



# Libya: Background and U.S. Relations

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## Summary

Major anti-government protests broke out in Libya on February 15, and reports indicate that they have since developed into a major uprising against the regime of Muammar al Qadhafi, who has ruled the country for over 41 years. The uprising has elicited violent government responses, which have reportedly precipitated divisions within the military and the regime itself. World oil prices have risen, and the United States and other international actors are considering responses.

Prospects for U.S. and international influence on developments in Libya is uncertain. There is currently no U.S. ambassador serving in Libya. U.S.-Libya military ties and U.S. foreign assistance to Libya are minimal, given that full diplomatic relations were restored only five years ago. Although U.S. trade with and investment in Libya has expanded since the lifting of most sanctions in 2004, it remains relatively small in scope when compared with Libya's economic ties with Europe. Some activists, analysts, and officials, however, along with Libyan diplomats and groups opposed to Qadhafi, have called on the United States and the international community to take steps to address the situation. Possible options that could involve action and/or oversight from Members of the 112<sup>th</sup> Congress include the following.

- *Humanitarian Assistance.*
- *Suspending Foreign Assistance.*
- *International Arms Embargoes.*
- *Investigation and/or Prosecution of International Human Rights Violations.*
- *Economic Sanctions and/or Travel Bans.* Imposing or reimposing unilateral and/or multilateral sanctions against Libya and firms that do business with or in Libya, possibly including asset freezes and travel bans targeting the Qadhafis and individuals and entities aligned with them.
- *"No-fly Zones."* Establishing and enforcing these zones within Libya and/or at its borders in order to (1) prevent the Qadhafi regime from using aircraft for attacks against its people and (2) prevent the importation of mercenaries and arms from other countries.
- *Direct Intervention or Threats.* Ranging from intervention narrowly targeted to accomplish humanitarian purposes such as providing health care, delivering supplies, or evacuating foreign nationals; to intervention or threats of intervention aimed at supporting Libyan rebels, deterring or apprehending individuals suspected of human rights violations, and/or ousting the Qadhafi regime.

Many analysts are debating whether particular options should be carried out unilaterally, multilaterally, or both. Choosing unilateral action over multilateral action could improve response time at the expense of effectiveness, international legitimacy, and future prospects for multilateral cooperation. Given ongoing turmoil across the region, any step taken regarding Libya is likely to set a precedent for U.S. and international involvement in other current or future crises.

The State Department announced on February 25 that it is suspending operations in Libya—but has not broken off diplomatic relations—and on the same day White House Press Secretary Jay Carney revealed U.S. plans to impose unilateral economic sanctions against the Qadhafi regime, without providing specific details.

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## 2011 Uprising and Violence<sup>1</sup>

### Developments as of February 25

Major anti-government protests broke out in Libya on February 15, intensified during and after an organized “day of rage” on February 17, and have since developed into a major uprising against the regime of Muammar al Qadhafi (see “Muammar al Qadhafi: A Profile” below), who has ruled the country for over 41 years. The uprising is taking place against a backdrop of turmoil and political change happening throughout the Middle East and North Africa, particularly in Libya’s neighboring countries Egypt (to the east) and Tunisia (to the west). Libya is a major energy-producing country, responsible for nearly 2% of the world’s oil production and containing Africa’s largest oil reserves, and the unrest has led to a sharp increase in world oil prices. Because of tight government controls, international media have not been able to monitor the situation in Libya in the same way they have monitored uprisings in other countries in the region. Updates, which often do not provide a clear or full picture of ongoing developments, have come largely from amateur video footage and mobile communications, although some international media have accessed areas in eastern Libya under opposition control. The regime has periodically cut off at least some Libyans’ access to Internet, satellite television feeds, and phone and mobile communications.

#### **Military and Paramilitary Forces, Mercenaries, and Rebels**

The relative weakness and disorganization of the Libyan military (see “Political Dynamics” and “The Libyan Military” below)—particularly in comparison to its more professional counterpart in Egypt—arguably renders military defections reported during the February 2011 uprising less relevant to the uprising’s outcome and the country’s internal security than the continuing loyalty of Muammar al Qadhafi’s numerous paramilitary forces and security services.

According to a December 2010 report by Anthony Cordesman and Aram Nerguizian of the Center for Strategic and International Studies, these forces seem to include, among others, a 3,000-man Revolutionary Guard Corps to guard Qadhafi with armored vehicles, rocket launchers, and anti-aircraft weaponry; a 2,500-man Islamic Pan African Legion; a people’s militia with a nominal strength of about 40,000; and a multi-layered apparatus featuring personal bodyguards and various “committees” (i.e., people’s, revolutionary, purification) of regime loyalists.<sup>2</sup>

According to the *Washington Post*, resources have traditionally flowed to loyalist units within military, paramilitary, and other security forces. For assistance in quelling the February 2011 uprising, some of these units, such as the “Khamis Brigade,” (named for Qadhafi’s youngest son, who commands it) have reportedly flown foreign fighters into the Tripoli vicinity. Identity cards from Guinea, Niger, Chad, Mauritania, and Sudan have reportedly been found on dead individuals clad in Libyan uniforms. Many analysts find it likely for foreign mercenaries detached from local conditions to be more ruthless than indigenous forces.<sup>3</sup>

Regime opponents—perhaps a mix of military defectors and protestors—have in some cases reportedly successfully resisted and battled regime loyalists, gaining control of or disabling key cities, roads, airports, and border crossings. The overall extent of their armed strength in western Libya is the subject of several anecdotes, but remains unclear.

