Iraq Weekly Status Report
July 19, 2006

Bureau of Near Eastern Affairs
US Department of State
Table of Contents

This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

<table>
<thead>
<tr>
<th>SECTION</th>
<th>SLIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Highlights</strong></td>
<td>3</td>
</tr>
<tr>
<td>1. Defeat the Terrorists and Neutralize the Insurgents</td>
<td>5</td>
</tr>
<tr>
<td>2. Transition Iraq to Security Self-Reliance</td>
<td>6</td>
</tr>
<tr>
<td>3. Help Iraqis to Forge a National Compact for Democratic Government</td>
<td>8</td>
</tr>
<tr>
<td>4. Help Iraq Build Government Capacity and Provide Essential Services</td>
<td>10</td>
</tr>
<tr>
<td>5. Help Iraq Strengthen Its Economy</td>
<td>14</td>
</tr>
<tr>
<td>6. Help Iraq Strengthen the Rule of Law and Promote Civil Rights</td>
<td>23</td>
</tr>
<tr>
<td>7. Increase International Support for Iraq</td>
<td>25</td>
</tr>
<tr>
<td>8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents</td>
<td>27</td>
</tr>
</tbody>
</table>

Special Addendum: Provincial Reconstruction Teams Sources and Contact Information Notes and Source Citations
Highlights

1. **Defeat the Terrorists and Neutralize the Insurgents**
   The commander of the US Army 1st Brigade, 1st Armored Division stated that Coalition and Iraqi Security Forces (ISF) are at a transition point in Ramadi and are on the right track in taking back the city from the insurgents.

2. **Transition Iraq to Security Self-Reliance**
   Coalition Forces transferred responsibility of Muthanna province in southern Iraq to the provincial Iraqi government July 13. It is the first Iraqi province to transfer to provincial control and assume responsibility for its own governance and security.

3. **Help Iraqis to Forge a National Compact for Democratic Government**
   President Bush plans to host Iraqi Prime Minister Nuri al Maliki at the White House July 25. This will be the Iraqi leader’s first visit to the US since becoming prime minister in May.

4. **Help Iraq Build Government Capacity and Provide Essential Services**
   Modernization of the Maternity and Child Hospital in Irbil, a city of about 900,000, is now complete. The $6.8 million in USG-funded renovations included major structural repairs, a water purification system, a medical waste incinerator, and back-up generators for uninterrupted power.
Highlights

5. Help Iraq Strengthen Its Economy
   US Secretary of Commerce Gutierrez and US Secretary of Energy Bodman visited Iraq July 17 and 18, respectively. President Bush had asked the two cabinet officials to travel to Iraq to strengthen ties with their Iraqi counterparts. Both officials announced plans for more technical cooperation with Iraqi agencies.

6. Help Iraq Strengthen the Rule of Law
   The Iraqi Police Service graduated 3,412 students from basic training courses July 8-15.

7. Increase International Support for Iraq
   The last Japanese troops left Iraq July 17, ending the country’s largest overseas mission since World War II. Japanese Foreign Minister Taro Aso told reporters that his country would be open to sending troops back to Iraq under a United Nations peacekeeping force and that Tokyo plans to expand its Kuwait-based air operations to ferry UN and coalition personnel and supplies into Iraq.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents
   Speaking before the Senate Foreign Relations Committee July 13, Ambassador Zalmay Khalilzad gave what he called a “bottom-line assessment” of the current situation in Iraq. Though remaining optimistic and citing progress the new government has made, he also made clear the challenges still faced and what the US is doing to help them conquer these challenges.
[1.] Defeat the Terrorists and Neutralize the Insurgency

Anti-Insurgent Efforts on Right Track in Ramadi:

- The commander of the US Army 1st Brigade, 1st Armored Division stated that Coalition and Iraqi Security Forces (ISF) are at a transition point in Ramadi and are beginning to take back the city from the insurgents. The Coalition is re-introducing the ISF into the city and focusing on building and developing favorable economic conditions in areas they hold.

Terrorists Kill 40 and Wound 90 in Mahmudiyah:

- Initial reports indicate at least 40 Iraqi civilians were killed and 90 wounded July 17 when terrorists stormed a market area with grenades and small arms near the Muhammad al Amin Mosque in Mahmudiyah, south of Baghdad.
  
