

Center for American Progress



“IRAQ: NEXT STEPS FOR U.S. POLICY”

PANEL I: THE SITUATION IN IRAQ AND POLICY OPTIONS FOR THE UNITED STATES

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MR. BRIAN KATULIS: Great. Thank you, John. It's a pleasure to welcome you here at the Center for American Progress to discuss the situation in Iraq and the next steps for U.S. policy. Since the first day we opened our doors at the Center, U.S. national security policy has been a key focus and Iraq a top priority. In addition to the *Strategic Redeployment* plan John just mentioned, the Center has issued several other papers offering constructive criticisms to the current course in Iraq. The Center has also organized many sessions similar to this one where we bring together experts for discussions on key questions related to Iraq. All of these efforts are aimed at helping people think differently about the situation in Iraq in the hopes that new ideas and new alternatives can emerge.

On an issue as complicated and important as Iraq, I think it's vital to delve deep and move beyond the vague ideas and empty slogans of cut and run and retreat and defeat that sometimes dominate our country's debate. And we hope that today's discussions help all of us look at the challenges in Iraq from a different perspective.

We're really lucky and honored to have such a distinguished group of experts join us today at the Center. Our first panel this morning will focus on the situation in Iraq and the options for U.S. policy. This panel will be followed by a second panel that will begin at 10:45 after a brief break. The second panel will examine the impact of the troop deployments in Iraq on the U.S. military. And then after a brief lunch at 12:15, we'll have a keynote address by Dr. Brzezinski at 12:45. We hope you'll be able to stay for the sessions today.

Before I introduce our first panel, I'd like to remind everybody to turn off their cell phones and pagers.

It's an honor to introduce our four panelists and kick off this morning's discussions. Jane Arraf is the Edward R. Murrow press fellow at the Council on Foreign Relations. She's currently on leave from CNN where she was Baghdad bureau chief and senior Baghdad correspondent, and I'm sure many of you have seen some of her phenomenal reporting from the front lines in Iraq over the last three years.

Jonathan Finer has been a Baghdad correspondent for the *Washington Post* since last May. He recently returned from Iraq where he witnessed and reported on the outbreak of violence following the shrine bombing, and he's heading back Sunday night to continue his reporting.

Sitting to Jonathan's left is Rob Malley, who directs the Middle East program at the International Crisis Group. Among many other distinguished positions, Rob previously served as President Clinton's special assistant for Arab-Israeli affairs and director for Near East and South Asian affairs.

And sitting to Rob's left is Jonathan Morrow, who's a lawyer and consultant in post-conflict legal development. From June 2004 to February of this year, Jonathan

worked at the United States Institute for Peace's constitutional program in Iraq. And over the last two years, he's spent a lot of time working in Iraq with Iraqi leaders on the constitutional process.

All of our panelists bring to the table unique perspectives informed by their personal experiences and events on the ground, and we're very excited to have them.

I'd like to kick off the discussion this morning with Jonathan Finer to provide us with a brief assessment on the current situation in Iraq based on your recent reporting and what you saw in the violence following the shrine bombing.

MR. JONATHAN FINER: Thanks, Brian, and thank you all for coming. I think the most valuable thing I could do would be to provide you with somewhat of a picture of what things looked like in the few days after the shrine in Samarra was bombed, because that seemed to be quite a turning point in terms of the direction of the conflict.

I spent some time with the U.S. military in those days and also some time driving around various Baghdad neighborhoods talking to people and trying to get a sense of where things stood. It was a complicated period for the military in particular because they've said for a long time now that job one is training the Iraqi military and the Iraqi security forces – the police and the army – to respond to these sorts of incidents. And there was some conflict, I know, among commanders down at the ground level as to how involved they should be in trying to suppress some of the violence that started to break out in the days after the Samarra bombing – whether they should deploy large numbers of troops of troops, American troops, in force in the streets and what sort of message that would send about the status of the Iraqi security forces in fact the U.S. was seen as responding to this threat and not the Iraqis.

I think to a very large extent they left the provision of security to the Iraqi army and to the Iraqi police, and the outcome of those decisions can certainly be debated. But we definitely talked to a lot of Iraqis who felt anxious to see more American soldiers in the streets in those days, and that's indicative of something that I'm sure will come up later in the discussion, which is a degree of mistrust that still exists among Iraqis of their own police and army and the role that they're playing in providing security.

Baghdad, which is where I was during the aftermath of Samarra – we saw things that we hadn't seen in a long time, if ever, there. In the hours after the bombing in Samarra we drove to Sadr City which is a Shiite slum where something like 10 percent of the population of Iraq lives, and saw militia members streaming out in pickup trucks fully armed, not resisted or stopped in any way by police manning checkpoints, and sort of heading out into the city to do, you know, who knows what, but the aftermath certainly showed that there was as high degree of violence that many of these militia members were involved in.

We went to Sunni neighborhoods of Baghdad and found mosques – Sunni mosques, one in particular that I remember very well, with Shiite militia members

standing outside of it having sort of occupied it and taken it over and re-flagged it essentially as a Shiite mosque, and told us, you know, they had no intention of pulling out. And to the best that I'm aware, that's still the case in a number of these Sunni Mosques.

We also visited a school north of Baghdad where a number of Shiite families who had been displaced from their neighborhoods by Sunni neighbors telling them, you know, "You have to leave, this is no longer going to be a safe place for you," were living essentially as refugees in their own city.

All of these things had happened to a smaller degree previous to this during the year that I spent there, but this was, in a matter of hours, something that really seemed to transform the way Baghdad looked and the way Baghdad felt in the sense that things were sort of rapidly – spiraling out of his control was heightened to a degree that I hadn't seen previously since I had arrived.

MR. KATULIS: Great. Thanks.

Jane, you spent a lot of time embedded with the U.S. military last year. And how have events changed their posture and how they're looking at the situation based on your read of what General Abizaid said this week and your discussion with folks who are on the ground?

MS. JANE ARRAF: I think the thing about the military is that they wouldn't be able to go there, operate, go back for second and third deployments, if they didn't really have that strong sense of mission. I think it's fraying somewhat from what I've seen. And what you find when you talk to a lot of the soldiers and the Marines on that most basic level is that it's their job, their duty, they're willing to take that sacrifice, but perhaps less of an idea of those broad goals of what it is they're fighting for and why they're there. I don't think that's affecting the mission yet. I think it might.

But on the sort of upper levels of military commanders, I think it's been really interesting. You know that phrase that they use, Tori Clark just wrote a book called *Putting Lipstick on a Pig*. I've been hearing that more and more from military commanders regarding the war in Iraq. Doesn't matter how much lipstick you put on that pig, it's still a pig. And I think what that relates to is that gap that a lot of us see between what's happening on the ground – what Jonathan has described – and the public statements that we see coming out of officials. And I think one of the things that worries me the most is – I don't think it's a disaster. I think the jury is still out on whether it will spiral downwards into a worse situation, but I do think that we seize on things that give us false hope about how much progress we're making there.

MR. KATULIS: Great. Thanks, Jane.

Jonathan Morrow, you've recently come back from Iraq where you were working with Iraqi leaders. I thought maybe you could tell us a little but more about the state of

play of the political deadlock and where things are heading there based on your work there.

MR. JONATHAN MORROW: Sure. Most of my work was with the Sunni Arab political leadership, so I'm coming from that point of view. But look, formation of government, as we know, Ibrahim Jaafari is the nominated – the proposed prime minister from the Shi'a alliance. This is still the subject matter of deadlock, notwithstanding today's session of parliament. And I don't really see that resolving itself very easily at all. We know from reading *Time Magazine* that Abdul Aziz al-Hakim, from SCIRI actually invited Ambassador Khalilzad to pressure Jaafari to withdraw his nomination. Gives you a sense of how deadlocked things are. The Kurds and others I've spoken to are predicting no quick solutions there.

