

ACTION NEA-00

INFO	LOG-00	AGRE-00	CA-00	INL-00	USNW-00	DS-00	EB-00
	EUR-00	E-00	UTED-00	IO-00	L-00	OMB-00	PA-00
	PER-00	PM-00	P-00	D-00	SP-00	SSO-00	SS-00
	TEST-00	R-00	PMB-00	DSCC-00	PRM-00	G-00	SAS-00
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FM CPA BAGHDAD

TO SECDEF WASHDC 0684

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WHITE HOUSE NSC WASHDC 0669

INFO IRAQ COLLECTIVE

UNCLAS BAGHDAD 000355

SENSITIVE

E.O. 12958: N/A

TAGS: EAID, EFIN, ETRD, EPET, PGOV, PHUM, IZ

Subject: CPA 1007: Administrator's Weekly Essential

Services Report: April 10-16, 2004

1. (SBU) Summary. The Essential Services Report is one of four administrator's reports produced weekly by CPA-Baghdad. CPA-Washington distributes all four administrator's weekly reports - Security, Essential Services, Economic, and Governance - with graphics via email. The Economic, Governance, and abridged versions of the Security and Essential Services reports will be posted after 48 hours on the CPA website, www.cpa-iraq.org. The full Security and Essential Services reports remain sensitive but unclassified. Headlines of paragraphs 3-9 reflect goals in the coalition provisional authority strategic plan. End summary.

2. (SBU) Highlights

-- The seven-day average (April 10-16) of peak electricity production was 3,634 MW.

-- Since May 2003, CPA has reinstated landline telephone service for 178,840 subscribers.

-- The Ministry of Oil met the Coalition Provisional Authority goal of 15 days of supply of fuel nationwide for kerosene.

Provide Electricity Services that Meet National Needs

3. (SBU) CPA tasks: Improve generating capacity to 6,000 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 (April 10-16) of peak electricity production was 3,634 MW, a decrease of 3 percent from the previous week. Spring maintenance continues, which is affecting output. On April 15, peak production hit a high for the week at 3,800 MW.

-- The seven-day average (April 10-16) total production of electrical energy was 75,971 MWh per day, a decrease of 5.8 percent from the previous week. The reason for the decline is continued scheduled maintenance. On April 10, the total hours of electrical energy peaked at 78,400 MWh.

-- This past week, an average of 350 MW (13 generators) of generating capacity was on forced (unplanned) outage, and an average of 1,923 MW (27 generators) was on scheduled outage. Eight (400 KV) and ten (132 KV) transmission lines are currently out of service. No lines were returned to service; however, existing transmission capacity is sufficient to compensate for out-of service lines.

-- 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 823 MW per day or 24 percent of total power consumption. Per day, the Central region consumed 2,185 MW or 65 percent of the total, and the South consumed 359 MW or 11 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 178,840 subscribers. 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 153,784 cell phone subscribers. In Baghdad, there are 135,000 cell phone subscribers; and in Basra, Al Kut, Amarah, Samawah, and Nasiriyah there are 45,083 cell phone subscribers.

-- There are now 761,440 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 1,095,307, which is 31.6 percent greater than the number of active landline subscribers pre-war.

-- The penetration rate (the number of active landline telephone subscribers as a percentage of the population) is 2.94 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 are categorized into opening stocks (amount on hand), and scheduled arrivals for goods prior to July 1 procured under existing contracts from the Oil for Food Program, the Ministry of Trade (MOT), and 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 1). 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 (OFF) 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. As OFF contracts are fulfilled they are replaced by MOT and WFP procurement.

-- 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 stock 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 addressing 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 commodity arrivals as a percentage of total requirements from April until transition on July 1. The CPA goal is to provide sufficient ration stocks for July, plus a three-month buffer. On the graph below, 100 percent of opening stocks in each commodity category indicates that this goal has been achieved. While substantial additional shipments of most food basket commodities have been procured, they are not shown as these shipments will arrive

after July 1.

-- Analysis of the food pipeline shows that, with the exception of tea, full rations are projected to be delivered this month. Tea will be cut to a half ration (100 grams per person), because tea shipments will arrive in late April -- too late to be included in this month's rations. May tea rations are expected to again be at the usual 200 grams per person amount.

-- The first version of a comprehensive and integrated Allocation Plan has been developed in a two-day working session involving officials of the Ministry of Trade (MOT) and WFP. This plan identifies the food allocation needs for all eighteen governorates, according to updated population figures and ration requirements. It creates three principal regions (North, Central, South) within Iraq and identifies which of the corridors (Iraq-through Umm Qasr, Jordan, Syria, and Turkey) can be used to supply commodities for these regions. The flow of commodities is based on a strategy to build a three-month buffer stock in all governorates by the end of June, as well as on shipping and transportation factors. Procurement decisions now being taken by MOT will play a key role in ensuring that delivery schedules are met.

-- The MOT is forming a two-track Logistics Unit Operations Center to manage the flow of commodities forecasted under the comprehensive Allocation Plan. Track One, the Rome Track, will focus on training MOT officials to ensure that commodities are shipped on time and according to specifications, arrive timely in the points of entry best suited for fulfilling the Allocation Plan, and meet all border requirements, as well as guarantee there is adequate accountability to ensure that losses and damage are maintained within an acceptable level. Track Two, the Baghdad Track, will develop an action plan to ensure that the MOT facilities, support and other staff, equipment and technology are adequate, identified and operational within the next two months. One important element is the establishment of a simple communications and reporting network for all governorates, based on High Frequency radio transmissions and laptop computers that can transmit both voice and digital data.

