

ACTION NEA-00

INFO LOG-00 CA-00 INL-00 EB-00 EUR-00 E-00 UTED-00
 TEDE-00 IO-00 L-00 NSCE-00 OES-00 OMB-00 PA-00
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R 071908Z APR 04
 FM CPA BAGHDAD
 TO SECDEF WASHDC 0474
 SECSTATE WASHDC 0485
 WHITE HOUSE NSC WASHDC 0467
 INFO IRAQ COLLECTIVE

UNCLAS BAGHDAD 000234

SENSITIVE

E.O. 12958: N/A
 TAGS: EFIN, EINV, ETRD, EPET, IZ
 SUBJECT:QCPA 900: ADMINISTRATOR'S WEEKLY ESSENTIAL SERVICES
 REPORT MARCH 27-APRIL 2, 2004

1. (SBU) SUMMARY. HEADLINES OF PARAGRAPHS 3-9 REFLECT GOALS IN THE COALITION PROVISIONAL AUTHORITY STRATEGIC PLAN. CPA-WASHINGTON DISTRIBUTES ALL THREE ADMINISTRATOR'S WEEKLY REPORTS - ESSENTIAL SERVICES, ECONOMIC, AND GOVERNANCE - WITH GRAPHICS VIA EMAIL. THE ECONOMIC, GOVERNANCE, AND AN ABRIDGED VERSION OF THE ESSENTIAL SERVICES REPORTS WILL BE POSTED AFTER 48 HOURS ON THE CPA WEBSITE, WWW.CPA-IRAQ.ORG. THE FULL ESSENTIAL SERVICES REPORT REMAINS SENSITIVE BUT UNCLASSIFIED. END SUMMARY.

2. (SBU) HIGHLIGHTS

-- A MARCH 28 CEREMONY TRANSFERRING AUTHORITY TO THE MINISTRY OF HEALTH, MARKED A MILESTONE ON THE PATH TOWARD IRAQI SOVEREIGNTY.

-- THE TARGET OF 15 DAYS OR MORE SUPPLY FOR LIQUEFIED PETROLEUM GAS WAS MET IN THE SOUTH.

-- THE AVERAGE CRUDE OIL EXPORT FOR THE PAST 30 DAYS WAS 1.852 MILLION BARRELS PER DAY (MBPD), OR 112% OF THE COALITION PROVISIONAL AUTHORITY'S (CPA) NEW GOAL OF 1.6 MPBD, SET THIS PAST WEEK.

 PROVIDE ELECTRICITY SERVICES THAT MEET NATIONAL NEEDS

3. (SBU) CPA TASKS: IMPROVE GENERATING CAPACITY TO 6000 MW BY JUNE 1, 2004; FULLY IMPLEMENT POLICY ON ALLOCATION OF ELECTRICAL POWER; PUBLISH DRAFT OF LONG TERM STRATEGY; MINIMIZE SABOTAGE AND IMPROVE SECURITY

-- THE SEVEN-DAY AVERAGE (MARCH 27-APRIL 2) OF PEAK ELECTRICITY PRODUCTION WAS 3,883 MW, A DECREASE OF 5.2 PERCENT FROM THE PREVIOUS WEEK. THE PRINCIPAL REASON FOR THIS DECREASE IS SCHEDULED MAINTENANCE FOR SPRING. THE UNITS UNDERGOING REPAIR SHOULD ALL BE OPERATIONAL BY MID MAY. ON MARCH 27, PEAK PRODUCTION HIT A HIGH FOR THE WEEK AT 4,103 MW.

-- EIGHT (400 KV) AND TEN (132 KV) TRANSMISSION LINES ARE CURRENTLY OUT OF SERVICE. HOWEVER, EXISTING TRANSMISSION CAPACITY IS SUFFICIENT TO COMPENSATE FOR DOWNED LINES.

