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

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Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

Special Groups, which are funded, trained, armed, and often directed by operatives of the Iranian Revolutionary Guard Corps Quds Force, continue to be a focus of Coalition Forces (CF) and Iraq Security Forces (ISF) operations. CF killed one and captured six Special Group terrorists in East Baghdad. Iraqi forces detained another seven Special Group members in Baghdad who were involved in death squad activities, kidnappings, and assassinations.

2. Transition Iraq to Security Self-Reliance

A group of 25 senior-level leaders from Iraq's National Security Council attended the second in a series of six workshops focusing on accelerating the development of the NSC's capacity and capabilities in Baghdad's International Zone, July 9-12. The underlying concepts of the four-day symposium were introductions to governance and statecraft and their interwoven relationship in ensuring Iraq's internal and external security. Representatives from the Advanced Research and Assessment Group, a defense contractor based at the Defense Academy of the United Kingdom, taught the multi-module program.

3. Help Iraqis to Forge a National Compact for Democratic Government

After returning to Iraq's Council of Representatives July 19 after a five-week boycott, the Tawafuq Front, Iraq's largest Arab Sunni bloc, suspended its participation in the Maliki government on July 25 taking with it 6 cabinet members and the Deputy Prime Minister. The announcement dealt a new setback to Maliki's efforts to achieve national reconciliation. The Tawafuq Front said it was giving Maliki a week to meet their demands or it would quit his Cabinet and perhaps the political process altogether.

4. Help Iraq Build Government Capacity and Provide Essential Services

Residents of Irbil will benefit from the newly completed U.S.-funded Sarwaran healthcare project. The new facility will provide health and dental care to 35,000 patients a year.

Highlights



5. Help Iraq Strengthen Its Economy

Iraqi Finance Minister Bayan Jabr is reported to have stated that, "45 States have agreed to forgive debts to Iraq, at rates ranging between 80% and 100%, with the total amounting to \$140 billion. Among the countries, Saudi Arabia promised to write off 80% of its claims on Iraq, as well as China which declared its commitment to the rules of the Paris Club and wrote off 80% of its claims as well." In fact, 26 countries have agreed to reduce or forgive Iraq's debts, and a further 19 have stated formally that they hold no Iraqi debt. Technical talks are needed before the Saudi and Chinese debt reduction offers can be finalized.

6. Help Iraq Strengthen the Rule of Law

545 Iraqi police recruits graduated from the Baghdad Provincial Police Headquarters July 11. The new policemen went through a four-week Basic Recruit Training which included drills and ceremonies, weapons training, non-lethal hand to-hand defense tactics and squad-level training in building entry and room clearing.

7. International Support for Iraq

U.S. Ambassador to Iraq Ryan Crocker and his Iranian counterpart, Ambassador Hassan Kazemi-Qomi, met July 24 for the first time since May to discuss Iraqi security. Iraqi leaders, including Prime Minister Maliki, had a positive take on the second face-to-face encounter between the three parties since May, hailing what they said was the creation of a tripartite security committee.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

U.S. military officials say that a recently captured top al-Qaida in Iraq leader is fully cooperating with Coalition forces and shedding light on the terrorist network. Khalid Abdul Fatah Da'ud Mahmud al-Mashhadani had played a crucial role in al-Qaida's propaganda efforts.

[1.] Defeat the Terrorists and Neutralize the Insurgency



Coalition Efforts Continue Against Special Groups:

- Special Groups, which are funded, trained, armed, and often directed by operatives of the Iranian Revolutionary Guard Corps Quds Force, continue to be a focus of Coalition Forces (CF) and Iraq Security Forces (ISF) operations.
 - Iraqi police detained a Special Group Brigade Commander July 1 50 miles south of Baghdad, who had directed attacks against the ISF and CF using explosively formed penetrator improvised explosive devices provided by Iran.
 - CF killed one and captured six Special Group terrorists in East Baghdad July 5. These
 individuals had provided logistical support for Special Group operations and were a link
 with the Iranian Quds Force. Iraqi forces detained another seven Special Group
 members in Baghdad July 7 who were involved in death squad activities, kidnappings,
 and assassinations.
 - Iraqi Army elements, with support from CF, killed a Special Group cell leader, Said Jaffer, in Eastern Baghdad July 11. Jaffer controlled a cell of 120 terrorists and was involved in kidnapping, extortion, sectarian murders and explosively formed penetrators.
 - ISF and CF killed two Special Group terrorists July 14 who were emplacing an improvised explosive device and preparing an ambush site in al-Kut.
 - Iraqi Army and CF detained three Special Group terrorists in North Baghdad July 15, including a Battalion Commander who organized kidnappings and death squads that conducted sectarian murders.

