

Progress in Iraq

A Mid-Term Report Card on 2006 as the "Period of Significant Transition"

Overall Mid-Term Grade:	D-
Security and Stability:	F
Governance and Democracy:	C+
Economic Reconstruction:	D-
Iraq's Impact on U.S. National Security:	F

Center for American Progress

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EXECUTIVE SUMMARY

Last November, a bipartisan majority of 79 Senators voted for a measure declaring 2006 "to be a period of significant transition for Iraq" and called on President Bush to put forward a strategy for "the successful completion of the mission in Iraq." This mid-term assessment finds some signs of progress in key areas, including Iraq's political transition, the training of Iraq's security forces, and oil production. But this limited progress has taken place against the backdrop of a dramatically deteriorating security situation in many parts of the country as Iraq slipped deeper into a civil war.

Sectarian violence has increased and armed militias have grown stronger. As of the end of June, despite "Operation Together Forward," a joint Iraqi-Coalition military operation to control the violence in Iraq's capital city more than three years after the U.S.-led invasion, Baghdad's security situation has seen little, if any, improvement. Violence continues to plague many major cities from Mosul in the north to Basra in the south, on top of United Nations estimates of more than 14,000 Iraqis killed by the conflict in the first half of 2006.

In all key areas, substantial room for improvement exists:

- Security and Stability. The killing of terrorist leader Abu Musab Al-Zarqawi was a major achievement, but it has not quelled Iraq's violence. Although the number of Iraqi security forces trained by the U.S.-led Coalition continues to increase and is well above a quarter of a million, serious questions remain about their quality, professionalism, and allegiance to the Iraqi government.
- Governance and democracy. Iraq formed a new unity government after more than five months of deliberations following the December 2005 elections. During this period (January through June 2006), more than 350 American soldiers were killed in action and more than 2,400 wounded. This means that the United States lost the equivalent of five battalions worth of ground forces while Iraqi political leaders spent most of the time squabbling over forming a government. Although the formation of the Iraqi government was a positive step forward, the new government has yet to demonstrate its relevance in the daily lives of many Iraqis by taking tangible steps to improve security and the quality of life. In addition, a political stalemate exists on developing legislation to clarify and revise the constitution's vague provisions that were narrowly approved in a popular referendum last October.
- Economic Reconstruction. U.S. grant assistance appropriated for <u>Iraq's</u> reconstruction from 2003 to 2006 totaled approximately \$30 billion, which is roughly the same amount spent in Germany from 1946 to 1952, adjusted for inflation, and double what the U.S. spent in Japan during the same six-year period. For all of this money, the reconstruction program has achieved mixed results. While there has been some progress in building schools and improving Iraq's health sector, mismanagement and corruption in the

reconstruction efforts have limited the overall impact of the project. Iraqis continue to suffer from double digit unemployment. And despite Iraq's increased oil production during the first six months of 2006, it remained below pre-war levels by the end of June.

• Iraq's Impact on U.S. National Security. The U.S. focus on Iraq has hampered its ability to address other threats, including the conflict on Israel's borders, an Iranian nuclear research program, a resurgent Taliban and Al Qaeda challenging Afghanistan's new government, North Korea's nuclear and missile programs, and a continued threat from global terrorist networks.

This mid-year assessment report by the Center for American Progress aims to fill gaps left by status reports submitted by the Bush administration to Congress and the American public. More than three years after invading Iraq and toppling Saddam Hussein, the costs for America continue to grow – more than 2,500 soldiers killed and 18,000 wounded in action, more than \$320 billion of U.S. taxpayer dollars spent, and the growing opportunity costs of insufficient action to address national security threats like Afghanistan, Lebanon, and the broader fight against global terror networks.

In November 2005, the Bush administration, responding to a demand from Congress, issued its <u>National Strategy for Victory in Iraq</u>. However, <u>a recent study by</u> <u>nonpartisan government auditors in the U.S. Government Accountability Office</u> found that this proffering of Iraq strategy by the Bush administration's lacked a clear plan that assigns responsibilities to agencies for implementing the strategy and does not fully outline the current and future costs of executing it.