My basic observation on all of this, though, is that the process of formation of a government, perhaps a government of national unity, has been getting altogether too much attention; that even if such a government can be formed – and I think it is an if – that will not be decisive on the spiral of violence. I think there are other issues at stake, including constitutional issues, including the issues that were not resolved, frankly, in the very rushed and very inadequate constitution process last year. So I've been working in particular with the Sunni Arabs, who I think will be extremely important – the elected Sunni leadership now, extremely important in determining how that process can play out, if indeed it can.

There's a process of constitutional review that is built into the constitution. I'm very much hoping that that is a serious process, not because I think there will be very large constitutional amendments that will go a very long way to addressing Sunni Arab concerns, but because it presents the kind of negotiating table at which some of the issues can be resolved perhaps by other means; that is, by non-amendment, non-constitutional means. So I'm hopeful that that can happen, but it's by no means certain.

MR. KATULIS: Great. Thanks.

Rob, the International Crisis Group has offered some top-notch reports on the situation in Iraq, and I wonder what your take is on the recent events and if you could cast it in the broader context of other events in the Middle East and what's going on and the challenges that they may present for U.S. policy.

MR. ROB MALLEY: Well, first, thanks for having me. I think a theme that's emerging here, which is the one I'd want to build on, is the two levels of what's happening in Iraq. And the level of where you look at things like the metrics that the administration mentions – training of troops, the political process, the elections – and now the latest one is the fact that Iraqi political leaders seem to understand that they don't want to go to civil war. None of those seem to have any correlation with what's actually happening on the ground because the underlying dynamics are leaning in a very different direction that have nothing to do with how many troops are being trained or whether you have another election, or even what the stated intent, and actually maybe the actual intent

of the political actors are. Because the underlying dynamics are feeding a very different process where the main assets of Iraqi actors today – political actors – are two things: can they provide protection to their constituents, more and more defined in sectarian terms; and can they provide vengeance for the acts of outrage there that are committed against them. And that dynamic is not being affected by anything we mentioned.

Now, you know, you talk about the broader regional issue, and here I think a theme that we have to really keep in mind in terms of U.S. effectiveness in Iraq and elsewhere is that the loss of moral credibility is not only moral issue. It's not even mainly moral issue. It's a political issue. And our ability to affect events in Iraq, in Syria, in Iran, on the Palestinian theater are obviously contaminated by the fact that what's happening in Iraq has eroded in very dangerous ways our moral credibility.

MR. KATULIS: Great. Thanks.

Jonathan Finer, you're heading back to Iraq next week. I wonder if you could look into your crystal ball – and you're following events while you're here – where are trends heading? Do you think Iraq is heading towards a full-blown sectarian civil war? What are the factors that might prevent it? And what might the U.S. do to help improve the situation moving forward?

MR. FINER: You know, the question of civil war is one that's been on everybody's minds for a long time. I think to some degree it's a matter of definition and what you consider a civil war in this context and what civil war will look like, you know, given the presence of now 130,000 American soldiers, and whether it'll ever, you know, escalate to the degree that we traditionally understand a civil war to be.

In terms of the challenges, you know, I sort of mentioned it in my previous answer. I think the biggest one for U.S. troops at this point and for the U.S. commanders is this militia question. And it's more complicated than it might even seem. It's not just a matter of dealing with these gunmen who operate outside of the surveillance and the authority of the government in Baghdad and elsewhere, but it's the fact that these groups are very much interlinked with the powers that be in Iraq, with the legitimate elected government of Iraq. They are very much the armed wing of some of these political parties, which makes it very hard to do anything about them and hard for the government to do anything about them and hard for U.S. commanders to do anything about them. And that, when you talk to people in the military and people in Sunni neighborhoods in Iraq, you would find is issue number one. What will be done about these militias? And I don't think anybody has put forward a very good answer or a very good plan as to where that's going to head.

MR. KATULIS: Jane, have you heard any ideas about how to deal with the militia either from the U.S. government or folks that you know in the Iraqi government, or what are people discussing in terms of options?

MS. ARRAF: I think we're talking crisis management now. I think that that ship

has long sailed. They were to disband the militias. They didn't disband the militias. And now they're such an entrenched part of the security forces that there's no way you're going to get rid of Peshmerga. There's no where you're going to get rid of some of the Shi'a militias. I mean, there can be talks to incorporate them into the security forces, but that's that whole other thing that has to happen, a more diverse sense of who is actually keeping Iraqis safe in terms of particularly the police and the army. So as Jonathan says, militias are a huge worry. And one of the things that drove that home to me, I think, was an item from reporting last week in Baghdad where it described, as one official called it, a roadside misunderstanding in which security forces shot a militia-attached to Ahmed Chalabi. And that's sort of what Baghdad and a lot of other places are: you don't know who these people are, but they have a lot of guns.

MR. KATULIS: Jonathan, is there any hope for the political process to actually address some of these issues? I know in *USA Today* earlier this year you said the solution for peace in Iraq is oil money, and lots of it. I wonder if you could tell us what your main argument was there, and how does that relate to these independent militia?

MR. MORROW: Sure. Just on the militia point, I mean, my own view is that it is not going to happen that the militias get disbanded. I know in Rob Malley's recent report there is this recommendation that militias in Iraq be disbanded. That's not going to happen. I think we have to imagine an Iraq in which that won't happen. As long as the Peshas (ph) are around, the Badr Brigade will be around, and others.

I mean, I think that the basic strategy should be to prevent any of those militias from exercising a monopoly of violence on a national scale or outside the local communities from which they come. Not an ideal solution to tolerate militias, but I think if you have to them, keep them confined to the neighborhoods that they belong to. I mean obviously the problem of having a Badr Brigade-infiltrated interior ministry, which is harassing, you know – (effectively?) a Shi'a militia harassing Sunni populations is the worst element. There are many bad elements about having militias, but that is the worst element, so try and contain the worst element.

In my view, in fact, perhaps perversely enough, one of the solutions to the existing array of militias is to have one more, and that is to have a – for there to be an effective Sunni militia – a militia that operates in Sunni regions that can look after security problems in Sunni regions, prevent the insurgency for gaining more ground, and they can take responsibility for basic policing and other security functions from what is now a Shi'a security force. And I know that the Sunni leadership are thinking about that. In my view, although that's hardly an ideal scenario for Iraq, it is potentially one that could stabilize the situation and could prevent further loss of life and destabilization.

And on oil, I think that – I mean, I write about oil as just one example of an issue that was not successfully resolved last year in the constitutional negotiations. There is language on oil, but there was no satisfactory intercommunal agreement as to exactly how oil management should – and oil revenues should be distributed. There was a very quick, very last-minute Kurdish-Shi'a carve-up. Sunni Arabs were not in the room.

Do I think that those provisions can or should be radically revised? I don't think they can be. I think we have to live with them. But I do think there needs to be, and can be, a serious negotiation about oil revenues that apart from anything else would – could guarantee to relatively oil-poor Sunni populations a share of the national resource. This would go a long way, I think, to alleviating Sunni-Arab anxieties.

Agreements about oil, agreements about – intergovernmental agreements on taxing power, intergovernmental agreements on militias – these are the things that need to be done I think, because the constitution doesn't resolve them and they are sources of anxiety.

I was intrigued by the suggestion that I think Ambassador Khalilzad himself floated of a Dayton-style, sort of off-line, hothouse negotiation between the leaders of the various political parties that I thought might actually start to do this. The constitutional review process is another venue at which these kinds of agreements might be made. Though I don't think constitutional amendment is very likely, that could nonetheless be a forum for other types of agreement.

