocker-Petraeus hearings the various attempts by the Democrats to influence things in different ways, the Webb amendment, different ideas, but ultimately none successful. Do you see any change there or is this just going to be after the next administration comes in?

SPEAKER: I think you won't see any new attempts to fail. I think you'll find a new strategy which is to basically say you've got 8 more months to get this right and basically argue we're going to withdraw. That's our policy. That's how we're going to run the election. We can talk about how to draw down and how long it will take, et cetera, but we're going to withdraw so basically you have 10 more months

and if you can't do it in 10, if you can't stabilize the situation politically and militarily in those 10 months, obviously the surge is not working, it's not doing what you wanted it to do. It may be that the realistic timetable is 10 years, but the political timetable is now 10 months. And if it works you can say therefore we can leave, and if it doesn't work you can say and therefore we should leave. But that basically the political debate is no longer going to be on the Hill, it's going to be about what you do in 2009 rather than figuring out whether you can force the president -- he'll veto it anyway so it's just totally lost time and it doesn't frankly help I think the Democratic nominee so you play this in terms of the election rather than in terms of what you do on the Hill.

MR. INDYK: I think the meetings that have taken place have had a certain usefulness but they're on a level and confined to subjects which make it difficult for them to have much impact. The next meeting will be useful for Crocker to raise the issue

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35

of the military supplies that are coming in from Iran that were apparently I just heard this morning fired at his residence -- Iranian rockets that went into his residence. That's one benefit of the dialogue.

I think that that's a tactical dialogue that's taking place in Iraq and there needs to be a strategic dialogue with the Iranians. Here again we come back to these dilemmas. Ken and I disagree on this subject, but in my view the Iranians are very happy to have our forces tied down in Iraq. It serves their purposes very well to have us in a situation where we simply do not have a military option against Iran. I'm not suggesting that we need to use a military option, but we're not going to get their attention in any serious way unless they think that we have an option. And we don't and they know it and by keeping us tied down in Iraq, they get the best of both worlds because they're able to build their own influence there at the same time as they're able to keep is tied down.

If we pull out, and I'm not talking about pulling out completely, but if we start to draw down our forces and give ourselves some greater capabilities, then I think we get their attention and then I think that that dialogue would start to change. We need to do a few other things as well which is related to Syria which this administration -- we've got a situation, and I don't want to get us too far afield, but it's worth noting that the Israelis and the Syrians want to talk to each other, want to negotiate peace, and the administration is blocking that from happening. Not that you can flip Syria out of its relationship with Iran, but you could certainly create tensions between Syria and Iran. And the same is true on the Palestinian front. That is to say, if we start to identify Iran as the major problem not just in the context of its nuclear program but in the broader challenge that Iran poses to our interests in the region, then we need to develop a regional and strategic response to that of which Iraq is a critical part. To have only a dialogue in Baghdad on Iraqi

issues is not going to make any significant difference. But I come back to my first point, it's still worth having, but I don't see that it's going to produce much.

SPEAKER: I will answer exactly the question that you put to me in terms of how the impact of what we've done over the past 10 months has had an impact on the south. First, the surge has actually encompassed a fair chunk of the Shia population in terms of Baghdad, Diyala, Babil Province, a little bit into Wasit Province. If you take the Shia population there, that's probably the largest chunk of the Shia population. It's a plurality in there. I think that one of the things that was most surprising was how quickly the Shia communities also began to come over and basically say we don't really like the Badr Brigades, we don't really like JAM. We actually are comfortable with our leaders. We like the kind of security that you guys are setting up. And that's created kind of a domino effect into the south with a lot of people projecting that if you're already seeing

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38

it in Diyala, Babil, Baghdad, what happens when the Americans finally do start pushing into the deep south? You're likely to see the same thing there. And again you look at some of the things that are going on in Diwaniya, in Najaf, in Karbala, in Hilla, and again there are lots of indicators out there that suggest that that pattern would continue. And that's why all the talk, every Iraqi I speak to, is basically saying SIIC is terrified because they see their electoral support, and remember, they won plurality of votes in the 2005 core elections, they swept those early 2005 municipal elections all through the south, and all the Shia believe and particularly SIIC believes that that's going to go away, that that's going to turn right around on them.