[1.] Defeat the Terrorists and Neutralize the Insurgency



Coalition Efforts Continue to Disrupt AQI:

- ISF and CF operations continue to disrupt the al-Qaida in Iraq (AQI) leadership and undermine their abilities to conduct terrorist operations. Operations in the last few days include the following:
 - CF captured the AQI Security Emir of Mosul as well as a car bomb cell leader July 14.
 - CF found a large weapons stockpile northwest of Baghdad July 14. The stockpile included ten shaped charges, two trucks prepped to become truck bombs, and 3,000 pounds of homemade explosive ingredients, all trademarks of AQI operations.
 - Finally, CF killed Abu Jurah July 15, who was in charge of an AQI cell that conducted car and truck bomb operations from the Arab Jabour area, southeast of Baghdad.

[2.] Transition to Security Self-Reliance – Iraqi Security Forces

Iraq's National Security Council Learns New Crisis Management Capabilities:

- A group of 25 senior-level leaders from Iraq's National Security Council attended the second in a series of six workshops focused on accelerating the development of the NSC's capacity and capabilities in Baghdad's International Zone July 9-12.
- The underlying concepts of the four-day symposium were introductions to governance and statecraft and their interwoven relationship in ensuring Iraq's internal and external security. Representatives from the Advanced Research and Assessment Group, a defense contractor based at the Defense Academy of the United Kingdom, taught the multi-module program.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	~135,000
NATIONAL POLICE	~ 26,300
OTHER MOI FORCES	~32,900
TOTAL	~194,200*

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~156,900***
AIR FORCE	~900
NAVY	~1,100
TOTAL	~158,900**

Total Trained & Equipped ISF:

~353,100****

- * 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

[3.] Help Iraqis to Forge a National Compact for Democratic Government



Members of Iraqi Accordance Front Continue Boycott of Maliki Government:

 After returning to Iraq's Council of Representatives July 19 after a five-week boycott, the Tawafuq Front, Iraq's largest Arab Sunni bloc, suspended its participation in the Maliki government on July 25 taking with it 6 cabinet members and the Deputy Prime Minister. The announcement dealt a new setback to Maliki's efforts to achieve national reconciliation. The Tawafuq Front said it was giving Maliki a week to meet their demands or it would quit his Cabinet and perhaps the political process altogether.

U.S., Iran, and Iraq Plan Security Committee:

- Ambassador to Iraq Ryan Crocker announced July 24 that the U.S., Iran, and Iraq have agreed to set up a security subcommittee to carry forward talks on restoring stability in Iraq. The announcement came after Ambassador Crocker held a second round of talks with his Iranian counterpart, Iranian Ambassador Hassan Kazemi-Qomi. The meeting was opened by Prime Minister Nuri al-Maliki, who issued an impassioned appeal for help from the two nations to stabilize Iraq and warned that militants from al-Qaida and other terrorist groups in Iraq were fleeing and finding refuge elsewhere.
- Iraqi Foreign Minister Hoshyar Zebari said experts would meet soon to work out the structure and mechanism of the committee.

[3.] Help Iraqis to Forge a National Compact for Democratic Government

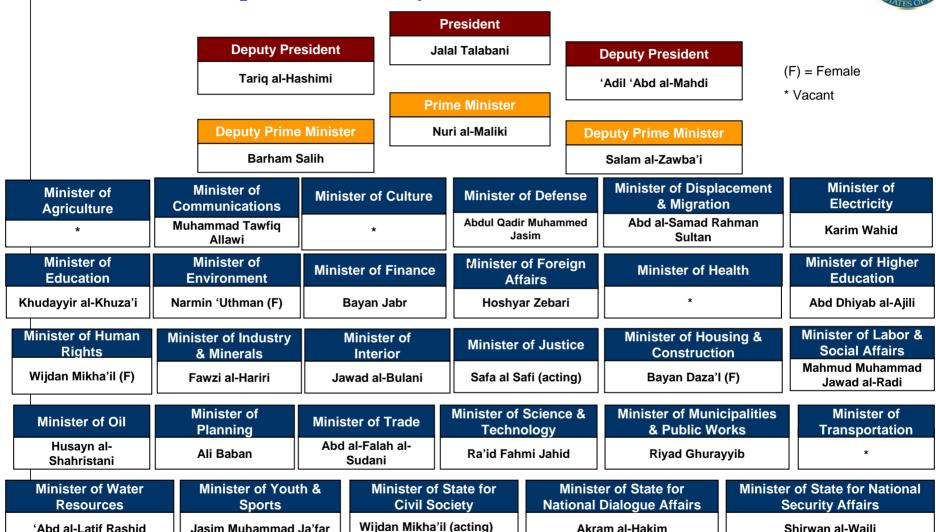


Speaker Mashhadani Reads Roll Call to Shame No-Shows:

- Speaker of the Parliament Mahmud al-Mashhadani read a roll call of the 275
 elected members July 23 with a goal of shaming the no-shows. Iraq's Parliament in
 recent months has been at a standstill with nearly every session since November
 adjourned because as few as 65 members made it to work. Part of the problem is
 security, but Iraqi officials also said they feared that members were losing
 confidence in the institution and in the country's fragile democracy.
- Despite pressure from Washington and Prime Minister Maliki, Iraq's parliament plans to adjourn for the month of August, with debate on critical laws including draft oil legislation thus delayed until September. Several parliamentarians expressed frustration that most big decisions were hammered out by the heads of the main political groupings behind closed doors, rather than by parliament in open session. There was therefore, they argued, little reason in parliamentarians' meeting.