-- The MOT continues to work with the Ministry of Transportation to increase the wheat offloading capacity at Umm Qasr port. Options to increase capacity include repair of existing off-loading equipment, rental of additional off-loading equipment, and possible use of other ports in

the area to ensure recently-procured wheat enters the national food distribution system.

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.

-- The Ministry of Health (MOH) established an Operations Center (Ops Center) to coordinate, direct, and respond to health issues. The Ops Center is manned 24 hours a day during contingencies and has multiple telephone connections for hospitals in Baghdad and throughout the country. The Minister plans to maintain the Ops Center room in a stand-by status whenever there is not an active contingency.

-- The Ministry remains well poised to respond to further healthcare needs resulting from terrorist attacks or combat action. They have over 2,700 units of blood on hand to distribute where needed and have repositioned medical supplies into Najaf and Fallujah to deal with the increased workload at those two locations.

-- The Ministry coordinated a 34 ambulance convoy, led by the Director General of Inspection, Dr. Adel Abdullah, to travel to Fallujah to bring supplies and evacuate injured patients to Baghdad hospitals for specialized care. The movement was coordinated through CPA and the Coalition Joint Task Force 7 (CJTF-7) to allow easier transit through Coalition checkpoints.

Reconstitute Oil Infrastructure

7. (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 2.5 million barrels per day (MBPD). For the week of April 10-16, the estimated average total crude oil production was 2.52 MBPD (0.56 MBPD in the south and 1.96 MBPD in the north). The average crude oil export for the past 30 days was 1.689 MBPD. The average price received for crude oil exports was approximately \$26 per barrel.

-- The following table shows the four main fuels in Iraq

(diesel, kerosene, liquefied petroleum gas [LPG], 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. Diesel supplies are high (126% of demand) because the Defense Energy Support Center, which took over fuel imports from Kellogg, Brown and Root on April 1, is increasing its expected imports, mostly from Turkey, in order to build stocks to avert the risk of a diesel shortage. Their imports are averaging 7.598 million liters (ML) per day - with a goal of 6.8 ML per day, even though Kuwaiti imports were shut down for four days due to convoy security problems.

-- Temperatures have been rather mild recently, so demand for kerosene is higher than projected. In addition, production of refined products has shifted towards benzene and diesel in order to build stocks rapidly. However, as the weather gets hotter, CPA Oil will continue to monitor demand and adjust as required. Furthermore, as fewer people travel due to the increased level of instability, fuel (benzene and diesel) demand has decreased, resulting in rising stock levels.

-- The chart below shows the days of supply on hand on April 16 for each of the four main fuel products in Iraq. The CPA goal remains to have 15 days of supply (DOS) for each fuel on hand nationwide. CPA met this target for kerosene.

Improve Quality and Access To Higher Education

8. (SBU) CPA tasks: Oversee the basic administrative functions of higher education systems; reform and reconstruct higher education institutions; reintegrate the higher education institutions in the north with the rest of the country; reintegrate Iraqi students, scholars, and scientists into the broader intellectual community; launch a review and reform of the curriculum in all disciplines; provide access to essential information.

-- U.S. universities are increasing their assistance to Iraqi institutions of higher learning. Baylor has entered into a partnership with Dohuk University. Stony Brook University is working with Baghdad and Mosul Universities in Archeology and with Baghdad, Mosul, Basra, and Mustansiriyah Universities in Environmental Health. The University of Hawaii has a team at both Dohuk and Mosul working with their Colleges of Agriculture. The

Mississippi Consortium for International Development, which includes Mississippi Valley State and Jackson State, are also at Mosul and Dohuk. Universities from both Europe and the US are working under the leadership of DePaul University with the Law Colleges at Basra, Baghdad and Sulaimani Universities. In addition, the University of Oklahoma is heading a team of universities in partnership with Salahaddin University in Erbil, Al Anbar, Babil and Basra Universities, and the University of Technology in Baghdad.

-- The Lounsbery Foundation, which funds education in science and technology, has awarded a grant for a project entitled "2004 Summer Faculty Development Seminars in Iraq." Courses in agro-business, forensic archeology, molecular biology, communication engineering, computer engineering, computer science, international economics, electric power engineering, environmental science, medicine, clinical teaching of nursing science, technologies and economics of downstream industries as related to oil and gas, physics, chemistry, and campaign politics will be taught in English by American professors.

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 following graphs denote the average number of departures from Baghdad International Airport (BIAP), Mosul and Basrah for both civilian and military aircraft. During the week of April 5-11, Mosul averaged 61 military and 2 civilian aircraft departures per day; BIAP averaged 64 military and 15 civilian departures; Basrah, 40 military and 3 civilian flights. Note: data collection is relatively new, thus previous weeks are listed.

-- The following graph indicates shipboard passenger traffic, largely from Dubai, at Umm Qasr Port.

Improve Water Resources Management

9. (SBU) CPA tasks: Prepare for sovereignty; build ministry
Capacity; infrastructure improvements; facilities
improvements.

-- The following chart reflects hydroelectric power
production for 2003-2004, displaying actual 2003, as well
as actual year-to-date 2004 figures.

Bremer

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