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From: IPU

Date: 17 July 2007

cc: PS/Dr Howells
PS/PUS
Mark Lyall Grant
Bridget Brind

To: Private Secretary

IRAQ: MINISTERIAL MEETING, 19 JULY

1. The Prime Minister will chair a Ministerial meeting on Iraq on 19 July at 1130 in the Cabinet Room. Officials (apart from Cabinet Office staff) will not accompany Ministers. I attach the agenda, and suggested speaking points for the Foreign Secretary.
2. The immediate issue is whether British forces should withdraw from the Basra Palace in August, as scheduled, or whether to delay this until after the US Administration's progress report to Congress in mid-September. But Ministers will also consider this question in the context of our longer-term plans – specifically, how long we should maintain a substantial military presence in Southern Iraq – and how we communicate both our short- and long-term plans to the US. The paper at Flag A (drafted by IPU and agreed with OGDs) sets out both the strategic context and the detailed arguments surrounding the future of our deployments in Southern Iraq.
3. We understand that the Prime Minister may structure the discussion around two options:
 - to inform the US that we will delay our departure from Basra Palace until after the report to Congress, but to make clear at the same time that once Basra has attained Provincial Iraqi Control (PIC), we do not envisage an open-ended substantial military commitment in Basra and the South; or

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- to inform the US that we will proceed with handover of the Palace in August, while leaving discussion with the US of our longer-term intentions until after September.
- 4. There are good arguments for sticking to our plans to hand over the Palace. We have already delayed these once (from May to August) under US pressure. The military's firm view is that we should not do so again. The Chiefs of Staff are clear that the cost in casualties of maintaining a presence at the Palace far outweighs the operational effect. The troop reductions afforded by reposturing from the Palace (from around 5,700 to around 5,000) are also needed in order to ensure the sustainability of our deployments in Afghanistan.
- 5. The new Basra security supremo on the Iraqi side, General Mohan, has also argued in favour of our "reducing our visibility in Basra" (in effect, leaving the Palace). He believes that a high-profile UK military presence in the city provides the militias with an excuse for violence, and also strains the loyalties of the Iraqi security forces, who find themselves under militia pressure to join the "honourable resistance".
- 6. HMG planning to date has assumed that it would be desirable for reposturing from the Palace and concentration of our forces at the out-of-town Basra Air Station (BAS)¹ to coincide with PIC, the formal transfer of security responsibility to the Iraqi authorities. But the timing of PIC is not in our gift, and is slipping. Generals Petraeus and Odierno (commander of Multi-national Corps, the MNF's "fighting arm") have recently moved the goalposts, establishing a new set of conditions which need to be met before they will agree to PIC. These mean that a positive decision on PIC is unlikely until September, with PIC itself then taking place in October or November.
- 7. Because of the military difficulties of intervening in Basra city from BAS, reposturing from the Palace would represent *de facto* PIC. The prospect of this taking place several months ahead of *de jure* PIC is uncomfortable. We

¹ Also known as the Contingency Operating Base (COB)

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would continue to be formally responsible for security, while in reality having very little control.

8. Against this, Petraeus and Odierno themselves have furnished a decisive argument for proceeding with reposturing from the Palace. They have made clear that before supporting a recommendation to PIC, they want to see an orderly handover of the Palace to the Iraqis, and the PPF (the Iraqi force which will take responsibility for the security of the Palace) doing its job effectively. Therefore, in order to make progress towards PIC, we need to de-link (in timing terms) the Palace handover and PIC itself. (Indeed, the only reason for slippage would be if we judged that the PPF itself was not ready.)
9. The US Administration may be nervous about the prospect of our leaving the Palace, and the consequent reduction in UK force levels, ahead of their September date with Congress. Our (ie FCO's) assessment is that any US concern should be manageable. The Administration has been seized for months of our plans to hand back the Palace in August. They have not pushed back at Ministerial level. (The Cabinet Office may be less sanguine;
10. Of more serious concern is the potential divergence in US and UK thinking on PIC, and on our military planning thereafter. Under Petraeus, the US has put on the backburner the concept of transitioning security responsibility to the Iraqis, which previously formed one of the backbones of Coalition strategy in Iraq. Meanwhile the UK, in our plans for the South, has continued to adhere to the idea that we should work towards increased Iraqi responsibility in the form of PIC, thus allowing the coalition to reduce troop levels and withdraw from frontline security tasks.
11. Following PIC, coalition forces move to "overwatch" mode, in which they only intervene to uphold security at the request of the Iraqi authorities. The nature and duration of overwatch has never been formally defined. But the US are likely to expect "overwatch" in the South to be delivered through a long-term (one year plus), substantive UK military commitment. This is not just down to nervousness about security in the South. The Administration

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will be deeply concerned about the impact on both their domestic debate and on other coalition partners of any UK plans to set a date for ending overwatch and withdrawing the bulk of our forces.

12. This is at odds with much UK military thinking on overwatch. The military does not want an open-ended commitment, with our forces at BAS confined to carrying out a limited range of training tasks for the ISF while exposed to continuing high levels of rocket and mortar fire. They believe we should enter overwatch with a clear plan for its nature and duration: effectively, a timetable for withdrawal.
13. The two options therefore seek to factor both the Basra Palace question and the decision on our longer-term military plans into a single strategy for communication with the US.
14. When considering coalition management, we need to give due attention to Australia in particular. An Australian battlegroup remains in overwatch mode in Dhi Qar, under MND(SE)'s command. The Australians are nervous about our future commitment, and wondering whether they should attach themselves – in military terms – to the US rather than us. These concerns are exacerbated by the prospect of an Australian general election later this year, in which Howard will continue to argue for an Australian commitment in Iraq. After the US, they should be a high priority for Prime Ministerial contact.

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