I was a little disappointed, though, to read today that perhaps those hothouse Dayton type meetings have already happened and they've happened around this dynamic of formation of a government of national unity, which I think is actually a fairly sterile process ultimately. Why do I think that? Because this central, federal government has very, very little power. It will be a government of national unity which will have – which will be weak from the outset. Governments of national unity, by definition, I think are weak. A prime minister does not have the ability to sack a minister. And it will be a government that will be operating under a constitution which denies it taxing power, denies it control over oil, denies it the ability to disband existing militias, and I could go on and on. It's going to be a very weak central government, and that's just the reality, and they need to look to other venues, other negotiating venues for solutions.

MR. KATULIS: Great. Rob, I wonder if you could comment on that, and talk a little bit about something you argued last year in an article. You said it's time for the U.S. to flex its political rather than military muscles. In the current context, how would you actually translate that into action? Would you support the notion of a Dayton-style negotiation process that's led by the U.S. or where should the U.S. policy go in terms of political and diplomatic solutions?

MR. MALLEY: Well, you know, there are a lot of things that might have worked had they been done in time. It's not clear today that there's much that could prevent the slide toward civil war, and I don't say that because I'm convinced it's going to happen, but the dynamics are certainly leading there. But I think what Jonathan just said is a point I would start with.

After the fall of Saddam, Iraq was treated as a post-conflict situation, which was quite ironic because in fact the conflict began after he fell. And so everything was

assumed to be dealt with as you deal with countries after the conflict. You build institutions, you have elections, you have a constitution. What never happened and what needed to happen was a peace process. Whether you want to call it like Dayton or what happened in Lebanon after their civil war, which is a process in which all the actors come to the table, not necessarily in terms of their electoral strength, because if you go that way then automatically the Sunnis, which in this case represent only about 20 percent, would feel disenfranchised, but you have a real peace process in which the actors try to deal with all the issues: the future of Iraq, the future of oil distribution, the federal structure, the political structure, and you do it in that way.

Instead of doing that, if you have institutions that reflect electoral strength, demographic strength, then you're automatically weakening the parties that then have every incentive to resort to violence. So that's what should have happened. Whether it could still happen today, you know, one could only hope so, that they could get together, and in fact they would have to revamp the constitution. I don't think you're going to be able to stabilize the situation. It may be an unlikely outcome, but if we don't – if the U.S. and the Iraqi leaders don't live up to their promise which they made to the Sunnis of reforming the constitution in substantive, substantial ways, I don't think there's going to be any way out of this. And therefore, yes, I think we need to sort of undo the thinking that we've been in for so long, which is we're dealing with this as a problem of institution-building. No, this is really peacemaking that have to deal with now, which means sitting around the table, even with some people who may have done pretty outrageous things.

MR. KATULIS: And you think the U.S. should try to lead that process or work with actors in the region or –

MR. MALLEY: Well, two things. First of all, yes, I think the U.S., as you quoted me, needs to flex its political muscle. The military muscle has only taken it so far. It needs to – just as the American public needs to hold the administration accountable, the administration needs to hold those that it has helped come to power accountable in terms of the sectarian killings, in terms of their image for the future of Iraq, in terms of the sectarianization and the use of militias. All of that – we still have leverage, unfortunately declining leverage as every day goes by, because whenever the withdrawal date, every day that goes by is one day closer, and the Iraq actors know it. So that's one thing. We need to be very – we need to exercise that kind of pressure on people who know they depend on us, even if it's in diminishing ways.

And second, and this is a more controversial thing in this town to say, but we cannot expect to succeed in Iraq if we're not working with the neighbors, including the one neighbor who has the most assets in Iraq, and assets that unlike ours are increasing by the day, and that's Iran. You can't simultaneously pursue incompatible policies. One policy is to pressure Iran and to defeat it in terms of its nuclear program, and the other one is to work with the Shiite community in Iraq, which is still quite close to Iran. You cannot do both. You have to choose a priority. And it doesn't mean sacrificing our security interests with Iran. It means engaging them in a dialogue to see whether you can

find some area of compromise. It may not be possible, but one or the other is going to have to give way.

MR. KATULIS: Great. Jonathan Finer, I wonder if you could say a few things about Iran and its role in Iraq, because I know you've done some reporting in Basra and other places. And what have you noticed in terms of what role it's playing, and what have you seen in the events that you've seen on the ground?

MR. FINER: Well, I think the influence of Iran is hard to overstate in terms of both its influence on the Shiite-led governments, many of whom spent their exile years under the Saddam Hussein regime in Iran and are very close to the mullah-led government there, and perhaps more importantly in some cases, in terms of the Iranian government's relationship with Shiite clerics, many of whom are among the most powerful figures in the country and the most influential. So in terms of influence at that level, it's significant.

In terms of the actual deployment of, you know, Iranian agents in Iraq in the field – I mean, you see reports about these things. You hear people talking about it a lot, but I don't think anything definitive has been done in terms of what Iran's actual role is in fomenting some of the unrest that we've seen. But, you know, it would be impossible to rule anything out given the porous nature of the border there and given the influence that Iran has over the government and its ability to operate at a level that the U.S. frankly can't because they don't have the same access to some of these figures, especially the clerics that the Iranian government has.

MR. KATULIS: Great. Jane, I wonder if you could say a few things about where you think the U.S. military is headed in terms of what they would like to see happen in terms of policy in Iraq. Do they want to stay there in such large numbers? Sometimes we get mixed messages, even this week. Yesterday, General Abizaid said we might need permanent bases in Iraq, but previously Generals Kimmet and others have said we need to reduce the footprint to reduce perceptions of occupation. What's your sense of what the U.S. military sees as its posture – ideal posture in Iraq?

MS. ARRAF: I think one of the things is that reducing the footprint – no matter how many troops you have there, Iraqis are still going to feel it's an occupation. I don't think we should kid ourselves about that. In terms of the overall military presence there, one of the things the military has been struggling with, of course, is to how to fight this new kind of war. And the places I've been with the military, you see them being faced with extraordinary challenges, thrust into communities in western (inaudible) narrow streets being shot at. They don't know where the shots are coming from. They don't know who the enemy is, and that hasn't gotten a lot better over three years.

I've spent most of the past two years in major and minor battles, and sticking around after the battles are over to see what happens with the military in these communities. And it's completely, totally clear that the U.S. military is not a solution here. It has to be the Iraqi military. It has to be Iraqi intelligence. But that's a very, very

slow process. When you talk to military leaders, realistically most of them believe there's no way they can pull out and not have things fall apart, as painful as that is. A lot of them believe that talk of a substantial reduction of troops this year or next year is perhaps wildly optimistic given all the unknowns that there are out there on the ground.

So what we're facing is a situation where they do in many cases, I think, still have to serve as the glue that holds a very chaotic situation together while they're dealing with what is obviously immense political pressure here, and it's a very tough situation for them to be in.

MR. KATULIS: Great. Rob, I thought maybe we could pick – Jane mentioned that we still don't fully understand our enemy in Iraq, and Crisis Group put out a report last month on understanding the insurgency, at least one aspect of those who oppose the U.S. presence. What were the key points and the findings in that report and how do you think that's relevant for U.S. policy going forward?

MR. MALLEY: Well, first, just to explain, the report was really based on a comprehensive review of what we could get our hands on, which is all the insurgent website communications, chat rooms, and frankly there's a lot of it. And since they don't have other means of communication, given the security situation, we assume that it's most of their communication taking place this way. You know, so our conclusion based on that is, first of all, the insurgency, which started out as a very – you know, a rag-tag group of pretty diffuse, disorganized groups of individuals not preset by Saddam Hussein, despite what people may say, has emerged over the last two years as a much more coordinated, sophisticated, homogenous group with means of communication – sophisticated means of communication, joint communiqués.

Every attack is claimed by one and only one insurgent group, with the exception, interestingly, of sectarian – purely sectarian attacks, which are claimed by nobody, which I think tells us something. So they've become more sophisticated. They are responsive to what they see as the public views of their constituency – a narrow constituency, and they're not interested in the views of the international community or even of Shiites in Iraq, but of their narrow constituency. They try to adapt their practices to those in ways that in some ways are superior to ours. I mean, they seem to react to what they think Iraqis think. There's a tendency here to react to what our domestic audience thinks, which obviously leaves us at a disadvantage in terms of dealing with Iraqis.