[3.] Help Iraqis to Forge a National Compact for Democratic **Government - Iraqi National Unity Government**





Minister of State for **Foreign Affairs**

Rafi Hiyad al-Isawi

'Abd al-Latif Rashid

Minister of State for **Governorates Affairs**

Jasim Muhammad Ja'far

Minister of State for **Tourism and Antiquities** Minister of State for Women's Affairs Fatin Abd al-Rahman Mahmud (F)

Akram al-Hakim

Minister of State for **CoR Affairs** Safa al-Safi

Shirwan al-Waili

UNCLASSIFIED

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2

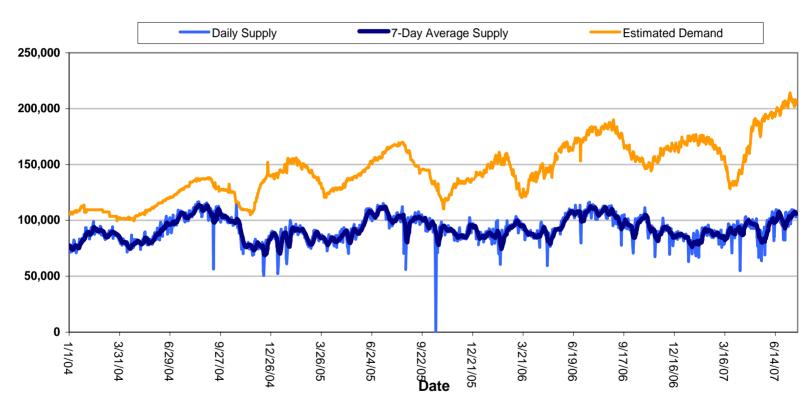


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	Apportioned		Committed			Obligated			Disbursed	
Sector	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	\$5,004.79	\$4,978.21	\$4,972.88	(\$5.33)	\$4,975.17	\$4,971.12	(\$4.05)	\$4,801.30	\$4,805.58	\$4.28
Electricity Sector	\$4,216.87	\$4,171.34	\$4,170.60	(\$0.73)	\$4,046.08	\$4,047.99	\$1.92	\$3,322.53	\$3,397.90	\$75.37
Oil Infrastructure	\$1,724.70	\$1,623.09	\$1,610.26	(\$12.83)	\$1,572.42	\$1,560.08	(\$12.34)	\$1,456.14	\$1,462.54	\$6.39
Justice, Public Safety and Civil Society	\$1,304.15	\$1,302.73	\$1,304.29	\$1.55	\$1,296.71	\$1,297.34	\$0.64	\$1,091.94	\$1,099.50	\$7.55
Democracy	\$998.35	\$998.31	\$998.31	\$0.00	\$997.26	\$997.26	\$0.00	\$961.62	\$961.72	\$0.10
Education, Refugees, Human Rights, Governance	\$409.84	\$399.94	\$399.94	\$0.00	\$399.76	\$399.76	\$0.00	\$369.57	\$370.61	\$1.04
Roads, Bridges and Construction	\$333.60	\$327.81	\$321.58	(\$6.24)	\$320.75	\$320.33	(\$0.42)	\$227.06	\$229.33	\$2.26
Health Care	\$815.55	\$770.76	\$770.67	(\$0.09)	\$758.77	\$761.11	\$2.34	\$670.64	\$681.42	\$10.78
Transportation and Communications	\$456.72	\$455.45	\$452.70	(\$2.75)	\$447.17	\$447.03	(\$0.15)	\$354.40	\$357.65	\$3.25
Water Resources and Sanitation	\$2,115.79	\$2,006.40	\$1,989.44	(\$16.96)	\$1,962.86	\$1,943.42	(\$19.44)	\$1,615.15	\$1,645.71	\$30.56
Private Sector Development	\$809.26	\$809.12	\$809.12	\$0.00	\$807.85	\$807.85	\$0.00	\$765.43	\$765.50	\$0.06
Admin Expense (USAID, STATE)	\$211.05	\$209.95	\$209.95	\$0.00	\$209.95	\$209.95	\$0.00	\$187.92	\$188.65	\$0.73
Total	\$18,400.66	\$18,053.11	\$18,009.73	(\$43.38)	\$17,794.74	\$17,763.24	(\$31.50)	\$15,823.71	\$15,966.10	\$142.38
IRRF II Construction	-	\$10,341.38	\$10,308.64	(\$32.75)	\$10,089.75	\$10,073.11	(\$16.64)	\$8,657.33	\$8,773.13	\$115.80
IRRF II Non-Construction	-	\$6,713.42	\$6,702.79	(\$10.63)	\$6,707.72	\$6,692.86	(\$14.86)	\$6,204.76	\$6,231.25	\$26.49
IRRF II Democracy	-	\$998.31	\$998.31	\$0.00	\$997.26	\$997.26	\$0.00	\$961.62	\$961.72	\$0.10
IRRF I Total	\$2,473.30	\$2,473.30	\$2,473.30	\$0.00	\$2,232.3	\$2,232.3	\$0.00	\$2,139.00	\$2,139.0	\$0.00
Grand Total IRRF I & II	\$20,873.96	\$20,526.41	\$20,483.03	(\$43.38)	\$20,027.04	\$19,995.54	(\$31.50)	\$17,962.71	\$18,105.10	\$142.38