  - As a result of the attack, for which Sunni Arab insurgents claimed responsibility, the leaders of both Muqtada al Sadr’s party and the Fadhila bloc reportedly withdrew from parliament indefinitely.

Car Bomb Kills 53 and Wounds 103 in Kufa:

- A car bomb attack July 18 in Kufa (100 miles south of Baghdad) killed at least 53 and wounded another 103 civilian laborers who were gathered close to a Shia shrine looking for work.

Iraq Assumes Control of Muthanna Province:

- Coalition Forces transferred responsibility of Muthanna province in southern Iraq to the provincial Iraqi government July 13. It is the first Iraqi province to transfer provincial control and assume responsibility for its own governance and security.

  - More than 1,400 troops from Britain, Australia and Japan will have moved out of the province by the end of July.

Iraqi Army Continues to Assume Control of Security Responsibilities:

- Four Iraqi Army division headquarters, 20 brigade headquarters, and more than 70 battalions are currently in the lead in their respective geographic areas.

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>TRAINED &amp; EQUIPPED</th>
</tr>
</thead>
<tbody>
<tr>
<td>POLICE</td>
<td>~108,900***</td>
</tr>
<tr>
<td>NATIONAL POLICE</td>
<td>~23,100</td>
</tr>
<tr>
<td>OTHER MOI FORCES</td>
<td>~22,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>~154,500**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>OPERATIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMY</td>
<td>~113,200***</td>
</tr>
<tr>
<td>AIR FORCE</td>
<td>~800</td>
</tr>
<tr>
<td>NAVY</td>
<td>~1,100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>~115,100**</td>
</tr>
</tbody>
</table>

Total Trained & Equipped ISF: ~269,600****

* Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers
*** Army numbers include Special Operations Forces and Support Forces
**** Does not include the approximately 144,000 Facilities Protection Service personnel working in 27 ministries

Data as of July 7, 2006 (updated bi-weekly by DOD)
[3.] Help Iraqis to Forge a National Compact for Democratic Government– Developments

Bush and Maliki to Meet Again:

• President Bush plans to host Iraqi Prime Minister Nuri al Maliki at the White House July 25. It will be the Iraqi leader’s first visit to the US since becoming prime minister in May.

• Defense Secretary Donald Rumsfeld was in Iraq this week on an unannounced visit following earlier trips by Secretary of State Condoleezza Rice and President Bush.

UN Reports on Civilian Death Toll in Iraq:

• The United Nations Assistance Mission for Iraq published new tallies of Iraqi civilian casualties in its bimonthly human rights report, issued July 18. UN officials said that the number of violent deaths had climbed steadily since at least last summer. During the first six months of this year, the civilian death toll jumped more than 77 percent, from 1,778 in January to 3,149 in June.
[3.] Help Iraqis to Forge a National Compact for Democratic Government - **Iraqi National Unity Government**

- **President**: Jalal Talabani
- **Deputy President**: ‘Adil ‘Abd al-Mahdi
- **Prime Minister**: Nuri al-Maliki
- **Deputy Prime Minister**: Salam al-Zawba’i

**Ministers of the Government**

- **Minister of Agriculture**: Ya'rub Nathim
- **Minister of Communications**: Muhammad Tawfiq Allawi
- **Minister of Culture**: As'ad Kamal Muhammad Abdallah al-Hashimi
- **Minister of Defense**: Abdul Qadir Muhammed Jasim
- **Minister of Displacement & Migration**: Abd al-Samad Rahman Sultan
- **Minister of Electricity**: Karim Wahid
- **Minister of Education**: Khudayyir al-Khuza’i
- **Minister of Environment**: Narmin ‘Uthman (F)
- **Minister of Finance**: Bayan Jabr
- **Minister of Foreign Affairs**: Hoshyar Zebari
- **Minister of Health**: Ali al-Shammari
- **Minister of Higher Education**: Abd Dhiyab al-Ajili
- **Minister of Human Rights**: Wijdan Mikha'il (F)
- **Minister of Industry & Minerals**: Fawzi al-Hariri
- **Minister of Interior**: Jawad al-Bolani
- **Minister of Justice**: Hashim al-Shibli
- **Minister of Housing & Construction**: Bayan Daza’i (F)
- **Minister of Labor & Social Affairs**: Mahmud Muhammad Jawad al-Radi
- **Minister of Oil**: Husayn al-Shahrastani
- **Minister of Planning**: Ali Baban
- **Minister of Trade**: Abd al-Falah al-Sudani
- **Minister of Science & Technology**: Ra’id Fahmi Jahid
- **Minister of Municipalities & Public Works**: Riyad Ghurayyib
- **Minister of Transportation**: Karim Mahdi Salih
- **Minister of Water Resources**: ‘Abd al-Latif Rashid
- **Minister of Youth & Sports**: Jasim Muhammad Ja’far
- **Minister of State for Civil Society**: Adil al-Asadi
- **Minister of State for National Dialogue Affairs**: Akram al-Hakim
- **Minister of State for National Security Affairs**: Shirwan al-Waili
- **Minister of State for Foreign Affairs**: Rafi Hiyad al-Isawi
- **Minister of State for Governorates Affairs**: Sa’d Tahir Abd Khalaf al-Hashimi
- **Minister of State for Tourism and Antiquities**: Liwa Sumaysim
- **Minister of State for Women’s Affairs**: Fatin Abd al-Rahman Mahmud (F)
- **Minister of State for CoR Affairs**: Safa al-Safi