At this midpoint in the year that was supposed to be the "period of significant transition for Iraq," the Bush administration has not achieved demonstrable progress to making a transition in the U.S. mission in Iraq. Halfway through 2006, the Bush administration has not yet presented a clear strategy for the successful completion of the mission in Iraq.

STABILITY AND SECURITY:

Iraq's conflict escalated and mutated in the first six months of 2006, with Iraqi-on-Iraqi violence increasing and threatening to splinter the country. Though there were important gains in the battle to defeat terrorist organizations, including the <u>killing of terrorist leader</u> <u>Abu Musab Al-Zarqawi on June 7</u>, insurgent and terrorist attacks increased in the aftermath. The number of trained Iraqi security forces increased during the period, but serious challenges remained, including infiltration by militias and signs of weak allegiance to the nascent Iraqi government.

1. Overall Security Deterioration.

- Violence escalates and claims more Iraqi lives. According to a recent <u>report issued</u> by the United Nations Assistance Mission for Iraq, the total number of Iraqi civilians killed in the first six months of 2006 was more than 14,338, including 5,818 killed in May and June. The <u>Iraqi Ministry of Health reported on June 25</u>th that at least 50,000 Iraqis have died violently since the 2003 invasion.
- More provinces unstable than stable. According to figures prepared by the Multi-National Force in Iraq and reported in a Government Accountability Office assessment this spring, <u>security in seven of 18 provinces is listed as serious or critical</u>, whereas only three provinces are reported as stable.
- State of emergency, curfews, and military operations have not stabilized key parts of the country. In the first six months of 2006, a series of operations and curfews have had only fleeting, if any, success in reducing the violence in Iraq, including in key cities and areas:
 - Baghdad: On June 14, Iraqi and American forces began <u>Operation Together</u> <u>Forward</u> in Baghdad, involving new patrols, checkpoints, and raids. By the end of June, however, the violence still had not declined in Iraq's capital.
 - Basra: At the end of May, Prime Minister Maliki announced his first major security initiative, a <u>30-day state of emergency</u> designed to bring stability to the largest city in the south. By the end of June, Basra was still plagued by widespread violence led by Shiite militias.
 - Mosul: Efforts to stop the violence in Iraq's largest city in the north have not halted the violence there. In early July, <u>an Iraqi parliamentary commission</u> <u>found</u> that Mosul suffered from a "lack of security and low standard of administrative and public services."
 - Ramadi: In early June, U.S.-led coalition forces began to intensify operations to address rampant insurgent violence that had continued to plague Ramadi through most of the first five months of this year. In late June, it shifted to a

more <u>traditional counterinsurgency approach</u> of putting more emphasis on protecting civilians rather than going after insurgents. The campaign's results were mixed and incomplete by the end of June.

