Interview with Gary Vogler, author of the Book: Iraq and the Politic of Oil

The longest-serving American in Iraq's oil sector gives an insider's account of tactical victories, strategic blunders, and hidden agendas in post-2003 reconstruction.

By BEN LANDO of <u>Iraq Oil Report</u> Published Tuesday, May 22nd, 2018

Gary Vogler was a veteran of the U.S. Army, Mobil Oil, and ExxonMobil when he joined the Pentagon's pre-invasion Energy Infrastructure Planning Group (EIPG) in 2002.

He stayed on for two more years as a senior oil advisor to the Office for Reconstruction and Humanitarian Assistance (ORHA) and the Coalition Provisional Authority (CPA). He returned to Iraq in 2006, serving as a consultant and advisor to the U.S. government until 2011.

During that time, Vogler helped lay the groundwork for Iraq's record-setting production today, starting the rehabilitation of fields and initiating key infrastructure projects. He also worked closely with the top leaders of Iraq's oil sector, including the current oil minister, Jabbar al-Luiebi.

In his recently published book, "Iraq and the Politics of Oil: An Insider's Perspective," Vogler chronicles the efforts of many Iraqis and Americans working together to rebuild the country and its oil sector. But often times, he writes, policymakers in Washington were more interested in pursuing their own ulterior agendas, at the expense of Iraq's reconstruction and stability.

In a series of wide-ranging interviews, he told Iraq Oil Report about his experiences and some surprising revelations he discovered in researching his book. The interviews have been edited together and condensed for length.

Ben Lando: You met the current Oil Minister, Jabbar al-Luiebi, in April 2003. He was senior in the South Oil Company at the time.

Gary Vogler: Jabbar went through the UK forces to let us know he needed to talk to us about something. It was an issue, where he said we were paying his people and it was confusing his people.

Initially, under ORHA, the Treasury Department folks were pushing us to get money into all the workers' hands, not just oil sector. They wanted people back to work and money in their hands to buy and get the economy going.

The intent was good, but it created some confusion. If you have KBR employees out there paying Iraqi workers, then they think they are working for KBR and not for Jabbar al-Luiebi and the Oil Ministry. So things were very confusing.

So he requested a meeting, and we met at the Red Crescent in downtown Basra. I had made contact with my contact at the [U.S.] National Security Council (NSC), Pam Quanrud, who put together some key talking points for me. Talking about: we were there to help Iraq rebuild its oil sector, the oil belonged to the Iraqi people and we were not there to take their oil or steal their oil. I started going through that.

And Jabbar, he wanted to focus on the payroll issue. And we listened to him and he made a strong case. That was a really testing question. He was essentially saying, "Hey, do you want my workers to work for KBR? If so then you don't need me." I convinced him that we wanted him, and he stayed, and we talked some more. It was a very important meeting.

He shared with us that things were in real disarray. Things were being looted. His offices, the headquarters had been looted. A lot of the facilities had been looted. All the equipment, like rolling equipment, backhoes, all that stuff, had been stolen. He needed a lot of help to get things going.

We agreed to meet a couple days later at the [Basra] refinery. We would bring in the KBR folks with us.

And we started these periodic meetings, and he would bring in a list of things that he needed. KBR would make satellite telephone calls to source the material and know when they could get it in to them, and that played a huge part in helping him getting materials he needed.

We had the first oil up and operational there -- it was on the 23rd of April, 2003, that the oil started flowing, at about a half million barrels a day. That was a big day because the U.S. government didn't think we would be starting up production that soon. All during our planning we were thinking six to nine months out. So to do it within a month after the start of hostilities, that was a huge accomplishment.

BL: In late 2002, you were part of the pre-war planning as part of the Energy Infrastructure Planning Group (EIPG).

GV: It was what they call an inter-agency planning cell. It reported to the National Security Council and our primary point of contact was Pam Quanrud, a career foreign service officer assigned to the NSC.

We put together the plan and we assigned a task order to KBR at the time. They brought together engineers in Houston that all had prior military experience, a few retired military, and all had security clearances.

We met down in Houston for several days in November 2002. I went down. "Frosty" from the CIA went down. We had Clark Turner [an Energy Department secondee]. We had Marine Lt. Col. Paul Shelton, who was the CENTCOM point of contact for the oil sector.