-- THE SEVEN-DAY AVERAGE (MARCH 27-APRIL 2) PRODUCTION OF ELECTRICAL ENERGY WAS 82,391 MWH PER DAY, A DECREASE OF 6 PERCENT FROM THE PREVIOUS WEEK. AGAIN, THIS IS DUE TO SCHEDULED MAINTENANCE. ON MARCH 27, THE PRODUCTION OF ELECTRICAL ENERGY PEAKED FOR THE WEEK AT 87,126 MWH.

-- THE FOLLOWING CHART PRESENTS THE DAILY ELECTRIC POWER CONSUMPTION BROKEN DOWN AMONG THE NORTH, CENTRAL (INCLUDING BAGHDAD), AND SOUTH REGIONS. DURING THE REPORTING PERIOD, THE NORTH CONSUMED AN AVERAGE OF 867 MW PER DAY, OR 24 PERCENT OF TOTAL POWER CONSUMPTION. PER DAY, THE CENTRAL REGION CONSUMED 2,157 MW, OR 60 PERCENT OF THE TOTAL, AND THE SOUTH CONSUMED 594 MW, OR 16 PERCENT OF TOTAL ELECTRICITY CONSUMPTION DURING THE PAST WEEK.

RECONSTRUCT COMMUNICATIONS AND POSTAL SYSTEMS

4. (SBU) CPA TASKS: BUILD IRAQ'S FIRST RESPONDER NETWORK; ESTABLISH INDEPENDENT REGULATORY AGENCY; UPGRADE IRAQI TELEPHONE AND POSTAL COMPANY (ITPC) NETWORK FOR INTEROPERABILITY; BUILD TRANSMISSION COMPONENT DATA NETWORK FOR IRAQ, INCLUDING INTERNATIONAL GATEWAYS; RESTRUCTURE ITPC AND ITS BUSINESS OPERATIONS; UPGRADE AND MODERNIZE POSTAL SYSTEMS; UPGRADE ITPC OUTSIDE PLANT FOR INCREASED SUBSCRIBER CAPACITY AND USE

-- SINCE MAY 2003, CPA HAS REINSTATED LANDLINE TELEPHONE SERVICE FOR 160,654 SUBSCRIBERS, INCLUDING 12,933 SINCE LAST WEEK. CPA CONTINUES TO MAKE PROGRESS IN RESTORING SERVICE TO CUSTOMERS, ESPECIALLY IN BAGHDAD.

-- THE FOLLOWING PARAGRAPHS DELINEATE THE NUMBER OF LANDLINE AND

CELL PHONE SUBSCRIBERS IN IRAQ, AND COMPARE THEM TO PRE-WAR ESTIMATES. THE CHART BELOW SHOWS THE NUMBER OF ACTIVE LANDLINE SUBSCRIBERS IN APRIL 2003, THE CURRENT NUMBER OF ACTIVE LANDLINE SUBSCRIBERS, THE NUMBER OF LANDLINE SUBSCRIBERS REINSTATED POST-CONFLICT (SINCE MAY 2003), AND THE NUMBER OF FORMERLY ACTIVE LANDLINE SUBSCRIBERS WHO REMAIN WITHOUT SERVICE (EXCLUDING THE THREE NORTHERN GOVERNORATES).

-- THE THREE NEW CELL PHONE COMPANIES IN IRAQ (ASIA CELL, IRAQNA, AND ATHEER IN THE NORTH, CENTRAL, AND SOUTH RESPECTIVELY) CONTINUE TO ENROLL NEW CELL PHONE SUBSCRIBERS. CURRENTLY, IN MOSUL, SULAYMANIYAH, AND KIRKUK, THERE ARE 146,210 CELL PHONE SUBSCRIBERS. IN BAGHDAD, THERE ARE 135,000 CELL PHONE SUBSCRIBERS; AND IN BASRA, AL KUT, AMARAH, SAMAWAH, AND NASIRIYAH THERE ARE 40,000 CELL PHONE SUBSCRIBERS.