It's also an insurgency that has become over time – has morphed from a anti-occupation into a Sunni Arab insurgency playing very much in the siege mentality that the Sunni Arabs feel, playing very much on the sectarianization of politics in Iraq and on actions by sectarian militias which they have contributed to foment. And it's an insurgency that has gained in confidence. And, again, there's obviously a part of propaganda in that, and nobody should be blind to it, but the level of their confidence and the type of confidence has changed. At the beginning of the insurgency, the insurgents were confident as jihadists are confident that ultimately right will prevail. Now it's a much more specific confidence. They feel that the U.S. is going to be leaving. They feel

that the Iraqi institutions that have been put in place by the U.S. will quickly crumble after that, and they already have their sights on that struggle. Their discourse is now not only anti-American, it's very much anti-Persian, anti-Shiite government, Shiite militias, and it is playing on the fear that so many Sunni Arabs have that they are going to be marginalized, that they're being disenfranchised. They're playing on this.

And one last comment. If you look at how they reacted to the Samarra incident, people could have expected them to start dividing between the foreign insurgents and the domestic insurgents – the foreigners more likely to attack the Shiites. It didn't happen. They all seemed to have developed the same kind of mix of nationalistic and jihadi discourse. What they did is they say, we have nothing to do with what happened in Samarra. That was the foreigners, the foreign hand, or the Shiites themselves. But they used what happened afterwards – the attacks on Sunnis – to say, this is what awaits you if you don't side with us. And it appears to have been quite effective in mobilizing that part of the Sunni Arab constituency that has seen the fear of what they – the insurgents claim, a coming genocidal war.

MR. KATULIS: Okay. Jonathan Morrow, how do the Kurds approach this new situation in Iraq? What has their stance been? I know you've done some work with the Kurdish leaders before you joined USIP. And how have they approached the current stalemate, the political stalemate, and then the rising tensions between Shi'a and Sunnis?

MR. MORROW: Well, I mean, you know, basically the Kurds don't care that much, to be perfectly honest. I mean, they don't really have a dog in the fight. They may pretend to and pretend that they care. They may – they'll certainly do whatever is possible to bend to U.S. wishes, you know, that they are probably, you know, no doubt being commended for their work in putting together a – or trying to put together a coalition with Sunni Arab parties on Allawi's list it might challenge a united Iraqi alliance that is offensive to some international interests. I mean, they've got what they wanted. They got what they wanted in the constitution. They got the political, financial wherewithal to move forward. And that's really – you know, that's it.

One of the things I do observe about the Kurdish position is that – I mean, the Kurdish situation in the context of the agreements that I just mentioned that need to take place in the future, is that they are basically Sunni-Shi'a agreements. The Kurds don't really need, I think, to be at that negotiating table and probably shouldn't be. Questions of oil, militias and so on, I think really need to be resolved within Arab Iraq, if you like. Certainly the Kurds will be looking carefully to prevent, frankly, any substantive constitutional amendments. They will – you know, Jalal Talabani has stated very bluntly that there should be no substantive constitutional amendments. In particular, they will not be wanting to relinquish what they see as a regional monopoly over oil management in respect of non-current petroleum fields. They will be – take great care to make sure that there are no moves on the constitutional front that would require them to disband the Peshmerga and so on.

So in short, their stance is essentially defensive. They're quite happy with their

lot and are prepared to engaged in Baghdad politics as a – you know, really as a sideline to their main political concerns.

MR. KATULIS: Great. Thanks. Before we open it up to questions, I just wanted to throw out one more question, first to Rob and then to any of the other panelists who'd like to respond. What should the U.S. being doing differently moving forward, given what you understand where the Bush administration is at on Iraq and its strategy and policy? If you were to – if Stephen Hadley were to call you up on the phone today and say, I really would like your advice, what are the one, two, three main things that we should change to advance U.S. national security interests and to help the situation in Iraq?

MR. MALLEY: Well, I think as I said earlier, the two main themes are, number one, trying to hold the government accountable, our allies accountable, in terms of what they're doing, so that we do get a change in the constitution, we do get more inclusive government, and we do get a curb in the sectarianization and the use of militias, and that we need to flex our muscles. And, you know, if we need to say that we're going to be leaving by a certain day as a means of getting there, then we should certainly consider that, but we cannot continue to simply base our expectations on troops trained or elections taking place.

The second thing, as I said, is talking to neighbors and using the neighbors, engaging them in a way that we haven't done. It's not simply a matter of asking them for help. It's telling them that they're going to have a voice at the table as well. And it may not be something we want to do particularly with some of those neighbors, but again, it's a matter of priority. If our priority now is to stabilize Iraq, to get our troops home safely, then we're going to have to start thinking about talking to those who have greater influence in Iraq right now than we do.

MR. KATULIS: Great. Jonathan or Jane, anything to add?

MS. ARRAF: I'd just like to – I would like to see a real informed debate among the American public, and the key word there is "informed." I spent eight years in Iraq and Turkey and then came back here because I really wanted to see what Americans thought and felt about this in Iraq. And traveling around this country, it's remarkable to me how this does not seem like a country at war. There are people dying out there every day. And essentially a lot of the discourse seems to be all about politics, all about using numbers to either make a case that it's a disaster or a raving success, and at some point I think that people have to look at what is actually going on there.

For instance, when an official says there are 130 Iraqi battalions that are operating, we have to take a look – and the press plays a large role in this – take a look what that actually means. Does that mean genuine progress? What does it mean for the future of U.S. forces? And just approach this in a less politicized, more factual way than we have been I think.

MR. KATULIS: Great. Thanks. Jonathan?

MR. MORROW: Well, look, I would just return to my theme of – I mean, I'm not a military expert. I actually do think as far as Iraq is concerned the presence or absence of U.S. troops is actually largely irrelevant. I very much agree with the way Rob put it, that the emphasis should be on peacemaking, not institution-building, and I think the U.S. does have a role for brokering that Dayton-style meeting that could still happen, and that Dayton meeting needs to have a very carefully worked-out agenda. If it's in (the past?) to create hothouses of Iraqis to come up with constitutions or interim constitutions or whatever, haven't worked, because I don't think they've been thought about carefully enough. I do hope that someone can think about it carefully, because I think it could happen. I think the U.S. could play a role in doing that. In fact, I don't see any other actor on the scene at the moment, with the possible exception of the U.N., though I don't think they're ready to do it at the moment. I don't see any other actor that could broker that type of – those types of agreements.

MR. KATULIS: Great. Thanks. Let's open it up for questions. We'd like journalists, if there are any journalists who have any questions for the panel or any particular points they'd like to make. Journalists?

Q: Thanks. I'm a former AP man. I also have a question for Jane and for Jonathan. Are the journalists – or are the days of embedded journalists over so that you're free to move at will? And secondly, do you – would you estimate the civilian deaths in Iraq closer to the 30,000 that the president is still using, or closer to the 100,000 that the *Lancet* reported?

MS. ARRAF: You want to go first?

MR. FINER: Sure. No. I hope the days of embedded journalism are not over, because it's certainly not possible for us to travel around the country to the degree that we'd like to without the presence of military, just because of the security situation. It has – we were talking about this earlier. It has become harder in some ways for us to embed. The military – the era of sort of good feeling I think that existed between the military and the media at one stage during the invasion with the start of the embedded program, some of that I think has started to recede and it's – getting out with the troops has become a little bit more of a process. We now have to send copies of stories that we've written, provide biographical information. I think we're reviewed to some extent before we get out there in terms of whether or not we're someone that they want to put up in an embedded unit. But it's still something very much that we'd like to do, and I think it's the kind of coverage that they still prefer, to a very large extent. And as I said, the security situation doesn't allow us to do much of our coverage any other way.