KBR put together a few thousand pages, which was essentially what you need to do in order to get the oil sector back up and operational after you've had essentially 500 well fires. One of the biggest pieces of their plan was putting out the well fires. We had planned to do nothing but put out well fires for the first couple months and keep doing it for six to nine months after that. That's what our expectation was when we left the Pentagon to go to Kuwait.

BL: You then supported Task Force Restore Iraqi Oil.

GV: Task Force Restore Iraqi Oil (RIO) had the mission of extinguishing the well fires and repairing any damage to oil sector infrastructure during hostilities. Extinguishing the seven fires became a minimal effort, so RIO pivoted to assist South Oil Company restart oil production in order to supply crude oil to the refineries. This activity started during the first week in April and first oil production started on April 23, 2003.

RIO continued to work with South Oil Company to increase the production in the south in anticipation of restarting exports in the south. The first export ship in the south was loaded on June 30, 2003.

Then 224 reconstruction projects were identified and estimates made during a weeklong conference in mid-June 2003 with RIO, CPA [Coalition Provisional Authority] and the Oil Ministry. About 80 percent of the damage to the oil infrastructure was due to the looting that took place immediately after the fall of Saddam's government.

These 224 projects represented the scope of work required to be completed in order to meet the U.S. policy of repairing any damage during hostilities. That policy had been reviewed with and approved by the President's Cabinet in December 2002.

RIO and CPA received approval for all 224 projects from the CPA Budget Director. However, he only agreed to fund the projects in tranches - on a monthly basis. He approved the first couple tranches, but refused to fund the rest - half of the funds needed.

The CPA Budget Director rejected our requests during the fall of 2003. He stated that he refused to provide any more funds to the KBR single-source contract. Democratic members of Congress were highlighting in the press that the KBR contract was single-source and that Vice President Cheney was the former CEO of KBR-Halliburton. The CPA Budget Director's decision may have provided a favorable political response to the Democratic Congressmen, but it destroyed the RIO reconstruction program.

Funds ran out in early 2004 and all [of RIO's] work in the oil sector stopped in February 2004.

The Budget Director's decision to stop funding RIO had a significant negative impact to the oil sector reconstruction program. The U.S. did not have a credible backup plan. The Iraq Relief and Reconstruction Funds [IRRF] were not approved by Congress until the end of 2003 and none of those funds could be used by RIO.

A new organization was created for the IRRF projects and that organization did not start any of their projects until late 2004.

BL: The sense I get from reading your book is that by and large, political leadership and decision-making both in Washington and Baghdad were primary obstacles to Iraqi and foreigners on the ground in the oil sector. What would you say were the most consequential decision points?

GV: Much has been written about our lack of military forces during the occupation that led to many problems. Looting in the oil sector was the most damaging result from that decision. As Phil Carroll said more than once, "Rumsfeld's decision to fight this war on the cheap was very expensive."

[Editor's note: Carroll, a former Shell executive, was the U.S. government's first chief advisor to the Oil Ministry.]

Besides the RIO funding decision by the CPA Budget Director, he also created a payroll problem in July 2003 that had most of the Oil Ministry's employees in open revolt against their Iraqi leadership during late July and August 2003. He then brought out his wife to Baghdad in September 2003 to fix the problem he created.

Phil Carroll, Rob McKee and I identified the CPA Budget Director's decisions in the summer and fall of 2003 as the biggest obstacles to our oil mission. The poor security was second.

[Editor's note: McKee, a former ConocoPhillips executive, followed Carroll as the U.S. government's chief advisor to the Oil Ministry.]

The de-Baathification decision had a negative impact on oil, but not as much as other sectors. Ambassador [L. Paul] Bremer granted the oil sector several waivers to enable about 20 important managers to remain in the oil ministry. Unfortunately, those Iraqis that were granted waivers by Bremer were removed by the Iraqi leadership a few months later under Dr. Ahmed Chalabi.

BL: Despite all the challenges, there were many successes. What were some of the most important achievements you were a part of?

GV: Yes, there were many successes in the oil sector. The early startup of oil production on April 23, 2003. The prevention of looting at the large refineries by the Iraqis and then our military. The initial work between RIO and the Oil Ministry, until funds were stopped. The quick appointment of professional oil leadership on May 3, 2003. The quick start of exports out of both the south and north in June 2003. The massive product imports program

throughout 2003 and 2004. The quick start-up of Task Force Shield in the fall of 2003. And the major maintenance work at Baiji refinery in May 2004. [Those] were all successes in 2003 and 2004.