(F) = Female
## Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2

### Table: Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2

<table>
<thead>
<tr>
<th>Sector</th>
<th>2207 Report</th>
<th>Apportion</th>
<th>Last Week</th>
<th>Current</th>
<th>Change</th>
<th>Last Week</th>
<th>Current</th>
<th>Change</th>
<th>Last Week</th>
<th>Current</th>
<th>Change</th>
<th>Last Week</th>
<th>Current</th>
<th>Change</th>
<th>Last Week</th>
<th>Current</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security and Law Enforcement</td>
<td></td>
<td></td>
<td>$5,036.00</td>
<td>$5,036.00</td>
<td></td>
<td>$4,963.96</td>
<td>-0.10</td>
<td></td>
<td>$4,954.16</td>
<td>$4,954.11</td>
<td>-0.06</td>
<td>$4,572.87</td>
<td>$4,576.86</td>
<td>3.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Sector</td>
<td></td>
<td></td>
<td>$4,220.02</td>
<td>$4,220.02</td>
<td></td>
<td>$4,020.01</td>
<td>-24.82</td>
<td></td>
<td>$3,552.52</td>
<td>$3,602.37</td>
<td>-49.85</td>
<td>$2,383.45</td>
<td>$2,418.00</td>
<td>34.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil Infrastructure</td>
<td></td>
<td></td>
<td>$1,724.70</td>
<td>$1,735.60</td>
<td></td>
<td>$1,693.28</td>
<td>-5.72</td>
<td></td>
<td>$1,657.46</td>
<td>$1,648.33</td>
<td>-9.13</td>
<td>$1,024.24</td>
<td>$1,029.61</td>
<td>5.37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Justice, Public Safety and Civil Society</td>
<td></td>
<td></td>
<td>$1,340.90</td>
<td>$1,315.95</td>
<td></td>
<td>$1,233.83</td>
<td>-25.75</td>
<td></td>
<td>$1,208.99</td>
<td>$1,185.67</td>
<td>-23.32</td>
<td>$667.05</td>
<td>$670.42</td>
<td>3.36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Democracy</td>
<td></td>
<td></td>
<td>$1,013.85</td>
<td>$1,033.85</td>
<td></td>
<td>$993.80</td>
<td>0.00</td>
<td></td>
<td>$980.36</td>
<td>$990.88</td>
<td>10.52</td>
<td>$809.67</td>
<td>$806.35</td>
<td>-3.32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education, Refugees, Human Rights, Governance</td>
<td></td>
<td></td>
<td>$410.00</td>
<td>$410.00</td>
<td></td>
<td>$378.64</td>
<td>0.00</td>
<td></td>
<td>$354.49</td>
<td>$354.49</td>
<td>0.00</td>
<td>$286.96</td>
<td>$287.25</td>
<td>0.29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads, Bridges and Construction</td>
<td></td>
<td></td>
<td>$333.71</td>
<td>$333.71</td>
<td></td>
<td>$324.92</td>
<td>6.97</td>
<td></td>
<td>$321.07</td>
<td>$329.00</td>
<td>7.93</td>
<td>$187.34</td>
<td>$187.59</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care</td>
<td></td>
<td></td>
<td>$746.30</td>
<td>$739.00</td>
<td></td>
<td>$760.38</td>
<td>-53.51</td>
<td></td>
<td>$676.29</td>
<td>$676.10</td>
<td>-0.19</td>
<td>$500.28</td>
<td>$505.27</td>
<td>4.99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Communications</td>
<td></td>
<td></td>
<td>$469.11</td>
<td>$465.51</td>
<td></td>
<td>$449.89</td>
<td>-3.09</td>
<td></td>
<td>$428.17</td>
<td>$414.26</td>
<td>-13.91</td>
<td>$300.31</td>
<td>$300.81</td>
<td>0.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Resources and Sanitation</td>
<td></td>
<td></td>
<td>$2,131.08</td>
<td>$2,131.08</td>
<td></td>
<td>$2,034.21</td>
<td>-2.22</td>
<td></td>
<td>$1,729.98</td>
<td>$1,729.64</td>
<td>-0.34</td>
<td>$1,176.93</td>
<td>$1,186.86</td>