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Supply and demand data for July 24 have not been received; the above charge incorporates data through July 23.
- For the week of July 17-23, national electricity supply was 4 percent below the same period in 2006. Estimated demand was 14 percent higher than the year-earlier period.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity, Health and Water



Electricity:

 The newly completed U.S.-funded Daratoo Electrical Network project will provide reliable electrical service to approximately 2,100 Irbil area residents.

Health:

 Residents of Irbil will benefit from the newly completed U.S.-funded Sarwaran healthcare project. The new facility will provide health and dental care to 35,000 patients a year.

Water

 Area residents of Taji will receive improved water service from the completed U.S.funded Taji WTP & Network project, in Baghdad province.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil price averages in world markets for the week ending July 20 closed with the following prices:
 - Basrah Light at \$73.614/ barrel

– Dated Brent at \$78.962/barrel

WTI Cushing at \$74.942/ barrel

- Oman/Dubai at \$69.744/barrel

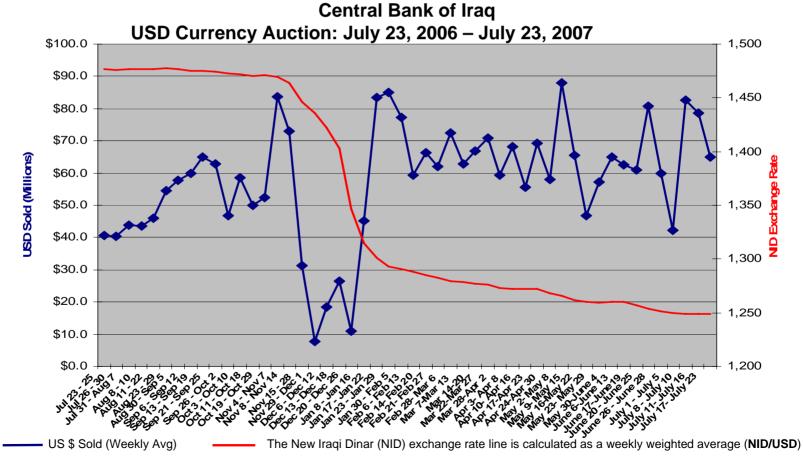
Employment Update:

Iraqi Employment Per Organization Employment Program	Iraqis Last Week	Iraqis This Week	% change
Gulf Region District (GRD) (Includes MILCON/OMA)	14,480	14,249	-2%
US Agency for International Development (USAID)	63,166	66,707	6%
Commander's Emergency Response Program (CERP)	4,320	4,320	0%
Multi-National Security Transition Command-Iraq (MNSTC-I)	11,153	11,424	2%
Iraq Reconstruction Relief Fund (IRRF) Non-Construction	8,855	8,855	0%
GRAND TOTAL	101,974	105,555	4%

[5.] Help Iraq Strengthen Its Economy - Banking Sector

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

• The following table shows volume sold of and exchange rates for USD in the Iraqi currency auction since April. Since September, the Central Bank of Iraq (CBI) has slowly appreciated the dinar, as suggested by the IMF, in an effort to rein in galloping inflation. There are early signs that this effort may have begun to bear fruit, as year-to-date inflation is 2.8%, which projects a pace well below the IMF annual target of 30%. However, this decline in the rate of inflation may be temporary, as the CBI has slowed its appreciation of the currency and the rate of inflation (particularly for energy prices) typically picks up in the second half of the year.