-- CURRENTLY, THERE ARE 743,254 ACTIVE LANDLINE TELEPHONE SUBSCRIBERS IN IRAQ, COMPARED TO 833,000 SUBSCRIBERS PRE-WAR. THE TOTAL NUMBER OF TELEPHONE SUBSCRIBERS IN IRAQ, INCLUDING THE CELL PHONE SUBSCRIBERS, IS 1,064,464, WHICH IS 27.9 PERCENT GREATER THAN THE NUMBER OF ACTIVE LANDLINE SUBSCRIBERS PRE-WAR. THERE WAS NO PRE-WAR CELL PHONE SERVICE.

-- THE PENETRATION RATE (THE NUMBER OF ACTIVE LANDLINE TELEPHONE SUBSCRIBERS AS A PERCENTAGE OF THE POPULATION) IS 2.8 PERCENT (USING AN ESTIMATED POPULATION OF 25.9 MILLION).

-- THE FOLLOWING CHART SHOWS THE PERCENTAGE OF OPERATIONAL TELEPHONE SUBSCRIBERS COMPARED TO THE NUMBER OF ACTIVE SUBSCRIBERS IN APRIL 2003. THE PERCENTAGE OF ACTIVE SUBSCRIBERS IN BAGHDAD INCREASED BY THREE PERCENTAGE POINTS FROM LAST WEEK.

PROVIDE FOOD SECURITY FOR ALL IRAQIS

5. (SBU) CPA TASKS: ENHANCE CAPACITY OF MINISTRY OF AGRICULTURE; ASSURE SUPPLY OF INPUTS; STRENGTHEN RESEARCH SYSTEM; ENSURE ADEQUATE STOCKS FOR PUBLIC DISTRIBUTION SYSTEM (PDS); MONITOR FOOD SECURITY; HAND OVER ADMINISTRATION OF SYSTEM IN THE NORTH; INITIATE REFORM OF RATIONS BASKET; ENVIRONMENTAL INITIATIVES

-- THE FOLLOWING CHART SHOWS THE PERCENTAGE OF ESTIMATED REQUIREMENTS OF STOCKS FOR THE 12 PUBLIC DISTRIBUTION GOODS THAT IRAQIS RECEIVE UNDER THE PDS UNTIL THE END OF MAY. THE PERCENTAGE OF ESTIMATED REQUIREMENTS CATEGORIZED INTO OPENING STOCKS (AMOUNT ON HAND), SCHEDULED ARRIVALS UNDER EXISTING CONTRACTS FROM THE OIL FOR FOOD PROGRAM, SCHEDULED ARRIVALS OF GOODS FROM CONTRACTS ARRANGED BY THE MINISTRY OF TRADE (MOT), AND SCHEDULED ARRIVALS OF GOODS FROM NEW CONTRACTS ARRANGED BY THE WORLD FOOD PROGRAM (WFP).

THE PDS STOCKS IN THE FOLLOWING CHART ARE CALCULATED AS A PERCENTAGE OF TWO MONTHS (APRIL-MAY) ESTIMATED DEMAND, PLUS A ONE-MONTH BUFFER STOCK (CPA GOAL BY MAY). HAVING 100 PERCENT OF EACH COMMODITY WILL ENSURE THAT THE FOOD RATIONS ARE AVAILABLE THROUGH MAY, INCLUDING AT LEAST A ONE-MONTH ON HAND BUFFER STOCK FOR EACH COMMODITY.

-- NOTE: OIL FOR FOOD UNCONFIRMED CONTRACTS ARE THOSE CONTRACTS FOR WHICH A VALID LETTER OF CREDIT EXISTS BUT NO SHIPPING DOCUMENTATION HAS YET BEEN RECEIVED BY THE OIL FOR FOOD COORDINATION CENTER.