Several reconstruction projects were completed between 2005 and 2007 under the IRRF program. The most noteworthy included the well workover program in 2006 and 2007, the ABOT repair project of 2007, the al-Fatha pipeline river crossing project in 2006, and the repair to many gas-oil separation plants throughout the country. All of these successes were achieved by partnering with the Iraqis in the oil ministry.

BL: The subsea export pipelines are decades past their expiration date. Why haven't they leaked or ruptured?

GV: There are two 48-inch subsea pipelines that run from the al-Fao terminal in southern Iraq to the ABOT offshore terminal, in the northern Gulf. These pipelines were installed during the initial construction in 1975 by Brown and Root Company. They were last inspected in 1989 and 1990 under a contract with KBR. That inspection revealed severe internal corrosion to several locations along the pipe. The pipes were de-rated from a maximum operating pressure of 680 psi to 180 psi at the time of the 1990 inspection.

Several pipeline engineers looked at the data and estimated that the pipes should have rusted through the steel in the late 1990s. The senior management in South Oil Company revealed to us in 2007 that they thought the pipes would fail in the late 1990s. No one knows why the pipes have not yet failed.

The Oil Ministry considered having the pipes inspected in 2008, but the risk of pipeline failure during the inspection was too high. As discussed in the book, several reasons were given by industry experts [to explain why the pipelines have not failed] during a meeting held in the UK as part of the export project.

I believe that the best explanation is that South Oil Company has operated the pipes at very low pressures and they have maintained the surge relief valves to prevent pressure surges. I give credit to SOC operational practices for the fact that they have not yet ruptured.

BL: The initial feasibility study conducted by the Oil Ministry and South Oil Company, and assisted by the U.S. Army Corps of Engineers back in 2007, had a target for southern export infrastructure of 4.5 million barrels a day. Iraq is averaging 3.5, and on some days it has reached 4 million bpd. Can you take us through some of the original thinking? How was the 4.5 number arrived at? Did you think Iraq would achieve these volumes back then? What was the biggest threat to the export project back then?

GV: The initial meeting for the feasibility study was during early August 2007 in Amman, Jordan. Several managers from South Oil Company, a representative from the Oil Ministry headquarters, and two of us from the U.S. Army Corps of Engineers attended. The study was funded by the U.S. government. Two senior pipeline engineers from Foster Wheeler led the meeting.

The target export number of 4.5 million bpd was given to us by the SOC management and the ministry representative at the meeting. That target was strictly an Iraqi objective.

The results of the feasibility study were published in December 2007 after a final meeting in the UK at the end of November 2007. The major results were that it would take a \$6 billion project to achieve exports of 4.5 million barrels a day - \$2 billion for offshore work and \$4 billion for onshore work.

Minister [Hussain] Shahristani divided the management of the project between two different operating companies. The offshore work was assigned to South Oil Company. Minister Shahristani requested that the coalition forces assist SOC with the offshore part. The onshore part of the project was assigned to the State Company for Oil Projects (SCOP). No U.S. support was requested for the onshore work.

The U.S. Army Corps of Engineers Gulf Region Division (GRD) had identified to Gen. Petraeus in early 2007 that the existing ABOT export system was a "single point of failure" for the Iraqi government. Loss of those export facilities would have cut 90 percent of the revenues coming into the Iraqi government.

We learned at the end of 2007 that pipeline failure was the biggest threat to the ABOT terminal. General Petraeus saw the single point mooring export project as a national security project for Iraq and not just another oil project. Support of this project quickly became a high priority for the coalition forces. Until the single point mooring project was close to completion, we were all very concerned that we would lose the southern exports.

An oil slick occurred above the pipeline route during Gen. Odierno's time as commander of U.S. forces. He was briefed during a meeting about the slick and turned to me with a very grave look on his face. I told him that we were trying to confirm the source of the oil, but we were already preparing plans to mobilize elements of the U.S. Fifth Fleet in Bahrain to help with repairs of the pipelines. Fortunately, divers from South Oil Company found the source of the oil slick to be a sunken small oil tanker that was leaking oil from its tanks. It was not the oil export pipelines. We had dodged a bullet.