- More insurgents, foreign fighters, and attacks. Despite more than 200 operations to defeat Iraq's insurgents and terrorist organizations during the last three years, the Iraqi insurgents and foreign fighters have only grown, and the violence increased:
 - Four-fold growth on insurgency since 2003. The estimated size of the insurgency grew from 5,000 to more than 20,000, with no signs of Iraq's insurgency decreasing in the first half of 2006.
 - Foreign terrorists and fighters remain in Iraq. The number of foreign terrorists and fighters increased substantially from 2003 to 2006. The estimated number of foreign fighters grew from 300-500 in early 2004 to 800-2000 in June 2006.
- **Majority of Iraqis feel less secure.** A <u>poll sponsored by the International</u> <u>Republican Institute</u> conducted with 2,849 Iraqis in late June found half of Iraqis (51 percent) said that the security situation had gotten worse in the last six months, including 24 percent who said security was "much worse." Other key findings on Iraqis' views on security include the following:
 - Poor security conditions in Iraq. Three quarters (75 percent) of Iraqis rate security conditions as "poor."
 - Signs of sectarian and ethnic cleansing. One in five Iraqis (21 percent) said that they personally know Iraqis who were forced to leave their neighborhood because of their ethnic or sectarian identity. Half of Baghdad residents (51 percent) polled said that they know someone forced to leave their neighborhood because of their identity.
- Attacks have targeted professionals, further harming the quality of life in Iraq. Insurgent and terrorist attacks have targeted certain key professions, further deteriorating the quality of life and destroying the fabric of Iraqi society:
 - Doctors targeted, harming healthcare. Iraq had approximately <u>34,000</u> registered doctors before the start of the war. An estimated 12,000 doctors have fled the country. Adel Abdel-Mohsin, Iraq's Deputy Health Minister, stated that <u>190 medical staff have been murdered and 400</u> doctors kidnapped as of July 2006. Page: 5
 - Judges and lawyers attacked, undermining the rule of law. Professionals working in Iraq's judiciary have also been the target of attacks, with the United Nations reporting that at least 13 judges have been

killed in Iraq since April 2003. In June, Khamis Al-Obaidi, one of the lawyers defending Saddam Hussein, was found murdered in the Sadr City section of Baghdad.

- More than 300 trash collectors killed in Baghdad. In April, deputy mayor for municipal affairs in Baghdad Naeem Al-Kaabi reported that <u>more than 300 trash workers have been killed in Baghdad</u> in the previous six months.
- A growing refugee and internally displaced persons problem. Since the start of the Iraq war, there have been over <u>one million internally displaced persons in Iraq</u> that "require longer-term support for basic needs," with 14,500 families being displaced since February. Nearly <u>900,000 Iraqis have moved abroad as refugees</u> as of 2005, which is more than double the 366,000 counted at the end of 2004.

2. Increased Readiness of Iraqi Security Forces Offset by Weak Ministries, Commitment to Mission, and Strong Militias.

- Nearly 270,000 trained Iraqi security forces and growing. In May 2006, the Department of Defense reported it had trained 263,400 Iraqi security personnel, an increase of 36,100 since the previous quarter. The classification of Iraqi units "in the lead" had increased from 53 to 71. A State Department report in late June updated these figures and reported that 268,400 Iraqi security forces had been trained and equipped. According to this State Department report, Iraq's Ministries of Defense and Interior are "on track to complete initial training and equipping of 100 percent of their authorized end-strength forces by the end of December 2006."
- Weakness of Iraqi ministries impedes progress of security forces. U.S. military commanders and foreign diplomats in Iraq report that <u>Iraq's ministries of defense and interior lack the capacity to provide logistical support and supplies</u> to Iraqi security forces, impeding the transfer of authority. Mismanagement and endemic corruption in these ministries prevent Iraqi security forces from standing on their own.
- Concerns about Iraqi security forces' commitment and allegiance to the Iraqi government. Despite a growing number of Iraqi security forces over the last year, signs of weak commitment and allegiance to the Iraqi government continue to impede progress. <u>Desertion</u> remains a problem for Iraqi security forces. In the past six months, numerous allegations emerged that the Facilities Protection Force (FPF), numbering nearly 145,000, had been involved in sectarian violence. The FPF, which attempted to protect and guard sites such as mosques, was not under formal control of any Iraqi ministry. In May, the United States and Iraq began to take steps to bring the FPF under the control of the Ministry of Interior.
- Militias operating independently from the Iraqi security forces and militia infiltration of security forces remain a serious challenge. Iraq currently has more

than <u>125,000 members of militias</u> that operate independently from the Iraqi security forces, including Shiite militias like the Badr Organization and the Mahdi Army and the autonomous Kurdish *pesh merga* forces. The lines between these militias and the formal security forces have blurred, with many elements of the <u>Iraqi security force</u> still loyal to sectarian and party interests.