-- CPA PROJECTS THAT NO SHORTAGES WILL OCCUR IN THE APRIL AND MAY RATIONS GIVEN THE NEW PROCUREMENTS OF FOOD BASKET COMMODITIES BY BOTH WFP AND MOT, INCLUDING ACCELERATED DELIVERY SCHEDULES FOR THE COMMODITIES WHERE STOCKS HAVE BEEN LOW. HOWEVER, MOT FACES PROBLEMS IN PROVIDING UPDATED, ACCURATE PDS INFORMATION ON A WEEKLY BASIS. THESE PROBLEMS STEM FROM DIFFICULT COMMUNICATIONS LINKS BETWEEN THE GOVERNORATES AND BAGHDAD, AS WELL AS THE NEED TO UPGRADE INVENTORY CONTROL PROCEDURES. CPA IS WORKING ON THESE CHALLENGES AS PART OF ITS HANDOVER STRATEGY. PULSES ARE EXPECTED TO CONTINUE TO DECLINE BECAUSE OF THE WARMING MONTHS AHEAD MAKING IT MORE DIFFICULT TO STORE THEM FOR EXTENDED PERIODS. THEY WILL BE REPLACED BY TOMATO PASTE AND CANNED CHEESE.

-- THE FOLLOWING CHART SHOWS THE CURRENT PDS STOCKS AND SCHEDULED ARRIVALS AS A PERCENTAGE OF TOTAL REQUIREMENTS FROM APRIL UNTIL TRANSITION ON JULY 1. CPA'S GOAL IS TO PROVIDE SUFFICIENT RATION STOCKS FOR JULY, PLUS A THREE MONTH BUFFER. ON THE GRAPH BELOW, 100 PERCENT OPENING STOCKS IN EACH COMMODITY CATEGORY INDICATES THAT THIS GOAL HAS BEEN ACHIEVED.

-- WFP HAS COMPLETED ITS PROCUREMENT SCHEDULE AS OF APRIL 1. ALL PLANNED WFP PROCUREMENT IS REFLECTED IN THE CHART.

-- NOTE: THE MINISTRY OF TRADE IS ANTICIPATING SUBSTANTIAL TONNAGE OF FOREIGN WHEAT IN THE COMING MONTHS.

IMPROVE QUALITY AND ACCESS TO HEALTHCARE

6. (SBU) CPA TASKS: DEVELOP HEALTH CARE ORGANIZATIONS, MANAGEMENT, AND INFRASTRUCTURE; TRAIN HEALTH CARE PROFESSIONALS; SECURE SYSTEM; PUBLIC HEALTH; PHARMACEUTICALS LOGISTIC SUPPORT; STRATEGIC COMMUNICATIONS

-- A MARCH 28 CEREMONY TRANSFERRING AUTHORITY TO THE MINISTRY OF HEALTH, MARKED A MILESTONE ON THE PATH TOWARD IRAQI SOVEREIGNTY.

-- LOCAL GOVERNANCE PROGRAM (LGP) PARTICIPATED IN THE DISTRIBUTION OF 4,000 POSTERS AND 2,000 TEACHING FOLDERS INFORMING THE PEOPLE OF NAJAF ABOUT THE "MEASLES VACCINATION CAMPAIGN," WHICH AIMS TO DECREASE THE NUMBER OF CASES OF INFECTED SCHOOL CHILDREN. LGP ANTICIPATES THAT THE ADVERTISING WILL SIGNIFICANTLY

INCREASE THE NUMBER OF VACCINATED CHILDREN.

IMPROVE QUALITY AND ACCESS TO EDUCATION

7. (SBU) CPA TASKS: REORGANIZE AND STAFF THE MINISTRY OF EDUCATION; REHABILITATE SCHOOL BUILDINGS AND BUILD NEW SCHOOLS; ADVANCE NATIONAL DIALOGUE ON CURRICULUM REFORM; CONTINUE AND EXPAND TEACHER TRAINING

-- THE EDUCATION MINISTER HOSTED THE SECOND NATIONAL CONFERENCE ON CURRICULUM REFORM MARCH 30-31. IT WAS ATTENDED BY OVER 250 LEADERS REPRESENTING THE EDUCATION, BUSINESS, CIVIC, RELIGIOUS AND POLITICAL SECTORS OF IRAQI SOCIETY. FOUR MEMBERS OF THE IRAQI GOVERNING COUNCIL ATTENDED, AS DID OTHER MINISTRY REPRESENTATIVES. THE CONFERENCE PRODUCED A FRAMEWORK AND PROCESS FOR CURRICULUM REFORM THAT WILL BE IMPLEMENTED OVER THE NEXT TWO TO THREE YEARS.