[5.] Help Iraq Strengthen Its Economy – Securities Markets

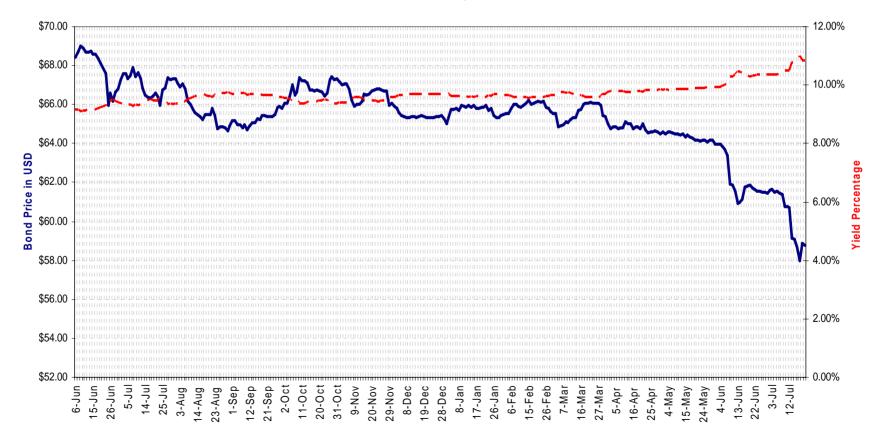


Trading of Iraqi Bonds on the International Secondary Bond Market:

• The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to approximately two-thirds of Iraq's commercial creditors as part of a debt exchange arrangement as per 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.

Iraqi Commercial Bond Sales

June 6, 2006 - July 20, 2007



Trading High = \$73.98 (January 24)

Trading Low = \$64.66 (August 30)

[5.] Help Iraq Strengthen Its Economy – Economic Events



Finance Minister on debt relief:

• Iraqi Finance Minister Bayan Jabr stated, "45 states have agreed to forgive debts to Iraq, at rates ranging between and 80% and 100%, with the total amount of debt forgiveness totaling \$140 billion. Among the countries, Saudi Arabia promised to write off 80% of its claims on Iraq, as well as China, which declared its commitment to the rules of the Paris Club and wrote off 80% of its claims as well." In fact, 26 countries have agreed to reduce or forgive Iraq's debts, and a further 19 have stated formally that they hold no Iraqi debt. Technical talks are needed before the Saudi and Chinese debt reduction offers can be finalized.

Oil Law Benchmark will Likely Be Missed, According to Iraqi Official:

• According to a senior Iraqi official, the U.S.-developed benchmark for Iraq's government to pass an oil law [and revenue sharing law] is "unfortunate" and the benchmark will likely be missed. The official, speaking on condition of anonymity, said that the Iraqi perspective is dominated by the security issue. The official said the debate over the oil law falls back on the constitution and varied interpretations of whether the federal government or the regions and governorates have control over the reserves. In addition, the official said, "[There is the issue of] how much you give foreign companies as a stake in the development."

[5.] Help Iraq Strengthen Its Economy – Economic Events

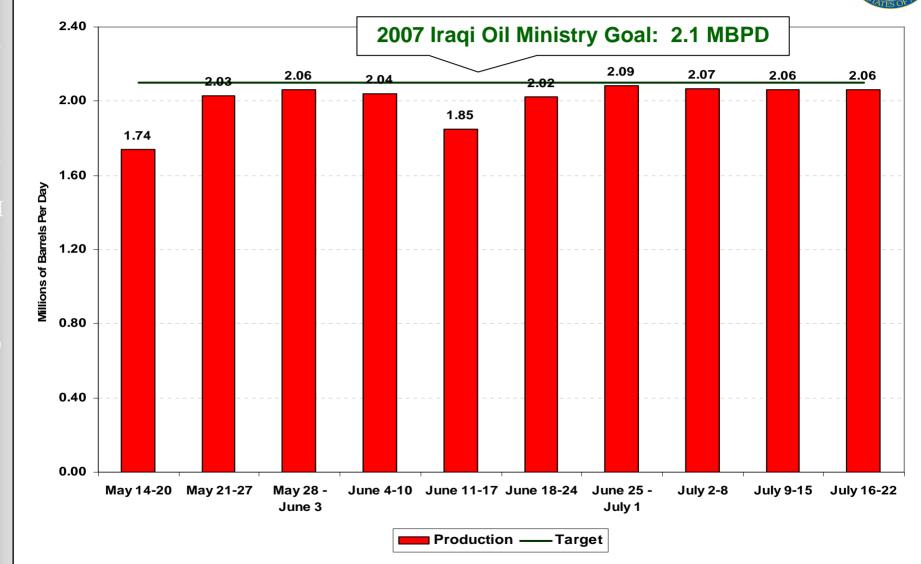


GOI Launches Workshop with World Bank:

- Senior representatives of the GOI joined the World Bank (WB) and other international
 partners to launch the first in a series of workshops on public financial management.
 Through these workshops, the GOI and the WB will review the public financial
 management system in Iraq and identify reforms to help the government use its financial
 resources more efficiently and with greater transparency and accountability, for the
 benefit of all Iraqis, according to the WB.
- Iraq's Minister of Finance, representatives of the Ministry of Planning and Development Cooperation, and other senior Iraqi officials participated in the workshop. International partners participating in the workshop included the United Kingdom's Ambassador to Iraq, the European Commission's Ambassador to Iraq, representatives of the U.S. government and various representatives of the international development community.

