

RELEASE IN FULL

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Friday, January 6, 2012 2:25 PM
To: H
Subject: FW: HRC friend

FYI

From: Feltman, Jeffrey D
Sent: Friday, January 06, 2012 1:55 AM
To: Sullivan, Jacob J; Cretz, Gene A
Cc: Burns, William J
Subject: Re: HRC friend

I'll have to defer to Gene on this. It's a fascinating read, and some stuff mentioned has already happened (such as the appointment of Juwaili as Minister of Defense -- Juwaili is close to the UAE, incidentally). But I simply do not know the ins and outs of the new Libyan politics in sufficient detail to give a view as to the accuracy of this report. A few bits seemed off key (e.g., the reference that both the Misrata and Zintan Brigades once reported "loosely" to BelHaj I don't believe is true, since Juwaili and the UAE supported the latter and Qatar the former).

The comment about Belhaj staying out of gov't and thus retain the flexibility to carp and make trouble: Jake, you may remember that AbZ warned exactly of that danger in that weird mtg Qatar insisted upon on the margins of UNGA.

Gene?

Jeffrey Feltman

From: Sullivan, Jacob J
Sent: Thursday, January 05, 2012 07:25 PM
To: Feltman, Jeffrey D; Cretz, Gene A
Cc: Burns, William J
Subject: HRC friend

Another friend of HRC's offers the following assessment/report from a source. HRC interested in your views.

SOURCE: Sources with direct access to the Libyan National Transitional Council, as well as the highest levels of European Governments, and Western Intelligence and security services.

1. During the last week of December 2011, and the first week of 2012, Libya's Prime Minister Abdurrahim el-Keib and President Mustafa Abdul Jalil engaged in a series of emergency planning meetings attempting to deal with specific issues threatening the stability of the new National Transitional Council (NTC) Government. According to extremely sensitive sources speaking in strict confidence, paramount among these issues are the questions of disarming and rewarding the regional militias who bore the majority of the fighting against the regime of Muammar al Qaddafi, as well as the related issue of finding ministers and senior administrators for the new government who are acceptable to these revolutionary forces. These individuals noted that on four occasions, beginning on December 23, 2011, groups of angry militiamen came to el-Keib's office and demanded better treatment, a clear message of support for the role of Islamic law, and the removal of former Qaddafi advisors from the new government.

2. (Source Comment: In the opinion of a very sensitive source, el-Keib is genuinely concerned that this situation could spiral out of control and threatens the regime. He also suspects that much of the unrest is being stirred by General Abdel Hakim Alamin Belhaj and his conservative Islamist supporters. By staying out of the new government, Belhaj has established a position from which he can criticize their actions and appointments without concern or control. That said, el - Keib has been told by his contacts in the Moslem Brotherhood (MB)

that even Belhaj has been surprised that the unrest in the militias has begun to manifest itself in fighting between groups that previously shared the same goals and operated under Belhaj's loose command. This is particularly true in the case of the increasingly violent conflicts between the Misrata and Zintan regional militias.)

3. In an effort to address these problems el-Keib is making changes in his new administration, removing Minister of Economics Taher Sherkaz, who, as a former economic advisor to Qaddafi, was a particular target of the militiamen. In the opinion of well informed individuals, el-Keib's closest and most influential advisors are experts with economic backgrounds and experience dealing with Western firms and governments. The most influential of this group are Minister of Oil Abdulrahman Ben Yezza, Minister of Finance Hassan Ziglam, National Oil Company chief Nuri Berrusien, and Ngeb Obeda from the Libyan Stock Exchange.

4. (Source Comment: In the opinion of a very sensitive source, el-Keib and Jalil are also very concerned over growing criticism that these technocrats are puppets of various Western governments and firms. Belhaj and the militiamen appear intent on limiting the influence of these Western entities, using them as a weapon to weaken the el-Keib regime. This trend is also affecting national security, where, despite el-Keib's efforts to maintain a balance between the Islamists, regional commanders, and the national army, a potentially dangerous conflict has arisen over the position of Chief of Staff of the National Army. El-Keib, according to this individual, believes that he must settle this matter in short order to avoid provoking security concerns among foreign allies and businesses contacts.)

5. According to a knowledgeable individual, in late December 2011 el-Keib resisted efforts by General Khalifa Belqasim Haftar to establish himself as the Chief of Staff of the National Army. Haftar, who lived in the United States for many years and is believed by Belhaj and others to have a relationship with the U.S. Government, is using his popularity among the officer corps of the regular NTC army to support his claim to be Chief of Staff. This produced heated protests from militia leaders and in late December 2011 el-Keib named deputy Minister of Defense Colonel Yussef al-Mangoush, to be Chief of Staff. In the opinion of one source, this is a problematic choice, since el-Keib is replacing the supposedly pro-American Haftar with al-Mangoush who commanded one of Qaddafi's elite Special Forces units, even after the revolution began. This individual believes that el-Keib's decision was driven by personal animosity toward Haftar, and the influence of Minister of Defense Osama al-Juwali. The situation is far from resolved, as Haftar and his supporters, particularly in the Benghazi garrison, continue to claim that the General is the true Chief of Staff. El-Keib and al-Juwali are working to reconcile all of the elements in this conflict as quickly as possible, before the supporters of the two claimants begin fighting. In the meantime, el-Keib has stated in private that he fully expects Belhaj to attack al-Mangoush, but the Prime Minister believes that the Colonel is the only officer strong enough to disarm the militias and avoid a civil war.

6. At the same time, a very sensitive source added that el-Keib and Jalil are attempting to reconcile the fighting between Misrata and Zintan forces in Tripoli by naming Misrata leader Fawzi Abd Ali as Minister of the Interior and al-Juwali, who was commander of the Zintan militia, as Minister of Defense. To date, according to this individual, this effort has met with limited success, as the fighting has continued and the militias are refusing to disarm until their demands regarding living standards are met.

7. (Source Comment: One very sensitive source noted, that el-Keib is aware of the fact that he is running out of time to stabilize the situation in Libya. He believes that if he does not disarm the militias and meet their demands in the next six months there is a good chance of increased fighting among rival groups that could lead to civil war. In any event, he realizes that the ongoing instability will cause Western governments, firms, and banks, to hesitate before committing themselves to long term relationships with Libya. El-Keib believes that Belhaj and his advisors have made the same judgment, and are waiting to fill any vacuum created by this violence, by establishing a conservative Islamic Republic.)