You know, counting numbers of bodies is a very difficult thing. I think there are a lot of problems with the methodology of the report that you cited on 100,000 civilian deaths. But the 30,000 number has come about basically by counting the number of bodies reported in news reports, and I'm not sure that's the best judge of how many people have been killed either. I mean, the answer is – probably lies somewhere in

between, but I'm not in any better position than you are to give you a number, I don't think.

MS. ARRAF: I think the thing about looking at news reports and trying to figure out what's going on in Iraq is that it's simultaneously better and worse. And one of the ways it's worse than it is reported is that we don't – we can't report a lot of the violence that happens routinely to Iraqis – the kidnappings, the murders that go unreported – very difficult to put specific numbers on it.

And we have to be embedded. We – all of us have either had members of our teams killed or know journalists and media workers who have been killed. Right now there is really no other way to have freedom of movement. Having said that, I think there's a perception that if you're embedded you're totally subject to the whims of the American military, and that's not true. There are ways to do credible reporting while you're embedded. It has become somewhat harder, I think because there has been a real push to blame the media for what's seen as bad news coming out of Iraq. So one of the things that I think that Americans perhaps don't understand enough that we have to do a better job of telling them is, is how they're getting their news these days. The fact that the person they see on air on television or the byline they're reading in the paper wasn't necessarily there at the incidents that they're reporting; that it's a vast series of Iraqi stringers for the most part and other people that have really change the way we gather news there.

MR. KATULIS: Right there.

Q: Harlan Ullman, columnist with the *Washington Times*. Thanks for your comments, and Jane and Jonathan, thank you for your reporting.

Two questions. First, why do you think the administration is taking the line that it is regarding Iraq and its reporting of Iraq, which seems to fly in the face of many facts? And second, if the panel could speculate, where do you think Iraq is going to be a year from now or five years from now?

MR. KATULIS: Easy questions. (Laughter.)

MR. ROB MALLEY: I'll take the second one, the question of where Iraq will be at the end. It's hard to come up with an optimistic scenario if by optimism one means an Iraq looking anything like what the administration had set out as its objectives to begin with. I think the best one could hope for is a very loose central state that somehow holds things together with violence continuing. I don't think the insurgency is about to die down, and in fact I think sectarian violence is about to increase and will increase. I don't want to put a percentage of what's most likely, but I think we do face today a very serious likelihood of the conflict degenerating into all-out civil war. And for those who say, "Well, aren't we there already?" I think there's a big difference. If you get to the point where the security services, the militias start fighting each other, the security services splinter, and Sunnis and Shiites are fighting each other with conventional means.

Right now we really have unconventional means being used – very deadly ones, but unconventional means being used in the war.

If the militias now start openly confronting one another, if the security services start dividing and fraying and fighting one another, then we'll have what we had in Lebanon where part of Beirut was pulverized, and we'll have the same thing happening in Iraq at an even much greater scale given the weapons and given the size of the country, and that's really what we have to prevent. What kind of outcome we can get that's short of that – better than that, you know, there's a whole gradation of virtual dismemberment of the country but in a peaceful way, which I think is a very difficult thing to achieve, to a more unstable equilibrium that could last for some time until either the parties get exhausted, which is again what happens in many civil conflicts, or the international actors come in and manage to wrestle some kind of agreement.

MR. KATULIS: Jane or John, would you like to take a crack at either of those two questions?

MS. ARRAF: Just on the first question, I think the short answer is, because there's so much at stake here. It's not just the future of Iraq, it's the future, in a sense, of many of the institutions in the United States. It's a future of the U.S. place in the world. I think that's why we're seeing these political fights to the death in many cases.

I think one of the misconceptions about Iraq is – still is that it's simpler than it actually is. It's over-simplistic to say that Shi'as want their own state. There are many members of that coalition who believe that they would be better off with a weak central government, for instance. So I don't think it's a certainty it's going to split up into three separate entities. I think almost anything could happen, and I think anyone who says they know what's going to happen, I wouldn't particularly trust them. But I'm slightly more optimistic, I think, than a lot of people just because when you're on the ground in Iraq, you see life going on and you do see a real will to make things work, I think, on the part of many Iraqis still.

MR. KATULIS: Great. Jonathan?

MR. FINER: On something Jane just said, on whether or not Iraq will split into three parts, I think whether or not that's done in any sort of formal sense, whether or not the central government and the parliament says, okay, we'll form these federal regions – a Shiite south, a Sunni west, and a Kurdish north, which already exists, the balkanization of the country is already very much underway on the ground level. It's a de facto balkanization, whether or not it's going to be done formally. It's happening at the neighborhood level in cities like Baghdad where there's a very diverse population, and it's happening in a much broader way – you know, Iraq to a very large extent already feels like different countries depending on which region you're operating in; whether you're in the south, which by all accounts is safer place for many people to travel, but that's only true, to some extent, because the militias who operate in a violent way in other parts of the country are really just very much in charge down there and there's no real

opposition to their movements.

You know, there aren't very many people other than Sunni Arabs left in the western part of Iraq because the small Shiite population that was there, most of them have packed up and left. And Kurdistan since the early '90s and certainly still today doesn't feel very much like the rest of the country. When you spend time up there you don't see a lot of Iraqi flags. You see mostly Kurdish flags. The level of economic development is certainly very different from that in the rest of the country.

So, you know, as I said, whether or not this happens at a formal level, you know, it's already happening, I think.

MR. MORROW: I'm going to go to the second question. I mean, I agree with what Jonathan said, that there is de facto regionalization. One can quibble about how many regions there are, what their shape and size is or will be, but that's happening. It is also de jure regionalization to the extent that the constitution, as I've said, has an extremely weak central government. It provides for a strong region in the Kurdistan region and provides for the possibility of future equally strong regions. And though it is true, I think, that in the Shi'a house, to take that example, there are people who would like – there are Iraqi nationalists who don't necessarily want to see a Shi'a region. Those voices have not been dominant. They weren't dominant in the constitutional negotiations, of course. Those voices – notwithstanding the regionalization in the constitution, those forces voted in favor of the constitution, and so I wouldn't exaggerate the degree of centralized ambition, if you like – degree of Iraqi nationalism in the Shi'a house.

Also I think Shi'a – Rob's vision I think hopes for an Iraq in one year or five years time, there'll be a weak – I think the best we can hope for is sort of a weak viability at the center; contained, if not eliminated, sectarian violence; and viable regions and regional governments and governate governments that don't try to use the central government to control each other – that basically stick to themselves.

You know, this is an Iraq which is described in the constitutional text. I think the constitution, for all its flaws, is a pretty authentic description of what the majority of the Iraqis, with the one exception of course of the Sunni Arabs, whose views are changing daily, it is an authentic vision of what Iraqis want Iraq to be, and there is no real strong Iraq at the center of it.

The beauty of looking at it this way, I think, although the positive aspect of looking at Iraq from the point of view, as Rob said, of peace-building rather than nation-building or institution-building, is that the problem suddenly starts to look much more manageable. It looks – Iraq looks less like a disaster if you start to assume that there will not be strong centralized institutions and you start to realize that so much of, I think, the problems that we see in Iraq come from our efforts to create them.

MR. KATULIS: If I could add just one comment to the first part of your question

and build on what Jane said, I think in addition to so much being at stake in Iraq, President Bush has his legacy at stake in Iraq, and I think that impacts the reporting that you hear coming out of the administration in a very real way, and the words that you hear from the president himself. And I think he's really articulated a strategy for advancing democracy in the Middle East, and Iraq is at the core of that. And I think it will be really difficult for him politically to move away from that and say, "Oh, we're not getting it quite right." He's been more measured in his most recent comments in the last couple of months and in his speech earlier this week talking about the problems, and I think waking up to reality, but I think many analysts worry that he still exists in this bubble where he's getting information that he wants to hear and not the information that he needs to hear, and delving into the complexities of the challenges in Iraq.