[5.] Help Iraq Strengthen Its Economy – Crude Oil Production

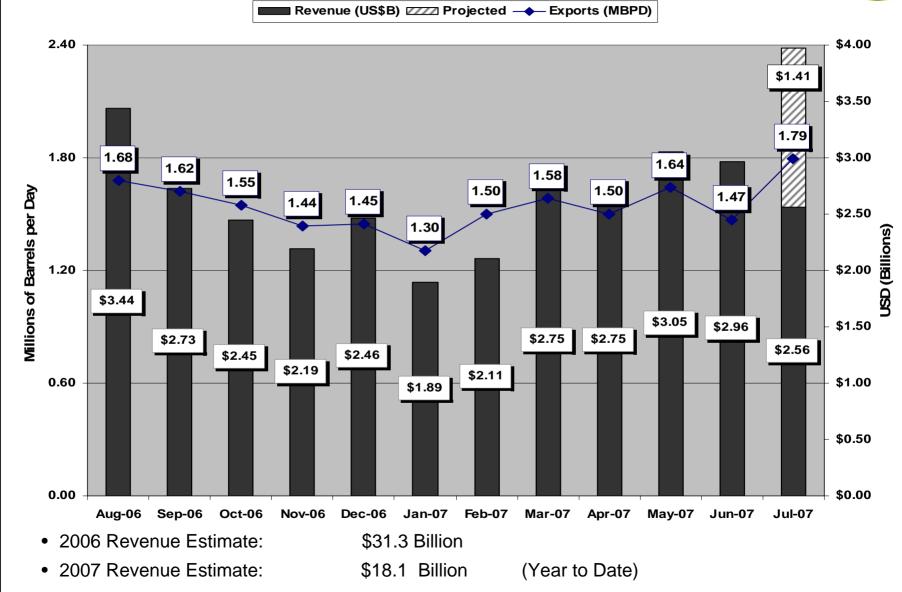




• Weekly Average (July 16-22) of 2.06 Million Barrels Per Day (MBPD)

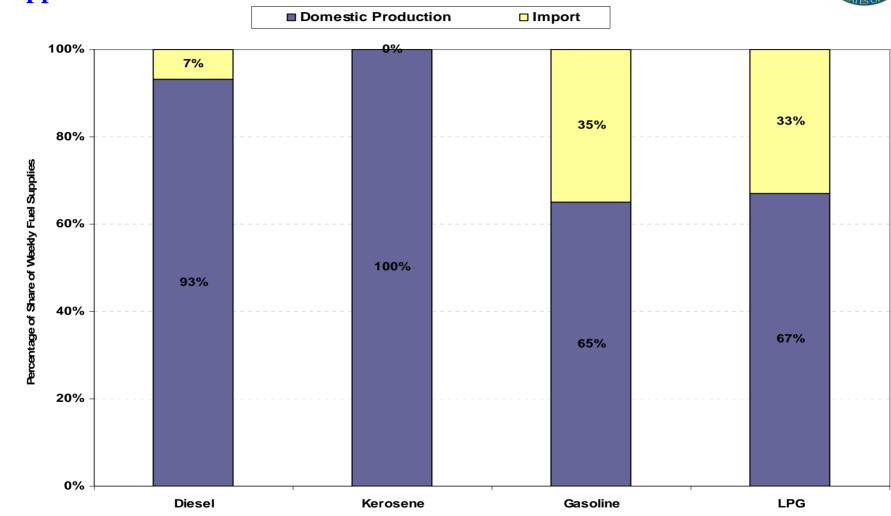
[5.] Help Iraq Strengthen Its Economy – Crude Oil Export