<td>9.92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Sector Development</td>
<td></td>
<td></td>
<td>$805.28</td>
<td>$805.28</td>
<td></td>
<td>$799.50</td>
<td>0.00</td>
<td></td>
<td>$794.45</td>
<td>$794.45</td>
<td>0.00</td>
<td>$685.68</td>
<td>$685.96</td>
<td>0.28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin Expense (USAID, STATE)</td>
<td></td>
<td></td>
<td>$213.00</td>
<td>$213.00</td>
<td></td>
<td>$212.44</td>
<td>0.00</td>
<td></td>
<td>$212.44</td>
<td>$212.44</td>
<td>0.00</td>
<td>$102.84</td>
<td>$102.84</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,443.95</strong></td>
<td><strong>$18,439.00</strong></td>
<td><strong>$17,820.30</strong></td>
<td><strong>$17,868.72</strong></td>
<td><strong>$48.42</strong></td>
<td><strong>$16,870.38</strong></td>
<td><strong>$16,891.73</strong></td>
<td><strong>$21.36</strong></td>
<td><strong>$12,879.62</strong></td>
<td><strong>$12,957.80</strong></td>
<td><strong>$60.18</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRRF II Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRRF II Non-Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRRF II Democracy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRRF I Total</td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$2,473.30</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$2,232.3</strong></td>
<td><strong>$2,232.3</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$2,232.3</strong></td>
<td><strong>$2,232.3</strong></td>
<td><strong>0.00</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total IRRF I &amp; II</td>
<td><strong>$20,917.25</strong></td>
<td><strong>$20,912.30</strong></td>
<td><strong>$20,293.60</strong></td>
<td><strong>$20,342.02</strong></td>
<td><strong>$48.42</strong></td>
<td><strong>$19,102.68</strong></td>
<td><strong>$19,124.03</strong></td>
<td><strong>$21.36</strong></td>
<td><strong>$15,036.62</strong></td>
<td><strong>$15,096.80</strong></td>
<td><strong>$60.18</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of July 18, 2006
During the week of July 12-18, electricity availability averaged 7.3 hours per day in Baghdad and 11.7 hours nationwide. Electricity output reached a post-war record July 17, but for the week was one percent below the same period in 2005.
[4.] Help Iraq Build Government Capacity and Provide Essential Services – Health Care

Health Care:

- Modernization of the Maternity and Child Hospital in Irbil, a city of about 900,000, is now complete. The $6.8 million in USG-funded renovations included major structural repairs, a water purification system, a medical waste incinerator, and back-up generators for uninterrupted power.
[4.] Help Iraq Build Government Capacity and Provide Essential Services – Water and Transportation

**Water:**

- Nine well projects were completed in a portion of the Ninawa Province, which historically has made little use of its surface water. Each well is capable of providing more than 10,000 gallons of water per day.

- The Iraqi Ministry of Water Resources finalized its report on geophysical studies of the Mosul Dam and has provided the report to the US Army Corps of Engineers and the US Bureau of Reclamation for review. USG funds are helping to support grouting repairs and maintenance for the Mosul Dam, which provides most of the electricity for the city of Mosul.