BL: What do you think is a realistic export target now?

The current offshore export infrastructure should be able to handle the target 4.5 million barrels a day. Each SPM was designed to export 900,000 barrels a day when operating at optimal pressures.

The bottleneck has been the onshore infrastructure - either the production or the storage and pumping capacity onshore. Construction of pumping facilities to generate enough pressure to optimize the large SPMs has not been achieved.

South Oil Company has executed several workarounds with existing pumps at pump stations throughout the south. These workarounds have helped increase exports, but have not provided enough pressure to optimize the large SPMs.

Iraq's Integrated National Energy Strategy (INES) developed such targets several years ago. I have not seen a recent update to INES, but I suspect that the current Oil Ministry leadership has completed a modified production target based on marketing input and their assessment of export capability.

BL: How detrimental to the oil sector were the CPA's de-Baathification order and the order that disbanded the military?

GV: First, let me correct some of the history. Ambassador Bremer issued the two infamous orders concerning de-Baathification and disbanding the military shortly after his arrival in Baghdad. However, the origin of both orders was Doug Feith's office at the Pentagon. I cover the details of this in my book.

Also, Dr. Gordon Rudd covers the same point in his book from 2011. Rudd was the official historian for ORHA. It was well known within ORHA that the development and push for both orders came from Doug Feith, Undersecretary of Defense for Policy. In my opinion, Bremer's biggest mistake was trusting Feith.

Jay Garner developed a position on both issues upon our movement to Baghdad and his policy was working very well, until Ambassador Bremer changed them.

De-Baathification did have a negative impact on the Oil Ministry. Phil Carroll was able to get Ambassador Bremer to grant about 20 exceptions for senior Oil Ministry managers in July 2003.

These managers were later removed by the newly appointed oil minister in September 2003. Dr. Faleh al-Khayat was one such person granted a waiver by Bremer, but he was removed in late 2003. He was a highly talented oil executive that we initially appointed as Technical Director General. I always sought out and valued his opinion during the summer of 2003. He never hesitated to tell me what he was thinking and his thoughts were always supported by facts. Unfortunately, the new oil minister forced him to retire in late 2003. The book identifies my thoughts on this forced retirement, "like tossing the baby out with the bath water."

Disbanding the military hurt the security throughout the country, not just the oil sector. As Dr. al-Khayat informed me when he saw this order to disband the military - CPA had just created about a hundred thousand insurgents.

BL: Anti-war protesters alleged the Bush administration was motivated by oil in its decision to go to war in Iraq. You wrote that you and Phil Carroll both pledged that you would quit if there was an attempt to remove Iraqi authority over their natural resources. Did you ever get close to having to make good on that pledge?

GV: No, never came close. He stayed in Iraq the whole time, until he was scheduled to leave. And I don't ever remember anything coming close.

In fact, when I was interviewed on the Rachel Maddow program in 2013, they were doing this thing that it was all about oil. And Bremer asked me to join them. And they asked me to get [former Iraqi Oil Minister Thamir] Ghadhban to join as well. I asked him and he said, "No, Gary, I can't do that." But he said, "If they're doing [this show] thinking that the U.S. came in to take our oil and give it to the oil companies, you guys really screwed it up badly because the Chinese and the Russians have all the contracts." And he's right.

BL: In you book, though, you also write: "What haunts me is that I may have been an unknowing participant in a secret oil agenda." When did you have this epiphany?

GV: In starting to write the book, I started discovering these various articles that supported a case that there was an oil agenda. I kept discounting that. I kept denying it. I was in a state of denial. I kept thinking these were just a lot like the other things I had read until that point, just distractions.

Then I read a couple of articles that kind of was the tipping point. Keep in mind, I had just gone on national television [on the Rachel Maddow show] and told people there wasn't an oil agenda. So it took me a lot to tip to the other side.

BL: This research caused you to re-examine some requests you fielded from the Pentagon back in 2003, regarding the Kirkuk-to-Haifa pipeline, which had last been functional in 1948. Who at the Pentagon told you that pipeline was a priority, and how did it become part of the agenda?

GV: I was sitting in the oil office [at the CPA in Baghdad] and got a telephone call from Mike Makovsky.

He said, "Gary I've got a request coming from the top, we need to know the status of the Kirkuk to Hafu pipeline." He didn't say "Haifa," he said "Hafu."

