


DIT March 05

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Talking Points

- Comments on State Papers: "The Future of Iraq" and "Diplomatic Plan for the Day After"
- The "Transitional Civil Authority" (TCA) should be US-led, and include representation from coalition members.
  - Participation in the TCA can be an important "carrot" to get countries to cooperate with respect to the military operation.
  - Ultimate say in TCA composition should rest with U.S. (as occupying power, or as head of the occupying coalition), not UN.
  - We are examining some of the legal questions concerning the TCA's control of oil revenues.
    - Preliminary view is that having OFF continue may be useful mechanism.
    - Once the leadership of the Iraqi National Oil Company is replaced by the TCA, oil production can be maximized. (Currently, Saddam is restricting legal exports because of problems in extracting the illegal "surcharge.")
- TCA should consult closely with Iraqi opposition groups, including "Future of Iraq Project", working groups.
- Hard to gauge what popular Iraqi reaction might be to the TCA:
  - Might be resented as foreign rule.
  - Might be welcomed as guarantee against oppression by other segments of Iraqi society.
- Papers assume that Iraqis will resent any role for the "external" or "expatriate" opposition.
  - Not clear what this assessment is based on.
    - Urban Sunnis, in particular, may look to expatriate leadership, since they are less organized in country (as compared to Kurds or Shi'a).
- We can do things to help the external opposition gain legitimacy, e.g.,

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- Give them a visible role in the liberation of Iraq.
  - Broadcast news of opposition activities (e.g., large political conference) back to Iraq.
  - We shouldn't write off the possibility of a "Bonn process" now.
    - Over the next few months, we will see how well the opposition is able to coalesce and produce a credible provisional government.
    - The Kurdish leadership is already in country.
    - SCIRI has some organization in country.
    - The "commission" that was created by the recent London military conference supposedly includes officers currently in Iraq.
    - Instead of writing off the external opposition, we should encourage it to widen its contacts as much as possible.
  - Paper doesn't discuss some key issues that the TCA will face:
    - How to deal with Kurdish areas?
      - Attempt to extend central control unilaterally, or negotiate everything with current Kurdish leadership?
      - Continue to earmark 13% of oil revenues for the Kurds?
    - What role should tribal leaderships play?
      - Tribal leaderships have become more important in recent years. Under the pressures of Ba'athist rule, the society has become less modern in this respect.
    - TCA will have to be flexible in dealing with local authorities that already exist, or may come into being spontaneously.
      - Control of oil revenues may be the biggest lever.
  - Economic reconstruction will be crucial:
    - Should review the contracts that have already been signed to expand oil production. (Execution is awaiting end of sanctions.)
    - Need policy decision on whether TCA should honor them.
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- This could be an important lever to use with France and Russia.
  - Need to consider how to compensate Turkey and Jordan for loss of cheap (illegal) oil supplies.
    - TCA can direct OFF contracts to those countries.
  - What kind of relief from UNSCRs will be required right away to begin reconstruction of Iraq?
    - Issue to be addressed by Future of Iraq working groups?