3. Emerging Security Threats Unaddressed.

- Ongoing tensions in the divided city of Kirkuk. Tensions are brewing in the divided oil-rich city of Kirkuk. Kurds have been taking steps to increase their presence, causing resentment among the Turkoman minority and motivating the Shiite Arabs to send in hundreds of militiamen this past spring.
- **Increased instability on Iraq's northern borders.** Throughout the first six months of 2006, instability along Iraq's northern borders increased, with both Turkey and Iran threatening to send in military forces into Iraq to deal with Kurdish separatist fighters. In <u>April</u>, Iran reportedly shelled Kurdish separatists' positions inside of Iraq. <u>Turkey threatened to enter northern Iraq</u> to clear out Turkish Kurdish guerilla bases.

GOVERNANCE AND DEMOCRACY

1. New Permanent Government Formed, but Much Work Remains Undone.

- New permanent government an important step forward. On May 20, Iraq formed its first permanent post-Saddam government after more than five months of post-election deliberations. Iraq's new prime minister completed his cabinet on June 8, naming his nominees for ministers of defense, interior, and national security. The continuation of Iraq's political process was an important step forward recognized by the vast majority of Iraqis, 89 percent of whom said that the establishment of a unity government was "extremely important" to the future peace and stability of Iraq, according to a June 2006 poll. But during this period (January through June 2006), more than 350 American soldiers were killed in action and more than 2,400 wounded. This means that the United States lost the equivalent of five battalions worth of ground forces while Iraqi political leaders spent most of the time squabbling over forming a government.
- Work on revising the constitution and setting up the governing structures remains undone. An eleventh hour agreement on the eve of the October constitutional referendum created special provisions for Iraq's leaders to revise the constitution. This keeps the door open for brokering a political solution and undercutting the insurgency. But little work had been done on constitutional revisions by the end of June. A lack of clarity exists on key governance questions, including the delineation of powers between the central government and regional government. In addition, the current constitution lacks a coherent system for establishing, managing and sharing Iraq's oil resources.
- Unanswered questions about allegiance of key political actors. Mirroring the dual role that some Iraqis are playing in Iraq's security forces and militias, some key political leaders are hedging their bets on Iraq's central government by participating in this government while maintaining separate power bases. The Shiite Supreme Council for the Islamic Revolution in Iraq is a member of the ruling coalition with control of ministry portfolios and seats in parliament, but it also maintains an independent armed militia named the <u>Badr Organization</u>. Shiite leader <u>Muqtada Al-Sadr's</u> political movement won 32 of the 275 seats in the current parliament, but he still maintains an independent militia called the Mahdi Army, a force that controls many neighborhoods. Some Sunni leaders who are part of Iraq's formal political process allegedly maintain ties with Sunni insurgent groups, while the Kurdish parties have developed a clear strategy for further enhancing Kurdish autonomy.

2. National Reconciliation Efforts Continue.

- Prime Minister Maliki's national reconciliation plan offers a roadmap for addressing Iraq's conflict. The prime minister's June 25 announcement of a national reconciliation plan was another positive sign of political will among some of Iraq's leaders to address the divisions that continue to animate much of Iraq's conflict.
- The trial of Saddam Hussein and other co-defendants continues. The trial of Saddam Hussein and his co-defendants for their role in the killing and torture of Iraqis in the village of Dujail in 1982 continued in the first half of this year, part of an effort by Iraq to address injustices of the past regime.