So the second thing that's out there is kind of a shadow of the future. It's not just that they feel like we're losing our connection to the population in Baghdad, Babil, and Diyala, it's also the expectation that if this continues they're going to lose that support elsewhere in the south.

Add to that the fact that you've had this ongoing fight inside of Basra where SIIC is trying hard but they are not winning down there and as best I can tell most people think that JAM is making a much better showing. And to the extent that, again it's one of these interesting question marks, my friends in the intelligence community are all looking very hard at this question of just how much do people feel wedded to any of these militias. Again the initial results suggest that their support for the Badr Brigades and SIIC wasn't as strong as was previously believed. So the next question is how deep is their support for JAM. And I think in some cases again there clearly is greater support for JAM say than SIIC because a lot of the JAM commanders are locals. They're local militia leaders, local community leaders, who threw in their lot with Sadr because they saw him as a more legitimate nationalist Iraqi leader than someone like Hakim. Again to go back to the Iranians, Hakim was always much more closely associated with the Iranians than Sadr was despite the

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40

fact that the special groups seemed to be getting far more support from Iran than Badr is at the moment and with Iraq and Iran it's infinitely complex. So you've also got the prospect that they're not going to hold on to Basra and again it's focusing them increasingly as I understand it on places like Tikar and Mason and the question mark out there for SIIC is how much can they actually hold onto places like that. And when you add in the provincial elections and in particular the prospect that the provincial elections are going to start empowering local leaders in ways that they didn't before because people won't boycott them the way that did before, again it raises real question marks in the minds of the SIIC and Dawa folks. It was interesting, there was a delegation of Dawa folks who came through a few weeks ago. I don't know if you guys spoke to them at all. But what was fascinating about their conversation was that the line that they were pushing was Dawa is a secular Iraqi political party. My God, Dawa, the original Islamic fundamentalist group and they are pushing this kind of

secular line that we're democrats and it was much distancing themselves from SIIC and suggesting that they would be coalition partners for Alawi or one of the more centrist Sunni groups and you could have in the next core some kind of a centrist alignment of Dawa and a few of the Sunni groups and a group like Alawis and a few other more moderate centrist Shia groups, in other words, SIIC out in the cold. And even talking about there are elements of JAM that we might even bring into this coalition which to me was kind of stunning and again just demonstrated how everybody seems to be deserting SIIC. Again that could be reversed in a heaert beat if everybody suddenly believed that SIIC's stock was rising again. But you are having these changes taking place on the ground and it is absolutely changing as Martin put it the kaleidoscope in Iraq.

MS. CHALEF: Just to ask a question about taking a step back into the big picture, for the past few months it's like been impossible to criticize the surge. Everybody acknowledges that progress has been

made. But now you're starting to hear more voices saying that the seeds of future violence are embedded in the surge and that actually the surge may have made things worse. Is there any credibility to those arguments? Witnesses testified to this at the Senate Foreign Relations Committee earlier this week.

SPEAKER: I need to leave at 12:30 so if I can start by answering and then you can disagree with I would put it this way. I think there is no me. question that the surge has made progress. I think that the surge has unquestionably made the situation better at least in a limited temporal sense. The way that I would phrase it in what people are identifying is that the successes of the surge have nevertheless revealed I think is the way that Martin was putting it -- problems in Iraq. Again this is the issue with the surge and this is a point that I have been calling attention to all along is the change in strategy is not a one-shot deal. The problems of Iraq are They are deep and they are extremely enormous. complicated and what the surge did was very

appropriately deal with the first set of problems. But the point that I've been trying to make is, okay, we have dealt with the first set of problems and I would say dealt with them faster and better than I actually expected.

Now we're up against the second set of problems and we've got to shift to be able to deal with them. And what I'm saying is I don't yet see the administration, even the guys out in Baghdad who I give a tremendous amount of credit to, ready yet to deal with that next set of problems, the set of problems that the surge was inevitably going to produce and was predicted to produce by those who understood it.

MS. CHALEF: But you don't think by diffusing power and funding to larger and larger group of people, that the surge did anything that actually would damage?