MR. KATULIS: Right there.

Q: Yeah. William Neal (sp). I write about the future of the Democratic Party and stuck my neck out early February 2004 on the Iraq situation. I heard something very interesting early in the panel discussion. It's the lack of clear accountability inside the U.S. and I'll toss this out to you for comment. My line goes like this: double the troops, double the money, double the time frame to ten years, and no student of the history of democracy around the world going back centuries could give you very good odds that we have a happy ending here.

And here's how I refine this in the political context of today between the two parties. What the Democrats have not done – they're focusing on mistakes made after the colossal misjudgment of undertaking this mission in the first place. Anyone who read Thomas Friedman's *From Beirut to Jerusalem* and read his succinct description of Israel's participation in Lebanon, had a model for the difficulty of what we are undertaking. I think the Center for American Progress has put out a good out a good plan. Rob Malley, I think you're right: deemphasize the military. I don't think it's going to have a happy ending, and that needs to be conveyed to the American people. Enough.

MR. KATULIS: Is there a question? Yeah?

Q: (Off mike.)

MR. KATULIS: Anyone want to disagree or agree? Yeah. Yes.

Q: I'm not a journalist and my name is Nadia Saad (ph). I am retired from the World Bank. I have lived through the civil war in Lebanon and I know how it goes. We were seeing on TV and the next week all the leaders come and kissing each other and saying that it's over and it's finished, but it had absolutely no meaning for what was going on in the country.

In order to survive – I was also in charge of security for the UN (unintelligible) in my region and of my own security. The only way to survive was to pay the militias who were in our area to protect us because there was – as you said, there are two things:

number one, to protect us; and number two, to sort of take revenge of what – to reestablish justice. So the problem is – one answer is that to really work with the militias. There is no other choice because they have now the authority and they have the power. And also for each group they have the moral power – the moral authority because they are protecting them and because they are trying to reestablish justice. That's number one.

How to get the militia – this is another story. My question here is that there are – I have two questions. Number one, is it true that the U.S. is establishing 16 military – permanent military bases? I'm just coming from Cairo. This is what I read in the papers there, that the Americans are establishing permanent military bases.

The second question is that we have to address really the question of oil, because this is of the national interest of Iraq. Now, who is going to do that? Certainly not the U.S. because it was obvious that the first thing that the U.S. was interested in is the oil. So maybe – I don't know – this is my question – the way to get the – outside Iraq, some group should sit down and discuss what's going to happen with oil. Maybe OPEC, maybe it is a way to get Iran in. Two questions please.

MR. MALLEY: I just want to comment on the point about Lebanon because I think it's extremely important – the point that you just made. Civil wars don't happen because people want them to happen and countries don't divide because want them to divide. People – political actors, particularly in a case like Iraq today, are acting based on their short-term interests. Even if they could recognize it in the long term, they don't have an interest that they would lose everything if a civil war begins. That's not the way they're thinking and it's not the way we should expect them to think in this situation.

Civil wars happen because the underlying dynamics lead them there and because the short-term calculations of the actors lead them there. And it's exactly as you said, in my view, that right now the main political assets are whether you could protect your community, whether you could exact revenge on others who are attacking you, and that's not something that you could overcome by ministerial portfolios somehow changing hands or addressing one small issue. It really is trying to get to the core, which is very difficult, and obviously it has to do with the distribution of resources, it has to do with oil, it has to do with the militias. And those are the issues we have to tackle, rather than pin our hopes on the fact that when we speak to Iraqi leaders, as U.S. officials always say, they tell us, we understand the risk. We saw abyss after Samarra, we don't want to go there. That's not enough.

MR. KATULIS: Jonathan?

MR. MORROW: If I can just respond on the oil question, I entirely agree. In this sort of post-conflict community there is such a thing – in the development world people sort of get very nervous when we talk about oil and see it as it being sort of unqualified curse rather than anything else. And one of the good things about Iraq, and the constitution of Iraq, is that there was unanimous cross-party agreement that Iraq's oil belong to the Iraqi people and there should be per-capita proportional sharing of revenues

from that oil, wherever the oil lies. Now, there's a current/future split that is in play, but that really I think for the time being, for the next – for decades will be irrelevant because the vast majority of Iraq's oil is current.

Now, through all the sort of the sort of downward spiral of sectarianism and so on, no one has really, so far at least, taken the time to concentrate on that one point of consensus: the fact that Shi'a and Kurdish parties are prepared to share oil revenues with the Sunnis. They haven't been given the opportunity to say that, to demonstrate that, and it sort of strikes me as being a very easy, frankly, way of improving the situation in Iraq radically, improving it politically and economically, is to do what many – or some people have suggested already in Baghdad; that is, to have the parties sit down and thrash out some kind of five-year oil revenue-sharing agreement, an agreement that would be – you know, that regional governments and the central government would be party to; put in place transparency mechanisms and so on. This could be done. It's done many places in the world, and Iraq should be no different.

The problem, of course, from the U.S. point of view is that the U.S. suffers from the stigma, if you like, of having been seen to go into Iraq for reasons of oil, and it's very difficult for anyone to make statements I think from the U.S. point of view about it. But I mean I do think there's an agreement out there that needs to be done. Someone should broker it. If not the U.S., then someone else, but it should be on the agenda.

MR. KATULIS: John?

MR. MORROW: I don't know. I mean it's conceivable that the IMF could play a role, and this has also been (inaudible). The U.N. I know has been putting a lot of thought into it. The people who have been doing the most work on the ground in Baghdad are actually consultants working for the British government who are in deep conversation with the finance ministry and the Kurdistan regional government and other important actors. There's a huge amount of positive work that can be done there.

MR. FINER: I'm just going to say briefly, I think you're absolutely right to skeptical of some of the public pronouncements that you see, people standing next to each other at press conferences holding hands in a show of solidarity saying, you know, the worst is over and we recognize the danger and now we're going to get back to negotiations.

In the days immediately after the Samarra bombing you heard those same messages from political leaders, from religious leaders, while, you know, at the every same time, simultaneous to that, outside of public spotlight at night and, you know, away from where everybody could see, the militia – the armed groups affiliated with these same men were going around killing each other's, you know, population. So I think that you're right that the public pronouncements very often don't match what's going on behind closed doors.

MR. KATULIS: I'm not sure if anybody on the panel has an answer to the

permanent bases issues. I don't know if you have any insight. You've been there. Do they look like permanent bases? I mean, I don't think anybody knows.

MR. FINER: I mean, they're huge and they certainly look permanent. We've heard – we haven't heard 16. I mean, we've heard a smaller number than that. I don't think it's a decision that's been made in any formalized way.

MS. ARRAF: One of the things we have to remember I think is even if the U.S. wanted to keep permanent bases there, it depends on the approval of the Iraqi government, and that's not at all a given.

MR. KATULIS: All right. Do we have any journalists I missed maybe? Back here.

Q: (Off mike) with the *Jerusalem Report*. I have a question about Moqtada al-Sadr, which has not been mentioned so far. If we talk about political process, more emphasis on the political process, should he be included? And other place – the insurgents, how do you get them involved? And maybe more in general you can – and if you can evaluate their role in the future of Moqtada al-Sadr.

MR. FINER: I'd say, you know, al-Sadr may not have been mentioned, but he's certainly been referred to implicitly in some of the comments that we've made. He's an incredible political force in Iraq in a way that I think that the U.S. sort of misunderstood or at least underestimated at some point. He, after leading those uprisings that everybody remembers in 2004 against U.S. troops, sort of faded from the public spotlight a bit, but really worked to consolidate his base of support almost in the same way that Hezbollah did in Lebanon by providing social services, by feeding poor people. I mean, his support in sort of poor Shiite communities is really unrivaled there.

