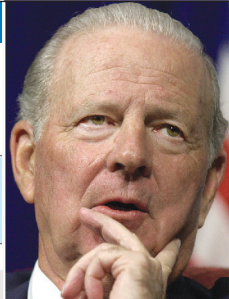


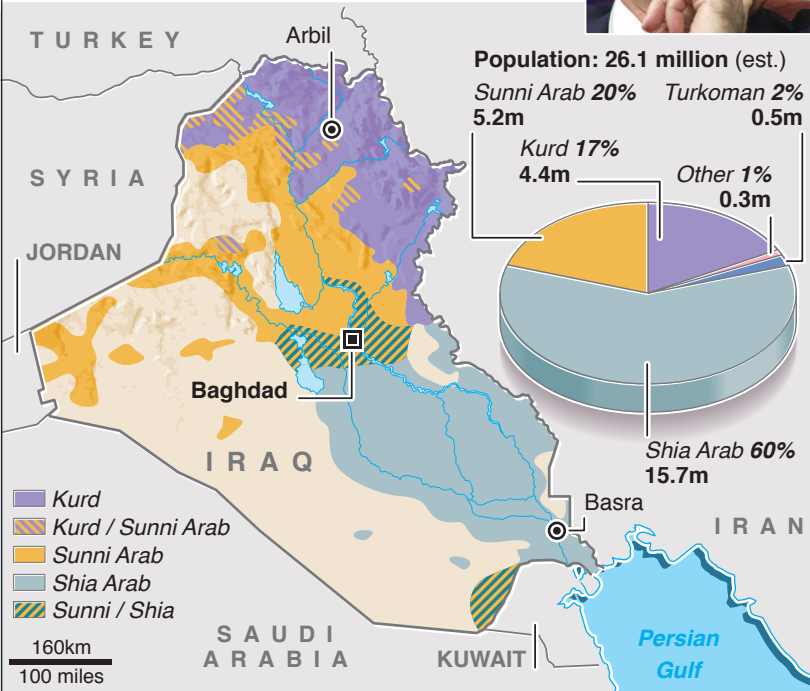
U.S. panel looks at Iraq options

A leaked report by the bipartisan Iraq Study Group, chaired by former U.S. Secretary of State James Baker, is paving the way for a large-scale withdrawal of American forces and a dramatic shift of policy



1 STABILITY FIRST U.S. military to concentrate on stabilizing Baghdad while American Embassy boosts efforts to entice insurgents into political process

"I personally believe in talking to your enemies" – **James Baker**



2 DIALOGUE Enlist help of Syria and Iran to end fighting – idea backed by Iraqi President **Jalal Talabani**

3 REDEPLOY AND CONTAIN Phased withdrawal of U.S. troops to bases outside Iraq. Forces would be available for strikes against terrorist organisations anywhere in region

4 FEDERATION Carve Iraq into three semi-autonomous regions. Controversial bill – already passed by Iraq parliament – creates Shia zone in south and Kurdish region in north. **Sunnis vehemently oppose division, which will leave them with area in central Iraq that lacks vast oil wealth of north and south**