SPEAKER: I wouldn't put it that way. There is no question that the surge can come off the rails tomorrow. At this point in time the surge falling

apart would look very different from a year ago the surge falling apart because we have changed the situation on the ground, but that doesn't mean the surge can't come apart tomorrow and it doesn't mean that these issues which people are identifying aren't important. Again the argument that I would make is again there are strategies, there are things that you can do that would -- you can never guarantee success. I would never suggest that. But there are certainly strategies that you would want to employ to try to deal with the next set of problems. I don't yet see the leadership saying here is how we are going to shift and here is how we're going to -- here is the next set of strategies that we're going to employ to deal with the next set of problems. And by the way, there's a third and a fourth and maybe a fifth and sixth set of problems after we deal with the second set.

SPEAKER: Which leadership are you talking about?

Not just here but also out in SPEAKER: Again you saw the "New Republic" piece I did Baghdad. back in December, Charlie, where I said when I was out in Baghdad in July the question that I kept asking the senior American leadership that I never got a good answer for was what are you going to do about the south because that was clearly the next set of problems that needed to be dealt with. And my great concern is that I think that they are being too conservative. It's very much we're going to stick with what we know, they like being in the north because that's where we've mostly operated, they're comfortable in the north, they understand the north, and they've devised a set of strategies which clearly is producing success and they like that. And I think that they're very reticent to say now we got to move on to this next set of challenges which is equally as demanding and in some way is very different from what we've dealt with over the past 4 years.

SPEAKER: What if you don't go there, you let them just sort of at themselves?

SPEAKER: As I suggested, I'm very nervous that you could make that work. I don't think that the northern half of Iraq can succeed while the southern half of Iraq fails. You'll have to excuse me.

MS. CHALEF: Thank you, Ken.

MR. INDYK: Just to follow-up, I think, yes, there is a way in which the surge has planted the seeds for potential future conflict and that is what Eva was talking about, the arming of the Sunnis and training of them to the point where they're a force of 90,000. It's like the gun that's placed on the mantle in the first act is going to go off in the third act and we're just heading into the second act now. So at some point it would not be unreasonable to expect that the Sunnis are going to use the force that they now have to advance their interests if they can't advance their interests politically. But that's what we're up against now is precisely that problem of how do they get absorbed into the army as Iraqis rather than as Sunnis and the Shias are not prepared to take that risk, and if I were them I wouldn't either.

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47

But that just kind of highlights the problem that in a sense the surge has done a good job of putting a Band-Aid over the situation and healing the immediate problems but it doesn't treat the infection and political reconciliation is the only way to do that. That's why I think, coming back to Petraeus and Crocker, that's the Achilles' heel and that's where the focus of attention should be next week in the hearings.

SPEAKER: Let me add just one other piece of data. I agree with Martin, clearly all the elements of a return to what we had in 2006 and 2007 are still there and in some sense they're there in more effective numbers not only on the Sunni side but also on the Shia side. One of the interesting things is that the JAM's ability to withstand the Iraq security forces in the south was surprisingly strong, that after 6 to 9 months of cease-fire that these forces hadn't been attritted, they hadn't become any less, in fact they in some senses were better able, better trained, better able to fight in the streets. So

since two out of the three elements of the surge that are being celebrated are, one, the cease-fire, and, second, the flipping of the Sunnis, you also have two of the three elements being stronger and able to come back if and when the third element which is I think more importantly the change in strategy but also the change in numbers, when the change in numbers at least goes down so that it's not even clear how much the Band-Aid has healed, it sort of has suppressed the level of violence, but none of the political issues and in some sense the capacity for more violence down the road is at least as great if not greater than it was before the surge. And I wouldn't necessarily say that the surge caused it, but the surge certainly didn't solve it because of the big issue. Crocker and Petraeus have to answer to the fundamental question, there was one purpose to the surge which was to stop the violence to allow a breathing space for political reconciliation and to the extent they have succeeded in the first, they have not succeeded in the second and if you don't succeed in the second the violence

will reappear. It's that simple. Quite apart from the south which is why I think I disagree with Ken the notion that somehow we've solve point one. No, we haven't solved point one. We suppressed the violence but without solving the fundamental issue.

MS. CHALEF: Other questions?

MR. INDYK: Some of you have heard me say this, maybe all of you have heard me say this, but the old British nursery rhyme, "All the king's horses and all the king's men couldn't put Humpty-Dumpty back together again." That's the problem.

> SPEAKER: The Pottery Barn rule. MS. CHALEF: Thanks a lot.

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