I said, "The top? Does that mean Doug Feith?"

And he said, "No, above Feith."

He didn't say Wolfowitz, but there were only two people higher than Feith at the Pentagon, Wolfowitz and Rumsfeld. And so I assumed it was Wolfowitz, since I knew Mike had mentioned Wolfowitz's name many time during our planning cell, so I assumed he had a relationship with Wolfowitz.

I was surprised at this top priority coming in from the Pentagon about a pipeline that I had never heard of, especially coming from the deputy secretary of defense, so it caught my attention real quick, because I studied the infrastructure and knew where every pipeline was, and I certainly knew where Kirkuk was.

I asked where is "Hafu?"

And [Makovsky] said, "Out to the west." He said, "I have to run but I need the status on this quickly."

I said, "I was just putting together my list of priorities to review with [then-Oil Minister] Ghadhban tomorrow morning, and I'll put this on my list."

He said, "Good, I'll call you back the same time tomorrow."

I go out to see Ghadhban the next morning. We finally get to this item, and I ask him for the status of the Kirkuk to Hafu pipeline. And I looked up at Ghadhban and he got very serious. Very solemn.

He said, "Gary you don't want me to ask that question of this organization."

I was surprised. "Ok, I'm game, why should I not be officially asking that question?"

He said, "There are a lot of people in this country, and a lot of people in this ministry, who feel like the biggest reason you guys came into this country was to take our oil and send it to Israel."

When he said "Israel" I said, "What does this have to do with Israel?"

And he said, "If I go out with the request of the status of the Kirkuk-to-Haifa pipeline, that's going to just further contribute to their feelings that this was the reason."

I said, "Don't do anything on this until I get back to you. I was not aware I was asking about a pipeline to Israel when I asked you that."

I went back to the office, and at 4 o'clock the phone rang and it was Mike [Makovsky], and he said, "Okay, I need to know that status."

And I said, "Mike, when you requested this yesterday, you didn't say this pipeline was going to Israel. This is very sensitive. Do you mind putting this thing in writing as to what you need and why you need it, and send it out to me?"

And at that point the line went dead. He hung up on me.

BL: In doing research for your book, you found some context that helps explain this episode.

GV: If one looks at the pre-9/11 activity, there were several books and articles written about how Ahmed Chalabi endeared himself to the neoconservatives - Wolfowitz, Feith, Richard Perle.

He gave a speech at JINSA, the Jewish Institute for National Security Affairs, in the 1990s, where he essentially promised them that, if you can support me and take out Saddam Hussein, one of the things I will do is re-open the pipeline to Haifa and have oil flowing into Israel while I'm in office.

When I first read that - I was reading a book in 2009 or 2010, I was working with [U.S. Army Corps of Engineers' Gulf Region Division] and there was an Iraqi-American that worked with us, she had worked for the INC in London before the war - and I went to her and said, "Did he really make a promise like this?"

She said, "Gary, he only told them what they wanted to hear, and they wanted to believe him in the biggest way, so they bought into it."

In March 2003, Haaretz [published] an interview done with Joe Paritzky. He was the Israeli Minister for Infrastructure. And, he essentially said that - and this was before our troops had gotten to Baghdad even - he said there was going to be economic benefits to Israel for the Iraq invasion.

The biggest that he saw was there would be Iraqi oil coming to Israel before the end of 2003. He goes on to further say that the pipeline to Haifa from Kirkuk, the old pipeline, would be reopened and oil would be flowing to Haifa. And that he was in contact with senior civilians at the Pentagon.

The last thing he said - and this is the key, this is the motive - he said, "We are now paying a 25 percent premium for our oil imports into Israel, and this will alleviate that economic burden." A 25 percent premium for your energy is a significant penalty to any country, but apparently Israel had been incurring that.

BL: In your book, delivering the backstory, Mike Makovsky comes up quite frequently as a central figure. Do you think he was pushing an Israel-backed agenda?

GV: He was marching to the beat of a different drum than the rest of us.

He was very interested in Syria. As Clark Turner told me during our interview for the book, his focus was the Syrian pipeline. During the planning process, he wanted to destroy the Syrian pipeline and in my discussion with him I said, "Well, that makes no sense."

And he said, "Well, we need to punish Syria."

And I said, "Well, if you destroy that pipeline, 95 percent plus of that punishment will go against the future Iraqi government."