[5.] Help Iraq Strengthen Its Economy – Total Critical Refined Product



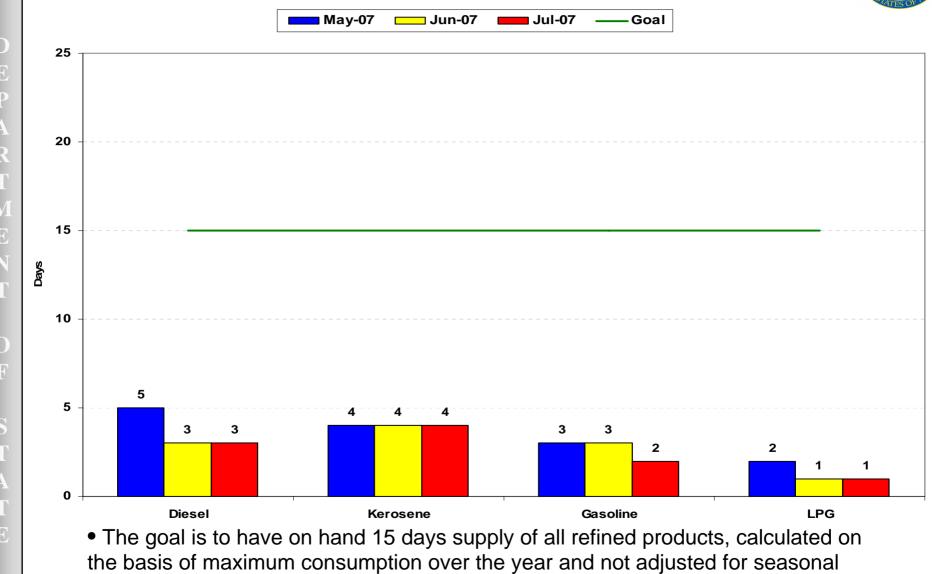


Note: This is a daily average for the week of July 16-22

- Diesel: 12.3 ML supply of 22.4 ML target
- Kerosene: 2.7 ML supply of 7.5 ML target
- Gasoline: 10.1 ML supply of 21.0 ML target
- LPG: 1,357 tons supply of 5,130 tons target

[5.] Help Iraq Strengthen Its Economy – National Stock Levels





variation. The numbers given above are monthly averages.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



Iraqi Police Recruits Graduate from the Baghdad Provincial Police Headquarters:

545 Iraqi police recruits graduated from the Baghdad Provincial Police
Headquarters July 11. The new policemen went through a four-week Basic Recruit
Training which included drills and ceremonies, weapons training, non-lethal hand
to-hand defense tactics and squad-level training in building entry and room
clearing.

<u>Iraqi National Police Officers Graduate from NCO Course</u>:

- Twenty Iraqi National Police corporals graduated from the Warrior Leader Course at Forward Operating Base Falcon in the Rashid District of Baghdad July 20. Five corporals from each of the three battalions of the 7th Brigade, 2nd Iraqi National Police Division and the unit's headquarters attended the class.
- The course consisted of classes on noncommissioned officer responsibilities, force
 protection techniques, close quarter battle drills, map reading, a sand table
 exercise, basic medical training and human rights. Iraqi Brig. Gen. Karim, gave a
 10-minute graduation speech, lauding the course and the hard work put in by the
 graduates. He told the policemen that their discipline and training and nonsectarianism will help the country. The course takes place every other week.

[7.] Increase International Support for Iraq – Developments



U.S. and Iran Hold Talks Regarding Iraqi Security:

 U.S. Ambassador to Iraq Ryan Crocker and his Iranian counterpart, Ambassador Hassan Kazemi-Qomi, met July 24 for the first time since May to discuss Iraqi security, marking the second time the two countries have met since 1980, when the U.S. broke ties with Iran after the seizure by Islamic revolutionaries of the American Embassy in Tehran. Speaking to reporters following the meeting, Ambassador Crocker said Iran, despite professing support for the government of Iraqi Prime Minister Nuri al-Maliki, has deepened its assistance to rogue militias.

<u>Progress Report on the ICI Released</u>:

- On July 20, the International Compact for Iraq (ICI) progress report was released by the UN. The Special Representative of the UN Secretary General for Iraq Ashraf Qazi noted that the GOI had initiated action on nearly 75% of the 400 stated benchmarks under the Compact, though, he warned, it will take time for progress to have full impact and to be visible.
- As the first report on the implementation of the ICI, the UN noted that this report will serve as a baseline against which progress towards fulfilling mutual commitments between the UN and Iraq and achieving common goals will be measured.

Jordan Hosts Conference to Discuss Iraq Refugees:

 Countries hosting hundreds of thousands of Iraqis uprooted by war will meet July 26 in Jordan to grapple with the social and economic burdens amid appeals for help from rights groups. Attendees will include Jordan, Syria, Egypt, Turkey, Iran, Russia, Japan, Britain, the EU and the United States.

[7.] Increase International Support for Iraq – Developments



<u>UN Urges Iraqi Children to Attend Public Schools in Damascus</u>:

- While traveling through the Middle East for the UN High Commissioner for Refugees (UNHCR), Deputy High Commissioner for Refugees L. Craig Johnstone called for Iraqi refugee parents to send their children to public school in Syria. Speaking to a gathering of more than 400 Iraqi refugees at the UNHCR Registration Centre in Damascus July 19, Johnstone said that the "education of your children will secure the future of Iraq and the future of your families."
- Johnstone's visit to main host countries Syrian and Jordan coincides with the launch of a
 joint campaign by the UNHCR and the UN Children's Fund (UNICEF) to increase the
 number of Iraqi children in schools in Syria from the current 33,000 to 100,000 by the end
 of the 2007-2008 school year.

Denmark Offers Asylum to Iragis Working with Its Government:

 Before the withdrawal of its 480 combat troops from Iraq next month, Denmark has pulled out scores of Iraqi aides and their families. The last of three Danish military flights carrying a total of 200 Iraqis left July 20th, the government said. The flights were kept secret due to security concerns. The aides, many of them translators, worked with the Danes in Basrah; the government decided in June to offer the aides a chance to seek asylum.