**Transportation:**

- The project to clean sand-covered rail-road tracks near Bayji has been completed. Trains will resume utilizing this line as permitted by Coalition Forces.
[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation

Oil Update:

• Crude oil prices in world markets for the week ending July 14 closed with the following prices:
  – Basra Light at $66.03/barrel
  – Dated Brent at $74.06/barrel
  – WTI Cushing at $75.29/barrel
  – Oman/Dubai at $69.71/barrel
  – Kirkuk at $68.50/barrel

Employment Update:

• The following chart shows the number of Iraqis employed by USG-administered projects:

<table>
<thead>
<tr>
<th>Employing Organization</th>
<th>Iraqis Last Week</th>
<th>Iraqis This Week</th>
<th>% Increase on Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCO (Project and Contracting Office)</td>
<td>28,151</td>
<td>22,724</td>
<td>-19.28%</td>
</tr>
<tr>
<td>USAID</td>
<td>72,067</td>
<td>72,239</td>
<td>0.24%</td>
</tr>
<tr>
<td>AIRP (Accelerated Iraqi Reconstruction Program)</td>
<td>695</td>
<td>689</td>
<td>-0.86%</td>
</tr>
<tr>
<td>MILCON (Military Construction)</td>
<td>180</td>
<td>46</td>
<td>-74.44%</td>
</tr>
<tr>
<td>CERP*</td>
<td>8,250</td>
<td>6,415</td>
<td>-22.24%</td>
</tr>
<tr>
<td>MNSTC-I</td>
<td>8,048</td>
<td>7,834</td>
<td>-2.66%</td>
</tr>
<tr>
<td>IRRF NON-CONSTRUCTION</td>
<td>11,189</td>
<td>11,204</td>
<td>0.13%</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>132,896</strong></td>
<td><strong>121,151</strong></td>
<td><strong>-8.84%</strong></td>
</tr>
</tbody>
</table>

* CERP employment numbers are representative of Baghdad only.
Help Iraq Strengthen Its Economy - Banking Sector

Central Bank’s US Dollar (USD) Currency Auction:

- The following table shows volume sold and exchange rates for USD in the Iraqi currency auction since November 15, 2005. The dinar remained stable against the dollar this week, ending at 1,478 dinars per USD July 5.

### Central Bank of Iraq

<table>
<thead>
<tr>
<th>Date</th>
<th>USD Sold (Millions)</th>
<th>NID Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 15-17</td>
<td>1,460</td>
<td></td>
</tr>
<tr>
<td>Nov 20-24</td>
<td>1,465</td>
<td></td>
</tr>
<tr>
<td>Dec 4-8</td>
<td>1,470</td>
<td></td>
</tr>
<tr>
<td>Dec 11-12</td>
<td>1,475</td>
<td></td>
</tr>
<tr>
<td>Dec 18-22</td>
<td>1,480</td>
<td></td>
</tr>
<tr>
<td>Jan 8-9</td>
<td>1,485</td>
<td></td>
</tr>
<tr>
<td>Jan 15-19</td>
<td>1,490</td>
<td></td>
</tr>
<tr>
<td>Jan 22-26</td>
<td>1,495</td>
<td></td>
</tr>
<tr>
<td>Feb 4-8</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>Feb 11-15</td>
<td>1,505</td>
<td></td>
</tr>
<tr>
<td>Feb 18-22</td>
<td>1,510</td>
<td></td>
</tr>
<tr>
<td>Mar 1-5</td>
<td>1,515</td>
<td></td>
</tr>
<tr>
<td>Mar 8-12</td>
<td>1,520</td>
<td></td>
</tr>
<tr>
<td>Mar 15-19</td>
<td>1,525</td>
<td></td>
</tr>
<tr>
<td>Mar 22-26</td>
<td>1,530</td>
<td></td>
</tr>
<tr>
<td>Apr 19-23</td>
<td>1,535</td>
<td></td>
</tr>
<tr>
<td>Apr 26-30</td>
<td>1,540</td>
<td></td>
</tr>
<tr>
<td>May 3-7</td>
<td>1,545</td>
<td></td>
</tr>
<tr>
<td>May 10-14</td>
<td>1,550</td>
<td></td>
</tr>
<tr>
<td>May 17-21</td>
<td>1,555</td>
<td></td>
</tr>
<tr>
<td>Jun 3-7</td>
<td>1,560</td>
<td></td>
</tr>
<tr>
<td>Jun 10-14</td>
<td>1,565</td>
<td></td>
</tr>
<tr>
<td>Jun 17-21</td>
<td>1,570</td>
<td></td>
</tr>
</tbody>
</table>

