

RELEASE IN FULL

CONFIDENTIAL

October 20, 2011

For: Hillary
From: Sid
Re: Libya post-Q, internal politics NTC

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. Late in the day on October 20, 2011, the interim President of Libya Mustafa Abdel Jalil received reports from General Abdel Hakim Alamin Belhaj in Tripoli, as well as Hassan Ali al-Darwa, the National Transitional Council (NTC) leader for the City of Sirte, stating that former Libyan leader Muammar al Qaddafi had been killed during fighting in that city. Shortly after these messages arrived NTC Prime Minister Mahmoud Jibril began discussions with the Jalil's representatives regarding the formation of a new interim government. Jibril had notified Jalil on October 9 that he intended to step down once Sirte fell, and that Jalil should form a new interim government of national unity to manage the country until elections can be held, perhaps as early as May 2012.

2. According to sensitive sources, Jalil and other senior officials of the NTC believe that Jibril's withdrawal from the scene will allow them to take the difficult decisions needed to stabilize the country prior to any elections. In the opinion of these knowledgeable individuals, while Jibril gave the NTC credibility during the early days of the revolution, he became increasingly reluctant to take any decisive action, particularly regarding the formation of an interim government, and negation of new contracts with foreign firms involved with the oil sector in Libya. This reluctance to act also delayed the arrival of foreign companies interested in providing humanitarian aid. These humanitarian aid projects are being coordinated by a senior NTC official, Moin Mohammad Kikhia, who was extremely frustrated with Jibril's failure to resolve questions involving foreign contracts that have been negotiated and, in some cases, signed by NTC representatives in other countries. According to these individuals, Jibril is concerned about involving himself in foreign commercial contracts that might leave him open to charges of corruption. Kikhia argued that the need for medical and other humanitarian assistance transcended these rather vague concerns. He also argued that waiting for foreign governments to provide a sufficient degree of humanitarian aid could lead to disaster, as the Libyan people become increasingly frustrated with the lack of action on the part of the NTC.

3. According to knowledgeable individuals, Jibril's close advisor Aref Ali Nayed may also leave his position in the NTC regime. Aref is a senior diplomat, who, while based in the United Arab Emirates (UAE), oversaw foreign commercial dealings and the stabilization activities of the NTC between February and September 2011. Aref is seen by many NTC members as a roadblock to dealings with foreign firms, reflecting Jibril's caution in these matters. This NTC frustration is focused on Aref's reluctance to bring in foreign commercial firms to provide desperately needed humanitarian aid. In one case the U.S. firm Osprey Global Supply has been waiting since May 2011 for approval to provide emergency hospital and battlefield medical support. These sources believe that Kikhia will now conclude these agreements, and begin to bring needed medical and humanitarian aid to Tripoli and other parts of the country.

4. (Source Comment: Speaking in strict confidence, sources with direct access to the NTC leadership stated that the NTC Finance and Oil minister, Ali Tarhouni, is also meeting with Jalil to discuss how to improve the functioning of the various parts of the banking and oil industries, working with foreign financial institutions and energy companies. Tarhouni is supporting the idea that Libya needs a separate Oil Ministry to focus on bringing some order to the chaotic situation in that sector. However, Jibril had resisted making a decision on this point, asking Tarhouni to handle both portfolios until the military situation was resolved. This same source added that while Tarhouni is frustrated by Jibril, the two are linked as academics with international experience, and it is possible that Tarhouni may be forced out as well. In the opinion of this source, Jalil will do everything he can to keep Tarhouni and his team in place, at least until national elections in mid-2012. According to this individual, Jalil sees Tarhouni as the type of technocrat he will need to negotiate the foundation of a new government, at a time when tribal and regional interests are beginning to pull at the unity of the NTC.)

5. A separate sensitive source added that in their opinion, Belhaj presents a serious threat to the effort to form a national government. This individual believes that as commander of NTC forces in much of the western part of the country, Belhaj has established relationships with civilian and militia leaders in Misrata, Zintan, and the Nafsurah Mountains. This source adds that at present the Misrata militia carries the bulk of the fighting in Sirte, and in the hours following Qaddafi's death the Misrata Council (within the NTC) has been making announcements without coordination, sounding as if they are the National Government. These statements are particularly worrisome to Jalil and Jibril.

6. (Source Comment: According to these knowledgeable individuals, Nuri Berruien, the Chairman of the Board of Directors of the National Oil Company (NOC), is in close contact with Tarhouni. Berruien is concerned that new agreements made between the NOC and foreign oil/energy firms must be honored as they try to bring oil production up to the levels seen before the revolution began in February 2011. Tarhouni is communicating these concerns to Jalil and Jibril, pointing out that in these chaotic days following the death of Qaddafi it is vital that the NTC establish a stable interim government, aiming toward elections in May 2011. Without this stability Tarhouni is convinced that the Libyan economy will be damaged for years to come, particularly as Western firms and governments look for reassurance regarding their ability to work in Libya with a degree of safety for their personnel and facilities.)