In fact, our final policy, that State [Department] agreed to and that was written down, that the pipeline would stay open and be used as leverage with Syria to get them to come around.

And then at the last minute, Paul Wolfowitz overruled those instructions essentially and had the pump station destroyed, which was essentially destroying the pipeline.

The other thing that Clark mentioned to me after he read the book, he came back and said, "You know, Gary, Mike came to me multiple times during the pre-war planning and wanted me to include repair plans for the Kirkuk-to-Haifa pipeline."

I didn't know anything about this pipeline to Haifa until he made the phone call out to me in July of '03.

BL: You had a policy that Iraq would only sell crude to end-users, rather than traders and brokers, as a way of mitigating corruption. But then the director general of SOMO, Mohammed al-Jibouri, was apparently fired for insisting on enforcing that policy.

GV: When Mohammed al-Jibouri shared the story with us, he said he was told to go to the Hunting Club and meet with Ahmed Chalabi. And when he did, he was told he had to sell oil to brokers, specific names of the brokers to sell to.

And he said he wasn't going to do that, for the same reasons that we agreed to: we felt it would only increase the chances of corruption. And plus, some of the brokers that were identified had apparently been trading with Iraq during the Saddam era under the Oil for Food program, when there was a lot of corruption going on.

Mohammed refused. They told him he would either trade with them or they would find someone that would.

And then within a couple of days there were negative things written in the Baghdad press about SOMO and their operations, and about Mohammed, that weren't true. And within a couple days after that Mohammed was replaced.

BL: He was fired over refusing to sell to brokers.

GV: Correct. So they put in a guy that started to selling to brokers.

I went to Bremer over it, and Bremer was busy with too many other things and he didn't do anything about it. He had other priorities. We were then stuck with that.

And I did notice that they started selling oil to Glencore, and another one. Those two names didn't mean anything to me at the time, other than they were brokers. And then when I read in a book that Glencore was the company that was responsible for selling roughly 90 percent of Israel's oil over the previous 20-some years, things started coming together and I said, "That makes sense to me."

Granted, all these facts that I put together were circumstantial, as you look at them individually. But when you put it together, it was overwhelming.

BL: How was it that Ahmed Chalabi had authority to fire the director general of SOMO?

GV: Chalabi's role at that point - he had a lot of credibility, and he was on the Iraqi Governing Council and was one of the more powerful members of the governing council.

If you back up a little bit, when Ibrahim Bahr al-Aloom first became oil minister, Thamir Ghadhban and I waited at 4 o'clock one afternoon waiting for him to come to the Oil Ministry for the first time, and he came in and we walked him up to the Oil Minister's office, and I asked Thamir to give me five minutes with Ibrahim just to talk briefly. I had first met Ibrahim in January 2003 in Washington, D.C., at a conference that was held by Tom Warrick.

BL: He was part of the State Department's Future of Iraq Project.

GV: Correct. And so I attended that meeting and Tom made a point of telling me to make sure I introduce myself to Ibrahim Bahr al-Aloom. He said, "He's Chalabi's guy."

And we are then sitting there [several months later] in the minister's office, and I say, "Congratulations Mr. Minister. Did you think back in January of this year when we first met that you'd be holding this position today?"

And his response was very confident. He said, "Gary, it was determined. I knew I was going to have this job."

It startled me when he said it that way, as if he knew, but I surely didn't know.

BL: You mentioned the bombing of the K3 pumping station, which fed a pipeline to Syria. Why was it bombed?

GV: The pre-war plans - I thought everyone was on board - there would be no oil infrastructure intentionally attacked. No electric power infrastructure was supposed to be attacked, none of the infrastructure of oil and electricity and water was supposed to be attacked.

But then, some time right before I went to Kuwait with the group on the 17th of March 2003, a week or so before that, I was asked to sit in on a video teleconference between Paul Wolfowitz, the lead on our side, and Gen. Tommy Franks, who was in Qatar.

They were talking about oil stuff, it was ho-hum, and all of a sudden, Wolfowitz leans forward on his desk. Up 'til that point it was a boring meeting, no voices raised or anything.

He leans forward and says, "General, when you get into Iraq, I don't want another drop of oil to flow through that pipeline. Do I make myself clear?"

And Tommy Franks, I'll never forget this, he stays seated but gives a sharp solute and says, "Sir, I got the mission."