The New Iraqi Dinar (NID) exchange rate line is calculated as a weekly weighted average (NID/USD).
[5.] Help Iraq Strengthen Its Economy – Securities Markets

Trading of Iraqi Bonds on the International Secondary Bond Market:

- The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to about two-thirds of Iraq’s commercial creditors as part of a debt exchange arrangement at Paris Club terms. Iraq’s commercial debt was approximately $22 billion before the debt-swap arrangement. The bonds, which are not yet rated, will mature in 2028. The bonds’ current yield of 9.48 percent remains one of the highest in the world for sovereign debt instruments.

Trading High = $73.98 (January 24)
Trading Low = $65.95 (June 23)
[5.] Help Iraq Strengthen Its Economy – Private Sector Development

Prime Minister’s Speech Advocates Free Market Economy:
• In a speech July 12, Prime Minister Maliki told the Council of Representatives that he wanted Iraq to have a free market. He said the government was drafting laws which would permit foreign investment in oil production and power generation and that he would also like to see private sector involvement in hospitals and schools. Maliki cited fighting corruption, expanding the country’s social safety net to help the country’s most vulnerable, and rehabilitating agriculture and industry as other government priorities.

Central Bank Working to Combat Inflation:
• The Central Bank of Iraq (CBI) raised its benchmark interest, or “policy,” rate from 10 to 12 percent effective July 16. This was the second such increase in two weeks, following an increase from 8 to 10 percent July 6.

Secretaries of Commerce, Energy Visit Iraq:
• At the direction of President Bush, Secretary of Commerce Gutierrez visited Iraq July 17, and Secretary of Energy Bodman July 18. Both officials met with senior Iraqi officials, including Prime Minister Maliki. Secretary Gutierrez signed an agreement with the Iraqi Minister of Trade for technical cooperation between their two agencies and Secretary Bodman announced his Department’s intent to expand technical cooperation with the Iraq Ministries of Oil, Electricity, and Science and Technology, including inviting officials from each agency for working visits to the Department of Energy facilities in the US.
Help Iraq Strengthen Its Economy – Agriculture Sector

Marshland Restoration:

- To assist in restocking the fish supply, USAID’s Agriculture Reconstruction and Development Program for Iraq (ARDI) plans to purchase a total of one million fish fingerlings from private hatcheries in Basra and Babil to be released in the Basra and Dhi Qar Marshes. The first batch was successfully distributed July 3 to the al Hammar Marsh in Basra and contained approximately 225,000 fish fingerlings.

- As the restocking program continues, ARDI will conduct workshops and training activities to encourage proper management of fish stocks. Increased awareness regarding harmful fishing methods will help to ensure a stable future income for marshlands fishermen. In order to obtain private sector collaboration in marsh restoration activities, the results and recommendations from ARDI’s restocking program will be made available to local private sector hatcheries and fish farms.
• Weekly Average (July 10-16) of 2.17 Million Barrels Per Day (MBPD)
[5.] Help Iraq Strengthen Its Economy – Crude Oil Export

- 2005 Revenue Estimate: $23.5 Billion
- 2006 Revenue Estimate: $17.6 Billion (Year to Date)
[5.] Help Iraq Strengthen Its Economy – **Total Critical Refined Product Supplies**

- **Diesel:** 12.6 ML supply of 23.5 ML target
- **Kerosene:** 3.4 ML supply of 5.5 ML target
- **Gasoline:** 19.5 ML supply of 20.5 ML target
- **LPG:** 2,430 tons supply of 4,460 tons target

*Note: This is a daily average for the week of July 10-16*
[5.] Help Iraq Strengthen Its Economy – National Stock Levels

- The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.
[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights–Iraqi Judicial System

Central Criminal Court of Iraq Convicts Ten Detainees:

- The Central Criminal Court of Iraq (CCCI) convicted ten security detainees July 5-11 for various crimes, including the use of explosives, possession of illegal weapons and passport violations. The trial court found Ra’ad Abd al-Sattar Najim guilty of possession of illegal weapons (in violation of Coalition Provisional Authority Order 3) and sentenced him to ten years imprisonment. Coalition Forces apprehended the defendant after a search of his house and property revealed a 12.7mm machine gun, two 155mm rounds, gunpowder and an AK-47.