3. Serious Challenges to Human Rights and Freedom Remain.

- **Iraq still rated "not free."** Despite two national elections and a constitutional referendum last year, Iraqis still do not live in freedom because of the lack of rule of law, widespread human rights abuses, and growing restrictions on religious freedom as well as the rights of women and minorities, according to the non-governmental human rights and democracy organization <u>Freedom House</u>.
- Human rights abuse in security forces still a concern. Iraq's <u>Ministry of Interior</u> still lacks the capability to investigate itself and eradicate human rights abuses committed by members of the Iraqi police force. Death squads still exist among the units under the Ministry's control.
- **Press freedom hampered by violence.** While Iraqis continued to benefit from a wide diversity of media sources resulting from a media boom that began with the ouster of Saddam Hussein's regime in 2003, Iraq continued to be one of the most dangerous places in the world to work as a journalist. Fourteen journalists and media professionals were killed in the first six months of 2006, according to <u>Reporters</u> <u>Without Borders</u>. A total of 99 journalists and media assistants have been killed since the start of the Iraq war, a figure higher than the 63 journalists killed in the 20 years of war and conflict in Vietnam.
- Concerns about growing infringement of women's rights. Iraqi women's organizations, including the National Women's Coalition of Iraq, mounted a campaign for abolishing or significantly reforming Article 41 of the Iraqi constitution that was narrowly approved in an October 2005 referendum. Some women's organizations worry that the implementation of Article 41 threatens to replace Iraq's fairly progressive family law with a conservative law based solely on Islamic law. A June 2006 memorandum from U.S. Ambassador Zalmay Khalilzad reported that Iraqi women have to fear whether they will be assaulted for not wearing appropriate attire.

• Worries about declining religious freedom. Iraq's current constitution has raised some concerns among religious minorities and religious freedom advocates. , Alongside Iran, Afghanistan, and Saudi Arabia. Iraq is now <u>one of four countries in the world</u> with constitutions that provide for Islamic law experts who are not required to have a civil law education to sit on their Supreme Courts. The influence of militias in southern Iraq, particularly in Basra, has impeded <u>liberal democracy in Iraq</u>.

ECONOMIC RECONSTRUCTION

1. Growing Costs, Unanswered Questions on Reconstruction.

- Total Iraq costs grow for the United States. The United States has allocated more than \$300 billion for its operations in Iraq and is spending more than \$8 billion a month. This amounts to approximately \$2 billion a week and \$267 million a day. Of this money, approximately \$30 billion was earmarked for Iraq's reconstruction. Though the reconstruction has resulted in some tangible gains outlined below, much work remains undone.
- The Bush administration has refused to submit cost estimates. Although Congress passed <u>a law</u> requiring the Bush administration to estimate the future costs of the Iraq war, the <u>administration has refused to provide them</u>.
- At least \$50 billion more needed to complete reconstruction efforts. The U.S. government's top auditor recently estimated that the new Iraqi government would need \$50 billion in additional aid to rebuild the country's oil industry and bring electricity generation back to prewar levels. In 2003, <u>initial estimates</u> from the World Bank, the United Nations Development Group, and the Coalition Provisional Authority put Iraq's reconstruction costs at nearly \$56 billion. But the costs of Iraq's instability, mismanagement by the United States and the Iraqi government, and corruption have risen and impeded progress in Iraq's reconstruction.
- The troubling costs of mismanagement. Mismanagement has impeded Iraq's reconstruction, and the work of the <u>U.S. Special Inspector General for Iraq</u> <u>Reconstruction</u> (SIGIR) has unveiled some troubling cases of incompetence. Some examples of mismanagement resulting in incomplete reconstruction projects disclosed in the first six months of 2006 include:
 - Only 20 of 150 health clinics completed. Despite spending \$186 million, <u>a</u> contractor completed only 20 of the 150 health clinics it was supposed to construct. The U.S. Army cancelled the remainder of the \$243 million contract in May.
 - Prison left unfinished. The Army Corps of Engineers <u>cancelled a \$99 million</u> <u>contract with a contractor to build a prison north of Baghdad</u> after the firm fell more than two years behind schedule.
 - Ditch to nowhere. Halliburton wasted \$75 million drilling holes for an oil pipeline under the Tigris, a project that a representative of the Army Corps of Engineers said no driller in his right mind would attempt.
 - Incomplete water projects. Mismanagement by contractors resulted in only <u>49</u> of 136 originally planned water projects to be completed.

