

RELEASE IN FULL

CONFIDENTIAL

March 9, 2011

For: Hillary
From: Sid
Re: Serious problems for Libyan rebels

The latest report:

(Source Comment: Private individuals in Europe, with ties to the leadership of the National Libyan Council (NLC), plan to urge the NLC military committee to consider hiring private troops (mercenaries) to support, organize, and train the rebel forces in Libya. These individuals believe that NATO and the Western allies will not make a decision to aid the rebels until they are faced with a humanitarian disaster, and that the revolution is in danger. At the same time, these individuals believe a small number of private troops could turn the battle against Qaddafi's forces, particularly if they are equipped with sophisticated anti-aircraft weapons. These individuals also believe that experienced troops will have little trouble shooting down Libyan aircraft and attack helicopters. In the opinion of these sources, this would have a devastating psychological affect on Qaddafi's troops.)

During the afternoon of March 8, individuals with access to Saif al Islam Qaddafi stated in confidence that Muammar al Qaddafi is increasingly confident that his troops can drive back rebel forces attempting to advance on Tripoli from Benghazi. According to these individuals, Qaddafi continues to believe that, if he and his supporters can hold on to power for the next two weeks, the morale of the rebel forces will begin to falter, while the opposition NLC, and the tribal leaders will begin to fight among themselves.

Knowledgeable individuals with access to the European security community state that they believe reports that Qaddafi may be preparing to flee the country are false. That said, they add that, in their opinion, the NATO surveillance of Libya will be able to tell if and when Qaddafi does prepare to leave. They add that to date there appears to be no activity indicating that such a move is about to take place.

(Source Comment: According to knowledgeable individuals, military commanders loyal to Qaddafi, including his son Khamis, are surprised that NATO and the other Western military organizations have not taken a more direct hand in the fighting. They continue to be concerned over this possibility, particularly in the wake of the capture of Dutch Marines west of Tripoli, and reports of British Special Forces troops being detained by rebel forces near Benghazi, while attempting to contact the NLC. That said, these military commanders still believe that NATO, and particularly the United States are using satellite imagery and other sophisticated surveillance devices to monitor the military situation in Libya. They have warned Qaddafi, that although the Western powers appear to be reluctant to enter the fighting, this surveillance can identify anti-aircraft facilities and other sensitive targets, and allows NATO commanders to move quickly if they decide to implement a no fly zone over Libya, or become more directly involved in aiding