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SUBJECT: PRT NAJAF: FORMER OIL MINISTER AND COR CANDIDATE
WEIGHS IN ON DE-BA'ATHIFICATION, OIL, AND EDUCATION

¶2. (C) Summary: Najaf parliamentary candidate and former Oil Minister Ibrahim Bahr-Uloun (Iraqi National Alliance/Independent) met PRT Team Leader February 18 to discuss his campaign and the impact of de-Ba'athification. Bahr-Uloun discussed the short history of the Al Alamein Institute he founded in Najaf in 2008. Bahr-Uloun also talked at some length about the oil industry in Iraq and his concerns with the last round of bidding and outlook for the industry. End Summary.

¶3. (C) On February 18, PRT met with Najaf Parliamentary Candidate Ibrahim Bahr-Uloun (Independent, aligned with the Iraqi National Alliance-INA). Bahr-Uloun said he is trying to link his campaign to civil society, emphasizing voter education and civic responsibility, and building a strong parliament. He has actively participated in marches, mingling with pilgrims during Ashura and Arba'een religious holidays.

DE-BA,ATHIFICATION TOUCHES SENSITIVE NERVE FOR SHI'A

¶4. (C) Bahr-Uloun told PRT Team Leader that he passionately believes that "Najaf is the compass of Iraqi politics. The center of Shi'a resides in Najaf regardless of nationality." He appreciated the Ambassador's message of opposition to the Ba'ath in February 6 interviews, but emphasized that the United States should be aware that this is a "redline" for Iraqi Shi'a.

¶5. (C) Bahr-Uloun opined that security is better in Najaf

than Karbala and stressed that it is important that security remains good in Najaf. He explained that the impression most foreigners (from the Gulf region) now have of Iraq is based on their experience flying into Najaf International Airport (NIA) and visits to the local holy sites, and expressed thanks for the PRT's support of the airport project, which has supported Najaf's aspirations for openness, scholarly exchange, and business relationships around the world.

AL ALAMEIN INSTITUTE - A SUCCESS STORY FOR GRADUATE STUDIES

¶6. (U) Bahr-Uhloum told PRT TL his family founded the private Al Alamein Institute in 2008. One of only three private schools for graduate work in Iraq, the institute in political science has approximately 100 students enrolled in Masters and Ph.D. programs. The school has no restrictions on admissions, but serves mostly Shi'a from south-central Iraq and recently had a visit from five University of Chicago professors. According to Bahr-Uhloum, Al Alamein has a significant endowment, including support from the Marja'iyah (senior Shi'a clergy) which covers approximately 80% of the cost of running the institute. The rest is recovered from student fees. However, the school has faced an uphill battle for accreditation by the Ministry of Higher Education, which is unused to licensing private graduate schools. He welcomed any opportunities for exchange with western scholars that the PRT could support. Bahr-Uhloum told PRT TL that Grand Ayatollah Sistani endorsed the goals of the Institute, and the openness of the Marja'iyah to scholarship was a trademark of Najaf.

REFLECTIONS, FORECASTS AND THOUGHTS ON THE IRAQI OIL INDUSTRY

¶7. (C) The former two-time oil minister disparaged the GOI's goal of producing 12 million barrels of oil per day (bpd).
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He noted that both the 5-6 million bpd day forecast for 2015

and the 2020 goal of 8 million bpd are unrealistic. Bahr-Uhloum opined that four million bpd seems reasonable given the infrastructure challenges that the industry faces.

¶8. (C) Bahr-Uloum expressed concern that something was "not right" with the recent oil bid round in December. He suggested that the production targets of 2.85 million barrels per day (Mbpd) bid by BP (with CNPC) for the Rumaila oilfield and 1.8 Mbpd bid by Royal Dutch Shell (with Petronas) for the Majnoon oilfield were overly ambitious. He said that allocating 33 percent of Iraq's oil reserves to BP/CNPC and Shell/Petronas seemed unreasonable. (Comment: The total reserves of Rumaila and Majnoon are about 26 percent, not 33 percent. End comment.) Bahr-Uloum claimed there were technical and legal problems and inevitably too much corruption with the bidding process, and that the national energy strategy was disjointed and overlooked smaller, viable sites such as Najaf. (Comment: Iraq's two 2009 bid rounds have been internationally regarded as open, equitable, highly transparent, highly competitive, and well organized and implemented, with no apparent corruption. Therefore, Uloum's claims of technical and legal problems and corruption in the bid rounds have no obvious basis. Iraq currently has no cross-ministry national energy strategy. Therefore, the development of its oilfields and the use of production from these oilfields are not according to a strategy formally coordinated across the relevant Iraqi ministries. End comment.) Bahr-Uloum explained that there are three known oil fields between Najaf and Karbala (Kifl, Kifl West, and Merjan) that in total could produce approximately 50,000 bpd of oil and 8 billion British Thermal Units (BTUs) per day of natural gas. (Comment: The Ministry of Oil estimates these fields can produce at least 75,000 bpd within 7 years after extensive oilfield development has begun. Bahr-Uloum's estimate of 8 billion BTUs of associated gas production is similar to estimates for other nearby oilfields. End comment.) He said that development of these smaller fields

could provide important jobs. He asked, "Why do we have to import oil from other provinces to fuel our refinery in Najaf when oil is available in the province?" (Comment: The Kifl, Kifl West, and Merjan oilfields were offered in the December oil bid round but received no bids. End comment.)

¶9. BIO NOTE: Bahr-Uloum was twice (2003 and 2005) the Iraqi Minister of Oil, and is from one of Najaf's most prestigious families. One of his progenitors was a Grand Ayatollah in the eighteenth century and two others were Ayatollahs. His father, a member of the Governing Council for the Coalition Provisional Authority (CPA), is noted cleric Sayed Mohammad Bahr-Uloum. Dr. Ibrahim Bahr-Uloum graduated with a Ph.D. in petroleum engineering from New Mexico Tech and previously worked for the Kuwaiti oil ministry, the Petroleum Recovery Research Center in New Mexico and as a consultant in London from 1992 to 2003. Seventeen of his family members were killed by the Saddam regime. End Comment.