[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations



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

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

TOTAL ~ 11,508 Forces

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

33 Countries and NATO*

(including US)

Support Iraqi Stability Operations

^{*33} includes the 25 countries listed above, the US, Fiji, and seven NATO, non-MNF-I countries: Iceland, Italy, Netherlands, Portugal, Slovenia, Turkey

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents – Developments



Terror Leader Exposes al-Qaida Propaganda Network:

- U.S. military officials say that a recently captured top al-Qaida in Iraq (AQI) leader is fully cooperating with Coalition Forces (CF) and shedding light on the terrorist network. Khalid Abdul Fatah Da'ud Mahmud al-Mashhadani, also known as Abu Shahed and the top Iraqi member of AQI, was captured at his home July 4 in the northern city of Mosul by CF. Mashhadani, who has been cooperating with U.S. forces since his capture played a crucial role in al-Qaida's propaganda efforts. Mashhadani's cooperation with U.S. officials stemmed from his "strong sense of nationalism" and "anger" that foreign al-Qaida operatives were creating a false front and using Iraq as a staging ground for their own gain.
- U.S. intelligence officials had long thought that the Islamic State of Iraq, which AQI had declared, was "nothing more than a front for foreign al-Qaida operatives," said Rear Adm. Gregory Smith, who is deputy director of public relations with the U.S.-led CF. He added, "One of the greatest weapons of al-Qaida is their propaganda machine. He was their main propaganda machine. I think his capture has great significance inside Iraq. He was the most senior member with authority and taking him out will have impact."

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:

MNF-I Press Briefing – BG Bergner – 18 July 2007 – (http://www.mnf-iraq.com/images/stories/Press_briefings/2007/070718_presser.pdf).

Slide 6:

MNF-I Press Briefing – BG Bergner – 18 July 2007 – (http://www.mnf-iraq.com/images/stories/Press_briefings/2007/070718_presser.pdf).

Slide 7:

MNSTC-I – The Advisor – 21 July 2007.

Slide 8:

DoD Input to Iraq Weekly Status Report June 27, 2007

Slide 9:

- (AP http://news.yahoo.com)
- Associated Press, http://news.yahoo.com/s/ap/20070719/ap_on_re_mi_ea/iraq, July 19
- Associated Press, http://news.yahoo.com/s/ap/20070724/ap_on_re_mi_ea/iraq_us_iran, July 24

Slide 10:

- Associated Press, http://news.yahoo.com/s/ap/20070719/ap_on_re_mi_ea/iraq, July 19
- Associated Press, http://news.yahoo.com/s/ap/20070719/ap_on_re_mi_ea/iraq, July 19

Slide 11:

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

Slide 12:

ITAO Weekly Report, July 24, 2007

Notes and Source Citations (2 of 3)



Slide 13:

- POC Bob Means, Department of State (202) 647-9815
- 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.

Slide 14:

Electricity:

- USACE Daily Report - July 18

Health:

- USACE Daily Report - July 18

Water:

- USACE Daily Report - July 19

Slide 15:

- Oil Prices are sourced from Bloomberg

Employment Update:

- Information regarding the Employment Update was sourced from the ITAO Weekly Report June 19, 2007.
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 16:

- Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

Slide 17:

Iraqi Bond Prices are sourced from Bloomberg

Slide 18:

- http://www.iraqupdates.com/p_articles.php/article/19863, July 24
- UPI http://www.upi.com, July 17

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Slide 19: http://www.iragupdates.com/p articles.php/article/19826, July 23 Slide 20: Department of State, NEA-I-ECON, 202-647-9885 Slide 21: Department of State, NEA-I-ECON, 202-647-9885 Slide 22: Department of State, NEA-I-ECON, 202-647-9885 Slide 23: Department of State, NEA-I-ECON, 202-647-9885 Slide 24: MNF-I Press Release, 22 July 2007; http://www.mnf-iraq.com RELEASE No. 20070711-12 Washington Post, July 14 by Megan Greenwell Slide 25: AFP, http://news.yahoo.com/s/afp/20070724/pl afp/iragunrestusiran, July 24 http://www.unirag.org/newsroom/articles.asp?pagename=pressreleases&category=P, July 20 Middle East Online - http://www.middle-east-online.com/english/iraq/?id=21557 Slide 26: http://www.un.org/apps/news/story.asp?NewsID=23290\$CR=Irag&CR1, July 20 (Associated Press - http://news.yahoo.com/s/ap/20070720/ap on re eu/irag helping the helpers). Slide 27: Source: DOD Input to Weekly Status Report, updated bi-weekly. Slide 28: Associated Press - http://news.yahoo.com/s/ap/20070716 Associated Press - http://news.yahoo.com/s/ap/20070713