

Exhibit 20

ACTION STR-00

INFO LOG-00 AGRE-00 AID-00 CIAE-00 INL-00 DODE-00 DOTE-00
PERC-00 DS-00 EB-00 EUR-00 E-00 FAAE-00 FBIE-00
VCI-00 H-00 TEDE-00 INR-00 IO-00 L-00 MOFM-00
MOF-00 M-00 VCIE-00 NEA-00 NSAE-00 OIG-00 OMB-00
NIMA-00 PA-00 PM-00 P-00 SCT-00 D-00 FMPC-00
SP-00 IRM-00 SSO-00 SS-00 NCTC-00 CBP-00 R-00
EPAE-00 SCRS-00 PMB-00 DSCC-00 PRM-00 DRL-00 G-00
SAS-00 FA-00 SWCI-00 /000W

-----60D1F7 241200Z /38

R 241156Z DEC 06
FM AMEMBASSY BAGHDAD
TO SECSTATE WASHDC 8696
INFO IRAQ COLLECTIVE
DEPT OF TREASURY WASHDC
WHITE HOUSE WASHINGTON DC//NSC//
DEPT OF COMMERCE WASHDC

RELEASE IN
PART
1.4(B),B1,1.4(D)

~~C O N F I D E N T I A L~~ BAGHDAD 004690

SIPDIS **Classification Extended on : 5-13-2013 ~ Class: CONFIDENTIAL ~ Authority: DSCG
11-1 ~ Declassify on: 12/23/2027**

PLEASE PASS TO USTR

E.O. 12958: DECL: 12/19/2016
TAGS: ECON, EINV, KBCT, PGOV, PREL, IZ
SUBJECT: ARAB LEAGUE BOYCOTT AND IRAQ

REF: A) BAGHDAD 2080 B) BAGHDAD 2150 C) BAGHDAD 2383
D) USDOC 6445 E) BAGHDAD 4147 F) BAGHDAD
4067 G) BAGHDAD 1921 H) BAGHDAD 4115 I)
BAGHDAD 3303 J) BAGHDAD SBU O-I:11/25/05 K)
BAGHDAD 3979

Classified By: Ambassador Zalmay Khalilzad for reasons 1.4 (b) and (d)

1. (SBU) Action request, see para 11.

2. (S) Summary. Post has been working actively to engage the
GOI on enforcement of the Arab League Boycott (ALB), since
Iraq's status was changed to "under review" in June 2006.
Post has discussed with the GOI the particular problems four
U.S. companies (Pepsi, ABRO, Eli Lilly, and Wyeth
Pharmaceuticals) face in doing or trying to do business in
Iraq because of GOI official requests for assurances that the
firms are complying with the ALB restrictions on trade with
Israel. Because of the precarious political and security
situation in Iraq and based on conversations with GOI
officials, Post believes that these issues can be resolved on
a case-by-case basis.

**REVIEW AUTHORITY: Sharon Ahmad, Senior
Reviewer**

[Redacted]

B1
1.4(D)

[REDACTED]

End summary.

B1
1.4(D)

REVIEW OF PAST ENGAGEMENT WITH THE GOI ON ALB

3. (C) Post has vigorously protested to high-level GOI officials' enforcement of the ALB on more than a dozen occasions since the new government formed in May 2006. The Ambassador raised the issue of GOI enforcement of the ALB involving U.S. companies (Pepsi, ABRO, Eli Lilly and Wyeth Pharmaceuticals) with Prime Minister Maliki in June (ref A). Further, the Economic Minister-Counselor raised the ALB issue with Deputy Prime Minister (DPM) for Economic Affairs Barham Salih in June 2006.

[REDACTED]

During his visit in July 2006, Commerce Secretary Gutierrez also raised the problems created by the ALB with DPM Salih, as well as with the Minister of Industry and Minerals (Fawzi Hariri) and Minister of Trade (Abd al-Falah al-Soudani).

B1
1.4(B)
1.4(D)

4. (C) While the Ministry of Trade does not enforce ALB in its company registration process, Post raised the ALB problems with Minister al-Soudani to gain support from him on this issue.

[REDACTED]

Commerce Secretary Gutierrez also pressed this issue with al-Soudani later in July 2006. Other officials in the Department of Commerce also raised ALB with al-Soudani again in November 2006.

5. (C) In a November 2, 2006 meeting, when Deputy Economic Minister raised the problem, Deputy Minister of Industry and Minerals (MIM) Dr. Sami Araj said that [REDACTED]

6. (C) On October 29, Post met with Dr. Yassin, the Director General (DG) of Kimadia (the procurement arm for the Ministry of Health), regarding the problems of two U.S. pharmaceutical companies, Eli Lilly and Wyeth Pharmaceuticals. These two

companies were barred from tenders by Kimadia, because they do business with Israel.



B1
1.4(B)
1.4(D)

7. (C) Post pressed the ALB issue with the Ministry of Foreign Affairs on at least three different occasions in the last six months. Post raised ALB with Foreign Minister Hoshyiar Zebari in May 2006 after the new government formed



1.4(B)
1.4(D)
B1

PROGRESS MADE

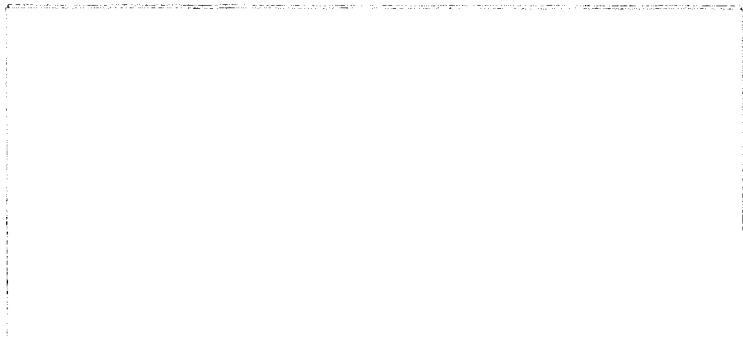
8. (SBU) Patience has brought success in the past. In 2005, the Ministry of Oil resolved an ALB enforcement problem with General Electric and a supply contract. Although the Ministry of Oil initially insisted on including ALB language in the contract, the ministry later agreed to remove the language (ref J).

9. (C) During the debate on the investment law on the floor of the Council of Representatives (CoR) in October 2006, some members proposed adding language prohibiting investment from "an enemy state" (a characterization of Israel by a few Shia members of the CoR) (ref K).

the problematic language was dropped.

1.4(D)
B1

WAY FORWARD



1.4(B)
1.4(D)
B1



1.4(B)
1.4(D)
B1

11. (SBU) Action request: In order to provide the information requested by the DPM's Office, Post requests that Washington agencies, including the Department of Commerce's (DOC's) Office of Anti-Boycott Compliance, provide us with the list of twenty-two additional companies that have contacted the DOC regarding ALB enforcement complaints and provide details in appropriate form for us to share with GOI officials regarding the specific issues and the ministries involved. Post also recommends that we use the U.S.-Iraq Business Dialogue as an additional opportunity for gaining Iraqi allies in our effort to ensure that the ALB is not a barrier to the growth of trade and investment in Iraq by U.S. firms.

KHALILZAD

NNNN