-- THE MINISTRY OF EDUCATION (MOE) LAUNCHED ITS EDUCATION MANAGEMENT INFORMATION SYSTEM - A TOOL TO REBUILD A COMPREHENSIVE SCHOOL DATA PROFILE, INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF STUDENTS, ACADEMIC RECORDS, BUILDING SIZE AND DAMAGE REPORTS. RECORDS OF THIS NATURE WERE DESTROYED AFTER THE FALL OF THE PAST REGIME. THIS SYSTEM IS THE FIRST CRITICAL TOOL THE MINISTRY NEEDS FOR USING DATA IN DECISION MAKING.

RESTORE ECONOMICALLY - STRATEGIC TRANSPORTATION INFRASTRUCTURE

8. (SBU) CPA TASKS: ENABLE IRAQI CIVIL AVIATION TO PREPARE FOR INTERNATIONAL COMMERCIAL AVIATION AND CARGO SERVICE; ENABLE IRAQI PORT AUTHORITY (IPA) TO ADMINISTER A PORT OF CALL WITH INTERMODAL CAPABILITIES AND INLAND CONTAINER DISTRIBUTION; ENABLE IRAQI RAILROAD RAILWAYS (IRR) TO PROVIDE DOMESTIC AND INTERNATIONAL PASSENGER AND FREIGHT CAPABILITIES; REFORM CIVIL SERVICE AT MINISTRY OF TRANSPORTATION

-- THE CPA MINISTRY OF TRANSPORTATION (MOT) TEAM COMPLETED THE FIRST QUARTER REPORT ON SUPPLEMENTAL FUNDING FOR THE MINISTRY. THE REPORT PROVIDED AN UPDATE ON THE \$365 MILLION BUDGETED TO SUPPORT THE PORTS, AVIATION, AND RAILROAD SECTORS.

-- REPRESENTATIVES OF THE MOT AVIATION TEAM MET WITH THE AIR TRAFFIC CELL HEAD AT THE COMBINED AIR OPERATIONS CENTER (CAOC) IN AL-UDEID TO DISCUSS CONTINUING ADJUSTMENTS TO THE AVIATION TRANSITION PLAN DURING THE BAGHDAD INTERNATIONAL AIRPORT (BIAP) DRAWDOWN. DURING THIS DISCUSSION, THE TEAM UPDATED THE AIR TRAFFIC CELL ON THE CURRENT PROJECTED TIMELINES FOR ESTABLISHING A CIVIL CAPABILITY - I.E. IRAQI CIVIL AVIATION AUTHORITY (CAA) PERHAPS AUGMENTED BY EXTERNAL RESOURCES SUCH AS CONTRACTORS - TO ASSUME RESPONSIBILITY FOR A VARIETY OF BIAP AIR TRAFFIC MANAGEMENT (ATM) FUNCTIONS AND THE AREA CONTROL CENTER (ACC) WHICH WOULD CONTROL CIVIL ROUTES THROUGH IRAQI AIRSPACE.

-- THE NORTH PORT OF UMM QASR IS NOW POWERED FROM THE GRID. GENERATORS ARE STILL AVAILABLE FOR BACKUP POWER IF NEEDED. ADDITIONALLY, THE IRAQ PORT AUTHORITY (IPA) STARTED LAYING CABLE TO CONNECT THE SOUTH PORT TO THE GRID. THIS WILL INCREASE CONTAINER CRANE CAPACITY AND REDUCE FUEL COSTS SINCE GENERATORS CAN NOW BE USED AS BACKUPS.

-- A MEETING REGARDING THE WATER SITUATION AT UMM QASR, ORGANIZED BY THE OFFICE OF THE CHIEF OPERATING OFFICER, RESULTED IN PROCEDURES TO OFFICIALLY TRANSFER RESPONSIBILITY FOR WATER SUPPLY TO UMM QASR FROM THE MOT TO THE MINISTRY OF MUNICIPALITIES AND PUBLIC WORKS.

