

PMO/PCO HISTORY PROJECT
Interview with Ambassador Paul Bremer
January 11, 2005

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PMO/PCO Historian

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I'd like to start with something that was a little surprising to me, at first, and that's the fact that, technically speaking, you were reporting to Secretary of Defense Rumsfeld.

Bremer:

That's right.

(b)(6)

I think most people assumed you were reporting directly to the president. Did you find that to be the case?

Bremer:

No, not really. I had regular contact, of course, with both Rumsfeld and the president. So it wasn't a particular problem. I don't know what people thought...that I couldn't say.

(b)(6)

Talk, if you will, about putting together the supplemental and this twenty billion dollar figure that you came up with. What was your understanding and expectations as to the scale of this reconstruction?

Bremer:

I think what you have to say is this—that by late May, after I had traveled around a little bit in Iraq, it became clear to me, seeing the complete lack of money that had been put into any infrastructure for decades, it became clear to me that we were up against something really major in reconstructing the country.

I began to discuss the need for a supplemental with people in Washington as early as early June. We didn't, obviously, at that point yet have a sense of what the scale would be that we would have to start working on. We worked on that, I would say, for June and a fair amount of July, and we began to get a pretty good sense that the scale was very large—not the least because our own experts were beginning to come up with some estimates on what it was going to be.

The World Bank had a study going on...they called it the 'Needs Assessment Study,' that was going on that summer. They began to brief me...I would have to check, but somewhere around the middle of July, that their findings, which were very similar, that we were looking at tens of billions of dollars to fix the health care, to fix the electricity, and so forth.

So it's a process that I would say took place, basically, over the course of June and July, and I went in with my formal request for the supplemental in early August.

(b)(6)

What about selling it on the Hill?

Bremer:

Well that came later. First I had to sell it inside the Executive Branch. That took until early September. As you say, eventually I had to come back,

and I spent a great deal of time...a full week in September, I think around the 23rd, or somewhere around there, I came back to Washington and spent the better part of five days on the Hill, basically testifying in favor of the supplemental which had, by then, obviously been approved by the Executive Branch.

(b)(6) Who did you have to sell it to in the Executive?

Bremer: Well first I had to sell it to my boss, who was Rumsfeld. And then I had to sell it to OMB and, obviously, to the president.

(b)(6) Did a lot of people simply assume that the Madrid Donor's Conference, and the Iraqi oil was going to pay for all this...and ask: so why do we need a supplemental?

Bremer: There was a little bit of a sense of that on the Hill. You can look at the transcripts of my testimony.

(b)(6) You once said...I believe it was in testimony before the Hill, that the reconstruction of Iraq will be a long-term process. How long-term did you envision the PMO to exist?

Bremer: I discussed that a bit...David Nash and I did. It depends on what you assume that its job was. If its job...and that was my assumption, was to see the various projects funded in the supplemental...to see them finished, then it was obviously going to take four to five years because some of those projects were major capital investments that take long-term.

(b)(6) Were you comfortable with the six-sector structure that was set up [for the PMO]?

Bremer: I'm not sure what you mean by six-sector structure?

(b)(6) As it was set up—broken into transportation, oil, water, electricity etc.

Bremer: Oh. Yes we discussed that. It basically reflected the main emphasis that had already been set out in the request for the supplemental. It was just mirroring what was already there in the supplemental. That structure just simply followed what was set up in the supplemental.

(b)(6) What memories do you have from when Nash took over this effort?

Bremer: I don't know what you mean by 'what memories do I have'?

(b)(6) Well he tells the story of sitting in your office with a group of other people...

Bremer: Right...

(b)(6) discussing how this is going to be tackled. No one at that time would come forward to volunteer to take this on. Wasn't there a particular moment when [Nash] became the guy?

Bremer: I don't remember it that way. I don't remember whether he...seems to me he came to take that job.

(b)(6) Well he came to work on transportation issues initially.

Bremer: Yeah, maybe that's right. I don't remember the details of that very well. And I don't remember exactly when he arrived there. Seems to me it was sometime in the fall, towards the end of September or something. I just don't remember.

We arrived at a procedure whereby he and his colleagues briefed me every week on the various, projects that they were doing, but that was quite a bit later, after we finally got the money in February or March.

(b)(6)

What about the decision to assign the six billion dollars in non-construction to the PMO?

Bremer:

I don't remember any single decision. What did you mean by 'decision'?

(b)(6)

To delegate the non-construction segment of the \$18.4 billion to the PMO in addition to the segment devoted to construction. Did that seem like the natural place for this to go?

Bremer:

You're losing me. I don't know what you're talking about. I know that there were two parts to the supplemental, but what decision is it you're talking about?

(b)(6)

I refer back to the interviews with Nash, in which he expressed some degree of surprise at when the six billion dollars in non-construction got thrown his way, in addition to managing the twelve billion in construction.

Bremer:

I don't have any light that I can shed on that. My assumption all along was that the office that was going to be in charge of reconstruction was going to be in charge of all of it. I don't know what the issue is.

(b)(6)

Well because I know there was a lot of conflict with USAID, and who was going to do what.