- Upon conviction, defendants will be turned over to the Iraqi Corrections Service to serve their sentences. To date, the CCCI has held 1,287 trials of insurgents suspected of anti-Iraqi and anti-Coalition activities threatening the security of Iraq and targeting Multi-National Force-Iraq. These proceedings have resulted in 1,098 individual convictions with sentences which may extend to life imprisonment or death.
[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights–

**Iraqi Judicial System**

Iraqi Police Training Graduates 3,412:

- The Iraqi Police Service graduated 3,412 students from basic training courses July 8-15.
  - 1,506 students at Jordan International Police Training Center, 1,020 students in Hillah, and 307 students in Sulaymaniyah completed the Basic Recruit Training course.
  - Nine students at the Baghdad Police College, 312 students in Basra, and 208 students in Sulaymaniyah completed the Transitional Integration Program (TIP).
  - Fifty students completed the Officer Transitional Integration Program (OTIP) in Sulaymaniyah.
  - The Iraqi Police Service graduated 179 police officers from advanced and specialty courses held at the Baghdad Police College.
[7.] Increase International Support for Iraq – Developments

EU Commission Appoints First Head of Delegation:
• The European Commission (EC) has appointed the Head of its newly-established EC Delegation in Iraq. This decision paves the way for a reinforcement of the Commission’s presence in the country and will contribute to the deepening of EU-Iraq relations.

Japan Still Supporting UN Operations in Iraq Following Completion of Deployment:
• The last Japanese troops left Iraq July 17, ending the country’s largest overseas mission since World War II. Japanese Foreign Minister Taro Aso told reporters that his country would be open to sending troops back to Iraq under a United Nations peace keeping force and that Tokyo plans to expand its Kuwait-based air operations to ferry UN and Coalition personnel and supplies into Iraq.

Turkey Announces Preparations to Send Army into Northern Iraq:
• Turkish media reported that the Turkish government is prepared to send its army into northern Iraq if the US and Iraqi forces do not take steps to combat Turkish Kurdish guerrillas there and has told the military to draw up plans for a push into northern Iraq and to also advise on the possibilities such an incursion could lead to a clash with Iraqi Kurds or US troops.
[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations

Data as of July 7, 2006

28 Countries with forces in Iraq (in addition to US)

- Albania
- Armenia
- Australia
- Azerbaijan
- Bosnia-Herzegovina
- Bulgaria
- Czech Republic
- Denmark
- El Salvador
- Estonia
- Georgia
- Italy
- Japan
- Kazakhstan
- Latvia
- Lithuania
- Macedonia
- Moldova
- Mongolia
- Netherlands
- Poland
- Portugal
- Romania
- Singapore
- Slovakia
- South Korea
- Ukraine
- UK

TOTAL ~ 19,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

34 Countries and NATO*
(including US)
Support Iraqi Stability Operations

*34 includes the 28 countries listed above, the US, Fiji, and as four NATO, non-MNF-I countries: Hungary, Iceland, Slovenia, Turkey
Strategic Communications:

• Speaking before the Senate Foreign Relations Committee July 13, Ambassador Zalmay Khalilzad gave what he called a “bottom-line assessment” of the current situation in Iraq. Though remaining optimistic and naming some of the progress the new government has made, he also made clear the challenges still faced and what the US is doing to help Iraq to overcome them. In his opening statement, the Ambassador said that “Americans should be strategically optimistic about Iraq, even as the continuing difficulties in Iraq will require tactical patience. The challenges of curbing sectarian violence or defeating terrorism are difficult and will require the full commitment of the Iraqi government and the coalition to resolve. And it will take time. However, the political progress that has been made in Iraq has created opportunities and has put Iraq on the right trajectory.” He went on to say that “sectarian violence has now become the significant challenge to Iraq’s future,” but outlined efforts the US is making to help the Iraqi government counter its challenges.
Strategic Communications:

- A joint statement released July 19 by Ambassador Zalmay Khalilzad and General George Casey condemned the recent attacks on Iraqi civilians in Kufa and Mahmudiya and recognized that “Iraqis’ patience with these murderers has expired.” They then called on the “Iraqi people to unite against the terrorists and death squads, and to support the Iraqi security forces by providing information about their activities.” They called on the leaders of Iraq to “take responsibility and pursue reconciliation not just in words, but through deeds as well,” and also on Iraqi government officials to “begin to build upon Prime Minister Maliki’s bold reconciliation proposal, and to enact a plan to disarm, demobilize, and reintegrate all unauthorized military formations in Iraq.”