And the transformation that he's undergone in recent weeks and months has been really fascinating and I think hard to understand. At one point he was viewed very much by Sunnis in Iraq as a force that can sort of reach across the sectarian divide, as someone who was a nationalist who believed in Iraq as one country rather than something that should be divided, and is not beholden to Iran in the way that some of the other Shiite leaders are. Lately, that's become a bit more confusing. He's made trips to Iran and has made statements of solidarity with the government there. He's joined the main – his political followers have joined the main Shiite political bloc. And then during the uprisings after the Samarra bombing, it was his militia that's been blamed for many of the most gruesome sectarian killings. So the role of Sadr really continues to evolve, but I think you're right to flag it as sort of very much key to what happens in Iraq going forward.

MR. KATULIS: Anyone else on Sadr? No? Right down front here.

Q: Michael Backfisch, Germany's business daily, *Handelsblatt*. A question: apart from the aspect of violence, how is the country doing today as far as water,

electricity, oil production is concerned if you compare it to pre-Saddam levels? The administration says 80 percent of the country is doing better. Are they right, are they partly right, or are they dead wrong?

MS. ARRAF: Well, I think you have to take a very careful look at those figures, and the Government Accounting Office itself has shown figures that indicate that on most levels of the infrastructure things are below pre-war levels. You often hear statements that there's more electricity in Baghdad, but the problem there is in electricity is there are more users. But if you look at the electricity generated, that does tend to be below pre-war levels. So yes, it's a huge problem. It's a problem because of continued sabotage. It's a problem because the administration says that there was no awareness of how bad the infrastructure was during the Saddam years, which mystifies many people. And generally, I think there is a consensus that on most indicators things are worse than they were before the start of the war. Doesn't mean that they're not going to get better and won't get better, but it's obviously a problem.

MR. FINER: I'd say read the reports of the special inspector general on reconstruction in Iraq. They say almost the same thing that Jane just said: that by most measures the basic services provided by the government, water, electricity, sewage, those sorts of things, conditions are generally much worse. And anecdotally, I can tell you that in large parts of Baghdad, you know, there are two or three hours of power a day, still, you know, three years into this, in many cases sometimes lasting weeks and months like that.

Q: Hi. James Rosen, national security correspondent for McClatchy Newspapers. I have a question for Mr. Malley. And I had an earlier event so I arrived late and he may have already covered some of this, but it seems like the sort of overarching question about Iraq has gone from – in the last few years has gone from, you know, how long will it take us to mop up this little military venture to how long will it take us to defeat this insurgency and why is it lasting so long, to can we actually defeat this insurgency and how long will we be here, to can this military adventure be salvaged and are we on the brink of civil war?

Looking ahead, do you – that sort of – those series of questions for me at least suggest a sort of spiraling downward, if you will. Do you see over the next few years things taken a turn for the better? Do you think this can be salvaged? And if so, sort of what would be the three most important things that need to happen?

MR. MALLEY: Well, I mean I think you're right to point to how one war seems to have morphed into another, into another, into another; some of it by design, some of it by mistakes that were made by the administration – by the first administrators of Iraq. It started as a – as I said earlier, a pretty weak and disorganized insurgency, which developed in an anti-occupation force, which has morphed into a war between the insurgency – the coalition forces, but also militias, and is on the verge of morphing into a broader civil war, which of course would be the hardest for anyone to handle; one that the U.S. certainly couldn't handle and would have to leave once that happened, and which

appears to be the insurgency's goal because if you actually have a civil conflict, then the insurgency becomes the arm of the Sunnis Arabs defending them against others and no longer isolated as it is today.

And it's been enabled in that both by the security situation – the lawlessness that has been the trademark of Iraq basically since the occupation began, and the sectarianization, which has been again one of the hallmarks, and deepening hallmarks, of Iraq since the occupation began. Again, both of those trends were facilitated by the insurgency, but I would argue they've been greatly facilitated by actions that other actors, including we, have taken in Iraq in terms both for not providing for security and of I would say not deliberately, but favoring the deepening of the sectarian divide.

We were discussing earlier what could be done about it. And I, you know – one could be quite pessimistic today, but one still needs to come up with ideas about how to salvage what can still be salvaged. Iraq is not going to be a model for the region as was once the hope. Let's at least hope that it could be a model for Iraqis, which is a distant second, but is still very difficult to achieve. As I said, I think what needs to happen is there needs to be what I call the real peace process in Iraq in which all of the actors, including some of those who are insurgents today, come together and try to put on the table a real redistribution of power and a real discussion about the future of Iraq.

And second is trying to bring in some of the external actors, and in particular Iran, which has more influence today than it had yesterday and will have more influence tomorrow than it has today, and as its influence increases ours declines. Those are – there are other subsections in terms of a more inclusive government – changing the constitution, making sure that the security forces are not in the hands of sectarian militias. All of those I would say are difficult, necessary, but may not be sufficient conditions.

Q: (Off mike.)

MR. MALLEY: Some of these need to happen very quickly. I mean we are – it's been said for some time that we're on the verge on civil war. We were preparing our report which was about the possible civil war six months before the Samarra event. It came out the day after the Samarra event. This has been on the horizon, and as I was arguing earlier, all the dynamics are pushing in that direction, so these steps have to be taken quickly. We can't simply assume that the political process will take its time, they'll have a new government. That will take too long, and it's not clear that that's going to have impact anyway.

Q: Bruce Wohlman (sp). Is it possible that in the bunkers or the eastern shore weekend homes where the administration policy is actually decided and discussed, that they're pretty satisfied with the way the situation is today? Iraq is no longer a player in the Middle East. All of you repeatedly said it's going to be a weakened state in the future. On the issue of oil, we did insert a lot of language into the constitution in the way it was – future fields were to be developed. The Kurds have already, without telling anybody else, signed agreements with (unintelligible) from Norway.

I would say the way the number of people in the administration think, this might be an okay outcome and that the exit strategy is the road to Tehran and that in 18 months we'll be discussing Iraq about as much as we discuss Afghanistan today.

MS. ARRAF: Are you suggesting this was their plan? (Laughter.)

Q: No, not from the beginning, but that's how it evolved. And divide and conquer may have been the easiest strategy short term in terms of making short-term decisions. I mean, just look at the militias. I mean, we favored a number of militias for years – we favored a number of militias for years. The Peshmerga were our allies. At certain points we worked with some of the Shiite militias. We wanted to disband all the Sunni militias. That's how we got into a fight with the Sadr – excuse me – the Sadr group, so I don't think there was a grand strategy. I mean, I – but I think in terms of short-term solutions this is how it's worked out, and the way they look at it it's not so bad. And if you look at all the rhetoric around Iran from both parties, it's even more accelerated than the war we had in Iraq.

MS. ARRAF: I would be very surprised if with all the uncertainty over what will happen not just to Iraq but the surrounding region, that anyone even in the administration is able to sleep easily at night with this scenario.

MR. MALLEY: And if I understand you, we've gone from a catastrophic success to a successful catastrophe. (Laughter). I don't think – I mean, you know, one of the points I think that you're making, which I hear constantly, many Iraqis believe what you said. Many Iraqis – and not only Iraqis – people – Arabs in the region believe that the plan was in fact – to take it a step further, the plan was to weaken Iraq, dismember it, make sure it's divided into different entities, that that's what Israel and the U.S. wanted. I don't think today the administration could be satisfied for – and if they were, I think it would be a mistake because of the cost that this entails for anything else we might want to do in the region. I don't think we would have the authority if Iraq is viewed as the (threat?) that it appears to be becoming, to do anything else we want to do. There may be an idea to transition towards Iran, but I think it's going to be much more difficult to do so given the price we're going to pay for what happened in Iraq.

Q: I didn't say it was a plan. I was just saying that –

MR. KATULIS: No, I know.

Q: Well, we made a bunch of mistakes, blah, blah, blah, but it's not too bad after all.

MR. KATULIS: Jonathan?