- **Corruption also impedes progress in reconstruction.** The SIGIR, other oversight groups, and the media have exposed several instances of corruption and fraud in Iraq's reconstruction, including:
 - Billions in missing funds. Nearly <u>\$9 billion of funds</u> that the Coalition Provisional Authority gave to Iraqi ministries remains unaccounted for, according to the SIGR.
 - Misuse of funds by the Iraqi government. Iraq's Commission on Public Integrity, a leading anti-corruption investigative unit, found that the Interior Ministry had at least <u>1,100 ghost employees costing \$1.3 million a month</u> and that the Defense Ministry had spent about \$1 billion in questionable arms purchases.
 - Black market in oil. The Iraqi Oil Ministry's inspector general reported in June that as much as <u>30% of imported gas is stolen and resold by smugglers</u>. The <u>U.S.</u> <u>Comptroller</u> reported "massive corruption" in Iraq's oil industry.
 - Iraq rated among the most corrupt countries in the world. Transparency International ranks Iraq as one of the most corrupt countries in the world in its <u>latest Corruption Index</u>.
- A key program in the Bush administration's reconstruction program still not fully operational. The Bush administration had planned to establish a total of <u>16</u> <u>Provincial Reconstruction Teams</u> (PRTs) as a central part of its plan for Iraq's reconstruction. By the end of June, the <u>Congressional Research Service reported</u> that only the five following provinces have inaugurated PRTs: Mosul, Kirkuk, Hilla, Baghdad, and Anbar.

2. Some Gains in Iraq's Reconstruction.

- Some key advances in Iraq's security forces. As mentioned above, U.S. reconstruction efforts have helped increase the number of Iraqi police and military security forces, though they continue to operate at uneven levels of competence. In addition to training and equipping these security forces, the reconstruction efforts have helped build more than 600 facilities such as police stations, military installations, and fire stations.
- Some progress on transportation and communications infrastructure. Reconstruction efforts have helped restore the <u>deepwater port at Umm Qasr</u> in southern Iraq, repaired most of the country's railway stations (even though only 4 percent of Iraqi trains run because of insecurity), and refurbished two international and three regional airports.

- **Rebuilding schools.** The reconstruction program has made some gains in restoring and reforming Iraq's educational system, with more than <u>5,000 schools rehabilitated</u> and nearly 50,000 teachers trained. By the end of June 2006, the Iraqi government reported that <u>enrollment in Iraq's schools had risen every year since 2003</u>, reversing declines during the last few years of Saddam Hussein's rule.
- Some progress in healthcare. Reconstruction efforts have also helped achieve some progress in healthcare, with 98 percent of Iraqi children under five receiving immunizations.

3. Serious Development and Reconstruction Gaps Remain.

- Unemployment is among the highest in the region. Iraqi unemployment is still the highest in the region, with estimates ranging from <u>30 percent</u> to <u>40 percent</u>. More than two million of the seven million eligible workers in Iraq are without a job, and an estimated <u>half of all young men in the country are unemployed</u>. U.S. military commanders in Iraq have stressed that the <u>creation of jobs and opportunity</u> would take away a major source of support for violent movements in Iraq.
- **Critical infrastructure stuck below prewar levels.** In several key areas, key reconstruction metrics remained either below prewar or at demand levels:
 - Oil production. Though oil production steadily increased in the first six months of 2006, it still remained below prewar levels at the end of June, at 2.3 million barrels per day (pre-war level was 2.5 million barrels per day).
 - Electricity generation. Electricity generation improved in the first six months of 2006, from <u>3,380 average megawatts nationwide to 4,400 megawatts in June</u>. This level surpassed prewar levels but is half the estimated demand levels, according to the State Department.
- One in three Iraqi children suffers from malnutrition. In May 2006, the head of UNICEF in Iraq said that one in three Iraqi children suffers from <u>malnutrition</u>, based on a comprehensive survey conducted in Iraq.
- Environmental damage from waste oil threatens villages on the Tigris River. In June, the <u>New York Times reported</u> a looming environmental crisis north of Baghdad, where several Iraqi towns and villages are threatened by the Iraqi government's procedure of pumping an oil refinery byproduct into open mountain valleys and leaky reservoirs.