Bremer:

My position was that I was going to look to a single office to oversee all of the eighteen point six billion dollars. And I was going to determine the priorities, not other people in the mission—not AID, not PMO, not a political office, not economic. I was going to determine the priorities. The only way to do that was to have it all in one place.

There was never any question, as far as I was concerned—I don't know if it was a surprise to somebody else, but it was never an issue as far as I was concerned.

I was going to maintain full control over the direct expenditure of the funds, which was absolutely consistent with the president's directive to me.

(b)(6)

How important of a consideration was creating jobs for the Iraqi people when you were formulating the reconstruction?

Bremer:

That was important. Though obviously being familiar with large-scale reconstruction projects, we knew that a lot of them involved capital, and a lot of the capital, the capital goods, was not going to be available in Iraq. So, inevitably, a fair amount of the money was not going to be spent in Iraq. That we knew.

On construction sites, my instructions...this predates the PMO, my instructions to AID, which was administering the first supplemental, was to give as high a percent of subcontracts as possible to Iraqi firms and to prioritize creating jobs for Iraqis. I gave the same guidance to the PMO, and we actually set targets, for example with Bechtel, which was our largest single contractor under the first supplemental. We set a target of then placing 70% through Iraqi subcontractors and so forth.

It was important to show, I thought, the Iraqi people that, in addition to there being a long term benefit from the reconstruction...the building up of electricity, fixing transportation, there would also be an immediate benefit in terms of subcontracts to Iraqi firms and jobs to Iraqis.

(b)(6)

Did you think as well about training...such as when I was in Najaf and they had the water treatment plant there, and it was important that the people knew how to maintain it and to run it properly?

Bremer:

Yeah. We had discussions...and I don't remember the details of them, but we had discussions, fairly regularly, about the meet/build capacity in Iraqis. But it wasn't just on training, it was on everything. It was on contracting. It was on following through private management...there was a need for training right down the way. Right from the beginning of assessing contracts right through execution—including at the level of the actual work-site.

(b)(6)

Talk about your decision in June '03 to grant immunity to the contractors from civil action in Iraq.

Bremer:

You would have to get more details on that from my general counsel. I don't remember what inspired that. It was a proposal, I believe, that came from the general counsel's office, but you can check that.

(b)(6)

I was in Iraq for about two and a half months. I'm hoping to get back next week. I had the opportunity to fly around a bit and hope to do a lot more of that. One of the things I've been most impressed with has been the Accelerated Iraq Reconstruction Program. How did you come about creating that program?

Bremer:

I have to search my memory a bit.

We were very frustrated by how slow Washington was in getting us the money—that was the basic problem we had. Because of the bureaucratic slow-down in Washington we lost about two months in the initial letting of the major contracts. We were not able to start letting major contracts, as I recall, until early February.

When you did the math at that point you could see that it would take at least 90 days to get contract bids back, and then you'd have to assess them and award them and then they might be challenged. It's pretty clear that a lot of the major contracts were not going to have any impact until we turned over sovereignty in June. So I worked with PMO and military commanders and my political people to try and find a way to move a lot faster and to prioritize a particular six cities...I think it was six, it might have ended up being seven...I don't remember.

Where we looked at projects that were scheduled in the district, or region...usually in the district, because sometimes it was in the city itself...tried to find a way to move them faster...on an accelerated pace. I also asked Nash to go around and brief, which I think he did in every one of the provinces eventually, brief the projects for each province that were planned in the whole reconstruction. So he would go into a province...let's say Anbar, and say there is \$172,000,000 in projects coming, and here is how they are divided up.

This was very useful because it also allowed the local political leaders...the governor and the mayor and people to say: 'well we would rather have a water treatment plant repaired than building a school.' So we could adjust our priorities based on what we heard back from the local leaders. It was not only that we were able to accelerate the overall process but that we were able to make adjustments on the basis of what the local political leaders suggested to us.

(b)(6)

How was reconstruction in Kurdistan approached? Was it approached differently from the rest of Iraq?

Bremer:

Well it was in a little bit in the sense that, on the whole, the situation there was much better. They also had quite a lot of money coming to them from the UN accounts.

The starting point was somewhat further along in Kurdistan because they had already assessed their needs and because they had already gotten a call on their own money—the oil for food program—basically Iraqi money. So I guess it was done a little differently there.

(b)(6)

Did you travel up there?

Bremer:

Oh, I've traveled all over the country, all of the time. For sure.

(b)(6)

That's a fantastic place—I'd love to have something to do with it on down the road.

Bremer:

Yes—a very different place.

(b)(6)

Have you given much thought to future nation-building efforts...the ideas out there of setting up an office of the Director of Reconstruction?

Bremer:

No, I haven't had a chance to think too far ahead about it.

Obviously if we ever have a circumstance like this again, and I don't know if we will, but if we do we're going to have to understand that we do have obligations to see the job through. At least in the case of Iraq, where you have this spectacular under-investment for three decades, it amounts to a lot of money.

(b)(6)

Do you still follow the reconstruction?

Bremer:

I'm on distribution for the weekly report. I don't follow individual projects.

(b)(6)

Well thank you very much for your time.

Bremer:

Okay, well good luck with your book.

(b)(6)

Good luck with everything you're doing.

Bremer:

Thank you very much. Good to talk to you.

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