RELEASE IN FULL

From: Sent: To: Subject: Abedin, Huma <AbedinH@state.gov> Saturday, November 14, 2009 10:22 PM H Fw: Honduras Update Sat 10:00 pm EST

----- Original Message -----From: Kelly, Craig A To: Mills, Cheryl D; Sullivan, Jacob J; Abedin, Huma; Burns, William J; Steinberg, James B Sent: Sat Nov 14 22:15:24 2009 Subject: Honduras Update Sat 10:00 pm EST

To All:

The de facto authorities' consultations continued today -- with government agencies, Congress and judicial branch. The meetings just wrapped up. Our sources tell us the process is moving forward and will result in a series of measures Mon-Wed: some govt resignations and replacements; possible announcement of Dec 2 or 3 for Congressional action on Z issue; M "step aside." We have reiterated that latter is crucial for our diplomacy to boost election support. The de factos say the M speech announcing that is being drafted.

De facto negotiators say the military played a useful role today in pushing the process forward.

Amb Llorens notes that while the de facto consultations may look like a stall, the tendency to seek this sort of buy-in is one reason Honduras historically has been more peaceful than its neighors.

While our role on the most sensitive issue is not known outside of very few people, the impression is growing in the country and among careful observers in region that something is happening. Insulza told Arturo today that he wants to find a pragmatic way forward and could use a fig leaf. We hope to produce something more than that. Z's negotiators are aware something is moving and appear keen to get back in the game, but Z has them on a tight leash and refuses to play. If things go well in next few days, we will ask S should call Z to encourage him back to the table.

We are in constant touch with the de factos to help keep this on track. While most Hondurans want to move on, there is still a great deal of polarization that makes progress complicated.

Best,

ck