

OVERSEAS CONTINGENCY OPERATIONS

Iraq *Resource Summary* (\$ in thousands)

Appropriations	FY 2012 Actual	FY 2013 CR ⁽¹⁾	FY 2014 Request	Increase / Decrease From FY2012
State Programs	3,025,755	3,229,455	647,229	(2,378,526)
D&CP - Iraq	1,461,135	367,500	647,229	(813,906)
Undistributed Iraq Funds	1,564,620	2,861,955	0	(1,564,620)

CR Level does not include \$2.36 billion in carryover from FY 2012, as described in the December 2012 D&CP FY 2013 Operating Plan.

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The U.S. Mission in Iraq remains dedicated to building a strategic partnership in which the U.S. can advance its economic and security interests in the region. Given its potential economic strength and political influence, Iraq is clearly poised to play a key role in the Middle East. The departure of U.S. troops from Iraq marked a milestone in the relationship as the development of Iraq as a sovereign, stable, and self-reliant country continues. Iraq is now a key partner for the U.S. in the region. Iraq has functioning government institutions including an active legislature, is playing an increasingly constructive role in the region, and has a bright economic future as oil revenues surpass pre-Saddam Hussein production levels with continued rapid growth to come. The U.S. maintains vigorous and broad engagement with Iraq on diplomatic, political, economic, and security issues in accordance with the U.S.-Iraq Strategic Framework Agreement. Although much progress has been made, sporadic sectarian conflict and attempted interference by disruptive regional actors continue to pose a challenge to U.S. interests in Iraq and across the region.

The U.S. Embassy's constituent posts in Iraq continue to stretch its engagement across a wide spectrum of issues, and build long-term relationships with power centers outside the capital. Consulate General Erbil is key to facilitating agreements between the federal government in Baghdad and the Kurdish Regional Government (KRG), and is crucial to the preservation of a stable, unified Iraq. Consulate General Basrah serves Iraq's Shi'a heartland and is also the home of 80 percent of Iraq's known oil and gas reserves. With Iraq's hydrocarbons representing about 70 percent of GDP and over 90 percent of Iraqi government revenue, development of these resources provides Iraq the best long term opportunity to diversify its economy, improve basic services, and invest in its own reconstruction.

The U.S. Embassy in Baghdad is the foundation for all U.S. Government programs and efforts in Iraq. The Embassy presence allows for the monitoring, reporting, and engaging with actors and institutions on national-level issues, including sectarian tensions, economic development, and international investment while working with the Government of Iraq as it builds strong, stable relationships with neighboring states and within the region. Amid a climate of regional uncertainty, the U.S. presence in Iraq acts as a guarantor that potentially destabilizing grievances will be addressed, and that neighboring states need not interject themselves.

OVERSEAS CONTINGENCY OPERATIONS

Justification of Request

The Diplomatic and Consular Programs FY 2014 Overseas Contingency Operation (OCO) request for Iraq Operations is \$647.2 million, a net decrease of \$2.4 billion below the FY 2012 Actual and covers costs related to the extraordinary nature of the security environment in Iraq. The reductions are primarily driven by the continued reduction in estimates for sustainment and security contracts, a reduction in the footprint of U.S. and third-country national direct hires and contractors resulting from the reorganization of the Erbil Diplomatic Support Center and the handover of 85 percent of the Prosperity site to the Iraqi government. The request also assumes that the International Cooperative Administrative Support Services (ICASS) system does not expand the number of agencies billed in FY 2013. State Operations OCO funds will cover ICASS costs for those agencies without OCO funding. This request reflects new FY 2014 budget authority assuming available estimated carryover from FY 2013 and does not reflect actual full-year requirements for FY 2014. Major program category totals include:

U.S. Mission Operations and Other Support Operations: \$4,133,000

The FY 2014 Request reflects a reduction in direct hire and support staff as the result of the accelerated glide path. The resources required for U.S. mission operations and other support operations will support: \$3.7 million for general mission operations and \$0.4 million for offshore support.

The total FY 2014 OCO requirement is \$9.1 million which will be funded by \$4.1 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$5 million.

Logistics Support: \$59,121,000

The FY 2014 Request takes into account reductions related to the reorganization of the Erbil Diplomatic Support Center and the relocation of all personnel from the Prosperity site to the Baghdad Embassy Compound and subsequent return of 85 percent of Prosperity to the Iraqi government. Savings will also be realized as the mission transitions from the Logistics Civil Augmentation Program (LOGCAP IV) to the Operations and Maintenance Support Services (OMSS) and Baghdad Life Support Services (BLISS) contracts. Logistics resources support the following activities: \$7.3 million for aviation, \$19.6 million for other logistical contracts, \$30.5 million for OMSS and BLISS, and \$1.7 million for ICASS.

The total FY 2014 OCO requirement is \$131 million which will be funded by \$59.1 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$71.9 million.

Security: \$567,746,000

The FY 2014 Request for security, a \$789.6 million reduction from the FY 2012 Actual level reflects reductions in the physical footprint at the Erbil Diplomatic Support Center (EDSC) and Prosperity in Baghdad; reductions in the aviation platform, specifically the elimination of the "Little Bird" program; and reduced armored vehicle requirements. The reduction also reflects anticipated reimbursements from other U.S. Government agencies.

Security operations includes \$6.8 million for compound/mancamp operations; \$18.0 million for equipment such as special protective equipment and high threat protection equipment; \$78.3 million for other support/operations, which includes funding for ICASS, annual recurring support costs such as post-held premiums and danger pay (this requirement reflects decreases of nearly \$166 million associated with the accelerated glide path and the transition from a basic life support package to ICASS, as well as revised reimbursement assumptions from other agencies); \$129.5 million for personal security details

OVERSEAS CONTINGENCY OPERATIONS

(PSDs); \$57.2 million for physical and technical security; \$1.8 million for regional security operations, which includes annual recurring support costs for Regional Security Officers (RSOs); \$93.3 million for static/local guards (this requirement reflects \$30.9 million in reductions associated with the anticipated closure of Prosperity in March 2013); and \$182.8 million for consulate operations, which primarily funds aviation requirements via the Aviation Working Capital Fund, PSDs in Basrah and Erbil, and static/local guards in Basrah and Erbil. This funding reflects reductions of \$30.9 million associated with the anticipated reorganization of the Erbil Diplomatic Support Center by September 2013 and includes no funding for Kirkuk.

The total FY 2014 OCO requirement is \$838.6 million which will be funded by \$567.7 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$270.9 million.

Interim Consulate Operations: \$16,229,000

The FY 2014 Request reflects reductions related to the reorganization of the Erbil Diplomatic Support Center and a reduction in direct hire and support staff as the result of the Accelerated Glide Path. Resources required for interim consulate operations will support the following FY 2014 activities: \$0.1 million for salaries, \$2.0 million for operational support, and \$14.1 million for logistical contracts.

The total FY 2014 OCO requirement is \$35.9 million which will be funded by \$16.2 million in the FY 2014 OCO request and the estimated FY 2013 carryover of \$19.7 million.