RECONSTITUTE OIL INFRASTRUCTURE

9. (SBU) CPA TASKS: PRODUCTION/EXPORTS; PRODUCT SUPPLY;
SECURITY; STRUCTURAL REFORM

-- THE GRAPH BELOW SHOWS THE DAILY CRUDE OIL PRODUCTION IN IRAQ OVER THE PAST NINE MONTHS. THE DASHED BLACK LINE IS THE CURRENT PRODUCTION TARGET GOAL OF 2 MILLION BARRELS PER DAY (MBPD). FOR THE WEEK OF MARCH 27-APRIL 2, THE ESTIMATED AVERAGE TOTAL CRUDE OIL PRODUCTION WAS 2.434 MBPD (1.95 MBPD IN THE SOUTH AND 0.48 MBPD IN THE NORTH). THE AVERAGE CRUDE OIL EXPORT FOR THE PAST 30 DAYS WAS 1.75 MBPD. THE AVERAGE PRICE RECEIVED FOR CRUDE OIL EXPORTS THIS YEAR IS APPROXIMATELY \$26 PER BARREL.

-- ON APRIL 1, THE CRUDE OIL PRODUCTION GOAL INCREASED TO 2.5 MBPD AND THE EXPORT GOAL INCREASED TO 1.6 MBPD. THESE NUMBERS WILL BE REFLECTED IN FUTURE REPORTS.

-- LIQUEFIED PETROLEUM GAS (LPG) PRODUCTION DROPPED AFTER THE NORTH GAS PLANT WENT DOWN FOR MAINTENANCE. THE PLANT IS PROJECTED

TO BE BACK IN PRODUCTION BY APRIL 1.

-- THE FOLLOWING TABLE SHOWS THE FOUR MAIN FUELS IN IRAQ (DIESEL, KEROSENE, LIQUEFIED PETROLEUM GAS, AND GASOLINE), THE ESTIMATED TOTAL NATIONAL DAILY DEMAND FOR EACH, AND THE PERCENTAGE OF FUEL SUPPLY THAT IS ON HAND (WEEKLY AVERAGE) OUT OF TOTAL DEMAND.

--ON APRIL 1, ALL THE ESTIMATED DAILY DEMAND FOR ALL FUELS CHANGED. GASOLINE INCREASED TO 19 ML FROM 17 ML; LPG DEMAND DECREASED TO 4500 METRIC TONS FROM 5500 METRIC TONS; KEROSENE DEMAND DECREASED TO 6 ML FROM 9 ML; DIESEL DEMAND INCREASED .5 ML TO 18.5 ML.

-- THE GRAPH BELOW SHOWS THE TOTAL DAILY SUPPLY (DOMESTIC PRODUCTION PLUS IMPORTS) FOR EACH OF THE FOUR REFINED FUEL PRODUCTS AS A PERCENTAGE OF ESTIMATED DOMESTIC DEMAND OVER THE PAST SIX MONTHS. A RECENT REDUCTION IN THE ESTIMATED DAILY DEMAND FOR KEROSENE EXPLAINS THE SPIKE IN MARCH. DOMESTIC PRODUCTION OF KEROSENE WILL EXCEED DEMAND AS WARMER WEATHER CONTINUES, AND LEAD TO REDUCED IMPORT REQUIREMENTS.

-- THE CHART BELOW SHOWS THE DAYS OF SUPPLY ON HAND AS OF APRIL 2 FOR EACH OF THE FOUR MAIN FUEL PRODUCTS IN IRAQ. CPA'S GOAL REMAINS TO HAVE 15 DAYS OF SUPPLY (DOS) ON HAND FOR EACH FUEL SOURCE IN EVERY REGION. THIS WEEK, THE NORTH, BAGHDAD, SOUTH, AND SOUTH CENTRAL MET THE 15 DOS TARGET FOR KEROSENE. THE SOUTH MET ITS TARGET FOR LPG.

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