IMPACT ON U.S. NATIONAL SECURITY F

1. Iraq War Diverts Attention from National Security Threats

- **Growing instability in Afghanistan.** The situation in Afghanistan witnessed a serious deterioration in the first six months of 2006, with a <u>recent resurgence of attacks by the Taliban and Al Qaeda</u>. For four years there has been <u>virtually no military presence in three of the four southern provinces</u>, creating a security vacuum to exploit. Little progress has been achieved in stopping Afghanistan's central global role in the heroin cultivation and distribution. Afghanistan has become <u>the largest cultivator of opium poppy in the world.</u>
- The conflict on Israel's borders. This summer, terrorist organizations such as Hezbollah and Hamas have exploited a security vacuum that resulted in part from the Bush administration's neglect and inattention to events in southern Lebanon and the Palestinian territories. As a result, conflict has escalated on Israel's northern and southern borders.
- North Korea's nuclear program and missile launches. Iraq has also diverted attention from the continued threat posed by North Korea's nuclear program, underscored by a series of missile launches in early July by North Korea.
- **Iran's nuclear program and growing influence in the region.** Continued insecurity in Iraq limits policy options for the United States in Iran, a country whose nuclear program and ties to terrorism are far more developed and threatening to U.S. national interests than those of Iraq ever were.

2. Iraq War Hurts Efforts in Broader Fight against Global Terror Networks.

- Iraq harms broader fight against global terrorism. A recent survey of more than 100 of America's leading foreign policy experts conducted by the Center for American Progress and *Foreign Policy* magazine found that 87 percent of these experts said that the war in Iraq has had a negative impact on protecting American people from global terrorist networks, including three-quarters who said the impact was "very negative."
- **Invading Iraq created a terrorist threat.** Invading Iraq without a plan to stabilize and rebuild the country has created a haven for terrorists where none had previously existed. The open-ended commitment in Iraq gives our terrorist enemies a valuable recruiting and training ground, not only against the Iraqi people, but against the United States itself.

• Al Qaeda has grown. Osama Bin Laden is still alive and the number of <u>Al-Qaeda</u> cells continues to proliferate around the globe.

3. The Iraq war has undermined U.S. military readiness.

- **Impacting quantity and quality of Army recruits.** The Iraq war has contributed to a decline in the quantity and quality of Army recruits:
 - U.S. Army misses recruitment goals in fiscal year 2005. The U.S. Army fell short of its recruitment goals by more than 6,000 recruits.
 - U.S. Army lowers standards to meet recruitment goals. The U.S. Army has been able to meet its recruiting goals so far in 2006, but at the expense of quality. To meet it targets, it lowered its standards to accept recruits with criminal records, poor physical fitness records, and histories of drug and alcohol abuse.
- U.S. Army and Marines experiencing readiness problems. The ground forces not deployed to Iraq and Afghanistan are experiencing serious strains, with more than half of the ground units not deployed to Iraq and Afghanistan experiencing readiness problems. Operations in Iraq have strained the equipment arsenal of the U.S. Army and Marines, raising the costs of repairing, rebuilding, and replacing equipment worn out or destroyed in the war effort. A study jointly prepared by the Center for American Progress and the Lexington Institute documents the problem for the U.S. Army. Two years ago it cost the U.S. Army about \$4 billion a year to replace or repair its equipment, but now it costs about \$12 \$13 billion a year. The Army Chief of Staff has stated that any delays in funding could prevent long-term efforts to modernize the force.
- **Danger of permanent damage to military.** A <u>Pentagon commissioned study</u> concluded that the Army cannot maintain its current pace of operations in Iraq without doing permanent damage to the quality of the force.