MR. MORROW: Yeah. Just on this, I mean, I think it's – just to go back to the earlier question, I mean, I think there's been a downward spiral, but it has been in some

ways a downward spiral about definition of the situation rather than of the situation itself. The Samarra mosque bombing was hardly the first terrorist-inspired, Sunni insurgent-inspired act of violence to try to destabilize Iraq. This has been going on for some time.

It's hardly the case that suddenly now Iran has appeared on the landscape to exert influence. I mean, as soon as we made the decision that Iraq was going to be a democracy, you were going to find an Iraq in which Shi'a Iraqis with ties to – of one sort or another to Iran were going to be in the ascendancy and Iran would have a tremendous amount of influence. I mean, it's quite staggering actually that people were surprised by the amount of influence that Iran has now in Iraq. I mean, that influence I think was a foregone conclusion from the beginning.

Just on the question of Iraq being a model to the region, I actually do think there's a good chance that Iraq could have – could be a country in which at a national level, regional level, local level, there is a culture of regular and tolerably free and fair elections, which I think is no small thing. It may in fact be a somewhat unintended or incidental byproduct of what's happened. I mean, we had so many more – people had so many more extravagant, I think, expectations of Iraq than that, but elections are good things.

MR. KATULIS: Towards the back.

Q: Hi. Brian Vogt with Partnership for a Secure America. There has been some talk here about a Dayton-style peace agreement, a negotiated settlement, and I'm curious particularly with Rob, who was talking about engaging more of Iran in such a process, how would that look? What would – how would that work?

MR. MALLEY: Well, first, it probably won't look like anything the administration is contemplating because the notion of talking to Iran seems to be so far from the agenda, or the agenda would be only to talk to them about what they have to stop doing in Iraq rather than broader issues that Iran is concerned about. But if we want to suspend this belief for a second, I mean, you know, the model is not that difficult in general to bring the actors to the table and try to map out, if it could be done, a consensus vision of distribution of power in Iraq. One of the problems though, and this has been a problem that's bedeviled the efforts of the administration in recent months which has tried in fact to reach out to Sunni Arabs – it is unclear who speaks for them. It's unclear whether the people who are negotiating with the U.S. – the Sunni Arab leaders who are negotiating with the U.S., even when they claim they have links to the – ties to the insurgents, whether they do and whether they can speak for them.

One thing we've found in the research we did on the insurgents is that the insurgents, to a fault, all of them, unanimously, when they come out with joint communiqués, denounce anyone who claims to be speaking and negotiating on their behalf, and they say they have no interest in doing so. Now, things may be happening behind the scenes, but one of the key questions, if we're going to have some Dayton-like structure, is to find people who can actually speak and who actually represent

authentically the people who are doing the shooting. And that's no easy task, and it's – again, it's going to take for us – the U.S. – to do things it hasn't seemed to be prepared to do in the past, which is really to engage with people who are not the ones we are most willing to talk to.

MR. MORROW: Just on the Sunni leadership, I mean, we are in the relatively advantageous position now of having elected Sunni leadership. I agree with what Rob just said, it's very difficult to find people who will speak on behalf of the insurgency. It's not that hard I think to find people who can have a very large degree of influence over the insurgents. And I think that they elected Sunni leadership includes people now who have that influence. I mean, many of these leaders will say to your face as a member of a coalition country, we deplore terrorism but we support the honorable resistance against the occupier. Now, what would happen if that rhetoric were to change, as I think it might – in fact, I think it's changing daily now – and instead of supporting the honorable resistance these elected Sunni leaders were to deplore it and put an end to it perhaps with their own militia, perhaps by other means.

I mean, I think that there is real headway to be made with those guys, and I think that they are starting to realize where their best interests lie. I mean the curiosity about the Sunni Arab position, if I can just add this, is how similar it is to a U.S. vision of Iraq: a nationalistic Iraq, a relatively secular one, a one in which Iranian influence is contained. It's just but for this uncomfortable fact that the Sunni leadership are supporting the honorable resistance against coalition troops, I suspect that rhetoric will (drop?) potentially fairly shallow, and the really deep fear of the Sunni leadership is of course Iranian hegemony, and I think they will choose the U.S. any day over Iran.

MR. KATULIS: Great. We have time for one more question. Back there.

Q: Lauren Merkel (ph) with the Cato Institute. I was wondering if the panel could address not only the possibilities of a civil war but of it evolving into a proxy war with Iran supporting the Shi'as, Turkey supporting the Kurds, and other Sunni neighbors supporting their Sunni brothers in Iraq. Thank you.

MR. MALLEY: I think it's a very real risk that what would begin – and already there are foreign influences, ours to begin with, but also Iranian and also probably other countries, Saudi and Syrian and others – who knows? I think countries right now – one of the things that has held the country back from full-scale civil war is that the neighboring countries so far unanimously have had it in their interests to prevent it, and they have not been – they have not taken action that – to encourage a civil war. If it gets to the point where they believe that that outcome is inevitable or if they believe that their interests are threatened because one or other of the parties – in this case the Shiite parties – are more likely to prevail, I think you might see neighboring states taking actions for the short-term interests which may lead to an outcome that is against their long-term interests, and therefore fueling the very dynamics that are leading to the disintegration of the country.

So with the possibilities of Turkey coming in the event of events getting out of control in the Kurdish areas, of Saudi Arabia deciding that it needs to throw its lot more decisively with the insurgency, of Iran taking further steps – all of that clearly is a possibility. The more the situation becomes chaotic, the more it spills over into neighboring states, as we've already seen in Jordan, and the more those neighboring states are going to be prepared to take action to protect their interests.

MR. MORROW: Just on the civil war point, I mean I actually – I think it's very unlikely that there will be full-scale civil war in Iraq in the way that we may have experienced it or remember in from Lebanon or perhaps other countries. I mean the reason for that is that Iraq is regionalized, that there are not three rival armies duking it out for power over a Baghdad government that controls everything. I mean, Baghdad doesn't control everything. It doesn't control anything very much at all. In fact, that was the whole point of the constitution last year: 78.57 percent of Iraqis who voted in the referendum approved a constitution which created a national government that has no taxing power, has no monopoly over violence, and so on.

So looking at regionalization not in a negative sense in terms of disintegration of the country, the breakup of Iraq, but in a positive sense as a mechanism in fact for containing national violence and full-scale civil war, I think things are actually – actually look rather positive. And the one exception to that scene of course is the Sunni Arab refusal to operate within a regional as opposed to a national scene, but I think they will soon realize that they can't ever hope to dominate an Iraq state in the way that they have in the past, and that their ambitions will moderate accordingly, and this will be good for security in Iraq.

MR. KATULIS: Jane or Jonathan, any last words?

MS. ARRAF: I guess just that in the midst of what has been a horrendous couple of weeks – I mean, there are some signs that indicate that they may actually be able to stop this from declining further. Jaafari, the prime minister, very unpopular, said today that he will step down if needed and allow someone else to take over. And so much of this depends, I think, on that political aspect of getting people who have no experience in government, no experience in politics, to actually make those compromises to form government that will try to get a handle on things, so I think there are some small hopeful signs.

MR. FINER: Yeah. And on that point, I guess I would just say that for a long time now the U.S. and Iraqi administrations both have said that the political progress – meeting milestones, writing a constitution, holding elections, forming governments – that all that will eventually in some way lead to a diminution in the violence that we're seeing. I'm not sure there's been a lot of evidence to support that, even though that's still where a lot of the hopes lie. I guess I would just encourage people to pay attention to the political process and see and observe whether or not that is in fact the case going toward; that, you know, a lot of these milestones have in fact been met, a lot of progress at a formal level has in fact been made without many substantive changes on the ground, and

I think that's going to be an interesting thing to follow for the future.

MR. KATULIS: Great. Thank you. That'll have to be the last word. Please join me in thanking our panel.

(Applause.)