And I thought that was strange.

A month later I find out the K3 pump station was bombed. The next day in the press, there were articles quoting Donald Rumsfeld saying that we were punishing Syria for enabling Saddam Hussein to export crude oil outside the Oil for Food program.

When I heard that, I thought that doesn't make sense, because we had discussed that during the pre-war planning. And as I told those guys, it makes no sense to destroy this pipeline because most of the punishment will be against Iraq. Syria just gets a small tolling fee that represents less than 5 percent of the crude oil being exported.

In fact, Col. Paul Deitrich, he went out - he had worked for ConocoPhillips - he said, "Gary, why did you blow that thing up?"

And I said he's going to have to ask Mr. Wolfowitz.

He said, "Well, tell them that we invented this thing in the oil industry about 100 years ago called a valve. And if you close a valve typically you can prevent most of the oil from going out that pipeline."

And then when I started writing the book, and understanding the history of the Kirkuk to Haifa pipeline, and how when it when it was stopped in 1948, the pipeline to Syria was installed to replace that pipeline. So, the destruction of the K3 pump station then started to make sense to me.

BL: You would later clash with Makovsky over another Syrian oil issue.

GV: It was when Gen. Petraeus had authorized the governor in the north to send that crude oil across the border in the north to Syria, in exchange for tankers full of product, gasoline and diesel.

I had an email conversation with Petraeus about a week before that, in which he said, "Gary, I need your permission to cut a deal with the Syrians to send them crude in exchange for product."

And I said, "I can't give you that permission or I will be fired."

He wrote me back, "Gary, I am losing troops because of the lack of product."

I decided to push back a little bit and wrote back, "How are you losing troops?"

He described in very good detail how that day in downtown Mosul at the gas station, his troops were trying to keep the crowd organized when someone walked up behind one of his privates, put a pistol between his flack jacket and helmet, and blew the private's head off. When I read that very detailed email, I sunk down in my office. I didn't know what to say at that point.

I wrote him back, "Look, I can't give you the authority to do this. But we both learned as plebes in West Point that the commander has inherent authority to protect his soldiers and that gives you more authority than I can give you."

He wrote back and said, "Thanks, Gary, I got it."

I get this call from Makovsky and he says, "Gary, did you give permission to send crude oil to Syria?"

I said, "No, Mike, you guys would have me fired within 24 hours if I did something like that."

He moaned or something like that and said, "Well, who gave permission?"

I said, "I don't know."

He said, "If we find out it was Petraeus, he's going to be one sorry general." And then he hung up.

I never heard from Mike after that. Then Richard Grecco [told me] that there had been a deputies meeting that day - deputies of all the major cabinet positions - and it was mentioned that I had given permission to the governor for that deal. Then I realized that my name had been raked through the mud and I was essentially blacklisted from then on.

BL: Both of you went your separate ways. You spent another decade in Iraq, and...

GV: Today [Makovsky] is the CEO of the Jewish Institute for National Security Affairs.

BL: Your write that Thamir Ghadhban's concerns about the Haifa pipeline were not unfounded.

GV: It was in July of 2003 that I got that telephone call late at night from Thamir saying, "Our pipelines had been attacked."

Up until that point, the pipelines were tapped into, drained of their product. He said, "Gary this is different from all those other attacks. Those were for economic reasons, people were trying to steal our products. This was a deliberate attack on the only two pipelines that were coming into the Daura refinery, from two different locations, at the same time, and this was clear that they are intended to shut down the Daura refinery."

Two years after that, when [Daura refinery director] Dathar Kashab was here in the States, probably August or September 2005, we took him over to the Pentagon for lunch and met with some people. He told the story about how he called in the only people that worked for him that knew where these pipelines ran, and said, "What's going on? Who is attacking these pipelines?"

He said the half dozen guys in his office kinda looked down at the floor.

And he said, "Wait, we have worked together for 35 years, we have gone to the same mosque together. Talk to me. What's going on?"

And that's when one of them produced one of the local newspapers and pointed to an article that said the Americans are sending our oil to Israel.

When [Dathar] said that, I said, "Wow, what did you tell them?"

He looked at me and said, "I looked back at them and said, 'You idiots, the Americans aren't sending our oil to Israel. If they were, I'd help you blow up the pipelines.'"