

BREITBART[®]COM

Iraqi oil windfall keeps growing

AP Associated Press

Apr 23 03:02 PM US/Eastern

By PAULINE JELINEK
Associated Press Writer

WASHINGTON (AP) - New data on Iraq oil revenues suggests that country's government will reap an even larger than expected windfall this year—as much as \$70 billion—according to the special U.S. auditor for Iraq.

The previously undisclosed information is likely to strengthen the hand of U.S. lawmakers complaining that Iraqis aren't footing enough of the bill for rebuilding their nation—particularly in light of rising oil production and world prices.

Oil prices Wednesday hovered near \$120 a barrel.

Defense Secretary Robert Gates met privately Tuesday night with Senate Armed Forces Committee Chairman Carl Levin, where the Michigan Democrat said he would raise the issue of spending in Iraq.

New figures from Iraq's government show revenue from exports hit \$5.83 billion in December—more than \$1 billion over what was previously reported by the government, said Stuart Bowen, special inspector general for Iraq reconstruction, in an interview with The Associated Press.

It compared to \$2.4 billion in January 2007 and \$3.3 billion in July, he said in a recent interview.

The latest data "clearly substantiates ... that Iraq is enjoying a record windfall as the result of record oil prices, record oil production and record oil exports," Bowen said.

Iraq's Oil Ministry had previously said revenue for December was \$4.7 billion. The new figure of \$5.83 billion was included in a year-end report that is just now being given to the U.S. government, Bowen said.

With the revised December figure, and continued strong production and export figures since then, he said he now believes oil revenues could soar to \$70 billion in 2008.

"If this continues, it would be double what they anticipated" for their budget, he said.

"If annualized, it would be about \$70 billion dollars," said Bowen, who had predicted in a March hearing on Capitol Hill that revenues could climb to as high as \$60 billion.

That was up from an earlier estimate of \$35 billion.

The new figures also come as Bowen prepares to release the latest of his quarterly reports, in which he audits a \$48 billion U.S. reconstruction program that has made mixed headway toward restoring basic services and getting Iraq's economy on track.

Bowen said the upcoming report, expected next week, will show postwar records set early this year for both oil production and export.

U.S. lawmakers have said it is time for Iraq to pay for more of its needs.

Levin said Tuesday before his meeting with Gates that he will try to push legislation that would prohibit U.S. money from being spent on reconstruction and possibly other war-related costs.

GOP lawmakers have signaled a willingness to back a measure on spending, depending on how it is written. Republican Sens. Susan Collins, Bob Corker of Tennessee and Judd Gregg of New Hampshire have proposed separate legislation that calls for Iraq or its neighbors to pay more for reconstruction.

Other lawmakers have suggested restricting future reconstruction dollars to loans instead of grants and asking Baghdad to pay for the fuel used by American troops as well as take over U.S. payments to predominantly Sunni fighters in the Awakening movement.

Iraq's 2008 budget is about \$48 billion with some 84 percent coming from oil, officials have said. That was calculated using a \$57-a-barrel price.

Iraq has the world's third-largest known crude oil reserves with an estimated 115 billion barrels.

Along with the \$48 billion appropriated by Congress for reconstruction since 2003, Iraqis have budgeted \$50.6 billion and international donors have pledged \$15.8 billion. Though Iraqis have budgeted the money, they have a poor record of actually spending it. U.S. officials say that is largely because they lack expertise in budgeting and financial management.

Political considerations also have tainted the way money is handled. So has theft, fraud, skimming and other corruption that Bowen once said amounted to a "second insurgency."

On the Net:

Special Inspector General for Iraq Reconstruction: <http://www.sigir.mil>

Copyright 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.