- In another joint statement released July 13, Ambassador Khalilzad and General Casey praised the handover of Muthanna province from Coalition to Iraqi forces, saying that “the handover represents a milestone in the successful development of Iraq’s capability to govern and protect itself as a sovereign and democratic nation. Muthanna is the first of Iraq’s 18 provinces to be designated for such a transition.” The statement also promised $10 million from the US “in order to enhance the quality of life for the citizens of Muthanna as they take a bold and courageous step forward in the country’s movement toward an independent and secure nation.”
Special Addendum: Provincial Reconstruction Teams (PRT)

PRT Mission Statement:
- To assist Iraq’s provincial governments with developing a transparent and sustained capability to govern, promoting increased security and rule of law, promoting political and economic development, and providing provincial administration necessary to meet the basic needs of the population.

Provincial Reconstruction Team Concept:
- The PRT concept was developed to improve on Regional Embassy Office (REO) and Provincial Support Team (PST) programs. The PRTs are a civil-military operation led by the civilians with extensive support from US and Coalition Forces. The PRTs are an integrated capacity-building effort built around Local Governance Program (LGP) and include support from other agencies to cover all key capacity development needs.

PRT Operations Status:
- PRTs have been established in Ninawa, Babil, Tamim, Baghdad, and Anbar provinces. The teams are comprised of representatives from the US Department of State, United States Agency for International Development, Multi-National Force – Iraq, Department of Justice, Gulf Regional Division of the Army Corps of Engineers, Multi-National Corps – Iraq and Coalition partners.

Interested in working in Iraq?
Please visit [http://careers.state.gov/opportunities/iraq/index.html](http://careers.state.gov/opportunities/iraq/index.html) for a list of available positions
Iraq Weekly Status – General Information

- This brief draws from multiple sources. References are cited on the following pages.

- Please forward all questions and/or comments to:
  NEA-I-IPOG-DL@state.gov
Notes and Source Citations (1 of 3)

Slide 5:

Slide 6:

Slide 7:
- DoD Input to Iraq Weekly Status Report July 4, 2006

Slide 8:

Slide 9:
- NEA Political Section, NEA-I-POL-DL@state.gov

Slide 10:
- IRMO Weekly Report, July 18

Slide 11:
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:
- Healthcare:
  - GRD-PCO Iraq Reconstruction Report – July 14
Notes and Source Citations (2 of 3)

Slide 13:
Water:
- GRD Snapshots of progress – July 14
- IRMO Weekly Report – July 13

Transportation:
- Iraq Reconstruction Report – July 14

Slide 14:
Oil Prices:
- Oil Prices are sourced from Bloomberg

Employment Update:
- Information regarding the Employment Update was sourced from the IRMO Weekly Report – July 4, 2006
- PCO will be reporting on a bi-weekly basis.

Slide 15:
- Information regarding the NID auction was gathered from the Central Bank of Iraq’s website: http://www.cbiraq.org.
- Iraqi Bond Prices are sourced from Bloomberg

Slide 17:
- USAID Weekly Update – July 14
- IIC – July 19
- IIC – July 12

Slide 18:
- USAID Weekly Update – July 14
- USAID Weekly Update – July 14

Slide 19:
- Department of State, NEA-I-ECON, 202-647-9885

Slide 20:
- Department of State, NEA-I-ECON, 202-647-9885

Slide 21:
- Department of State, NEA-I-ECON, 202-647-9885
<table>
<thead>
<tr>
<th>Slide 22:</th>
<th>Department of State, NEA-I-ECON, 202-647-9885</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slide 27:</td>
<td>Source: DOD Input to Weekly Status Report, updated bi-weekly</td>
</tr>
<tr>
<td>Slide 28:</td>
<td>News Release, “Transcript of Ambassador Khalilzad from the Hearing of the Senate Foreign Relations Committee,” July 13</td>
</tr>
<tr>
<td>Slide 29:</td>
<td><a href="mailto:NEA-I-ECON@state.gov">NEA-I-ECON@state.gov</a></td>
</tr>
</tbody>
</table>