<sup>1</sup> This section was prepared by Jim Zanotti, Analyst in Middle Eastern Affairs. All other sections were prepared by Christopher M. Blanchard, Analyst in Middle Eastern Affairs.

<sup>2</sup> Anthony Cordesman and Aram Nerguizian, *The North African Military Balance: Force Developments & Regional Challenges*, Center for Strategic and International Studies, December 7, 2010, available at [http://csis.org/files/publication/101203\\_North\\_African\\_Military\\_Balance\\_final.pdf](http://csis.org/files/publication/101203_North_African_Military_Balance_final.pdf).

<sup>3</sup> Similar dynamics may exist with the largely Pakistani security forces in Bahrain. Peter Finn, “Gaddafi said to use paramilitary forces, foreign fighters in crackdown,” *Washington Post*, February 24, 2011.

Opponents of the Qadhafi regime have reportedly taken over Benghazi, Libya's second-largest city, and much of the surrounding northeastern Mediterranean region of Cyrenaica (see **Figure 1**, below).<sup>4</sup> On February 20, large-scale unrest reportedly spread to Tripoli, Libya's capital and largest city (estimated population: 1.1 million). As of February 24, battles were reportedly ongoing for control of cities in western Libya near Tripoli, including Misurata, Zuara, and Zawiyah. Thousands of refugees and expatriates have fled to Tunisia and to Egypt,<sup>5</sup> and Italy and Greece are preparing for the possibility of Libyan refugees coming across the Mediterranean Sea.

Widespread reports indicate that security forces and "revolutionary committees" loyal to the Qadhafi regime—possibly aided by mercenaries from other African countries—have used increasing levels of violence to put down the uprising. Reportedly, this includes firing on crowds from helicopters and sniper nests with live ammunition, including high-caliber automatic weapons and anti-aircraft guns, as well as air bombardments from fighter jets.<sup>6</sup> Violence reportedly escalated on February 19 when security forces fired upon a funeral procession in Benghazi. Reports indicate that the regime is concentrating its forces in an effort to retain control of Tripoli, and that while armed rebels have pressed their insurrection in cities increasingly close to Tripoli, regime opponents within Tripoli used mobile communications to organize Friday protests after February 25 early afternoon prayers at mosques. Following the prayers, Qatar-based news source *Al Jazeera* stated that heavy gunfire has been reported in various Tripoli neighborhoods.<sup>7</sup> As of February 25, the International Federation for Human Rights estimated that at least 640 people have died in the violence, but some analysts and international officials believe that the actual death toll is much higher, perhaps over 2,000.<sup>8</sup>

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<sup>4</sup> Benghazi, with an estimated population of 700,000, is a traditional center of anti-Qadhafi sentiment and has experienced off-and-on unrest in recent years.

<sup>5</sup> An estimated 1 to 1.5 million Egyptians live in Libya, most as expatriate workers.

<sup>6</sup> See "Two Libyan fighter pilots defect, fly to Malta," *Reuters*, February 21, 2011.

<sup>7</sup> <http://blogs.aljazeera.net/africa/2011/02/24/live-blog-libya-feb-25>.

<sup>8</sup> "Gaddafi blames al-Qaeda for revolt," *english.aljazeera.net*, February 25, 2011.

During the uprising, Muammar al Qadhafi and his son, Sayf al Islam al Qadhafi, have continued to address the Libyan people via state television, seeking to rally supporters. In the early hours of February 21, Sayf warned that civil war could engulf the country, and promised that the regime would “fight to the last bullet.” On the evening of February 22, Muammar al Qadhafi appeared alongside loyalists before a crowd of purportedly pro-regime demonstrators in Tripoli. He offered the Libyan people “whatever form of government they want,” but insisted that he will not leave Libya and that he will “die a martyr.” He compared the situation in Libya to that of China’s Tiananmen Square in 1989, and said that he would “cleanse Libya house by house” if necessary.<sup>9</sup> The Qadhafis have blamed Libya’s popular insurrection on foreign elements and Al Qaeda.<sup>10</sup>

Many military officers and conscripts have refused to follow orders to fire upon other Libyans, and some have joined the insurrection, though to what extent is unclear. The regime’s violent response also has led to public opposition from Libyan officials and diplomats. Longtime Qadhafi confederates Abdul Fatah Younis al Abidi (Interior Minister) and Mustapha Abdul Jalil (Justice Minister), and even one of Qadhafi’s cousins close to his inner circle, have resigned in protest of the violence.<sup>11</sup> Libya’s ambassador to the United States, Ali Adjali, along with Libya’s entire delegation to the United Nations, except for its ambassador (who has claimed he is pleading with the regime to stop violent reprisals), denounced the regime’s crackdown. Ibrahim Dabbashi, Libya’s deputy ambassador to the United Nations, said of Qadhafi on February 21, “Either he has to get out or the Libyan people will kick him out. It is the end of the game.”<sup>12</sup> Dabbashi also said, “We ask the international community to take the necessary steps to help the Libyan people and to protect the Libyan people from the genocide it is facing now.”<sup>13</sup> In addition, several tribal leaders have reportedly withdrawn their loyalty from Qadhafi and have threatened to stop the flow of Libya’s oil if regime-sponsored violence continues. Their threats may be particularly resonant because over 75% of Libya’s oil exports reportedly come from the east, where the uprising has been most vigorous.

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<sup>9</sup> <http://blogs.aljazeera.net/africa/2011/02/22/live-blog-libya-feb-22>.

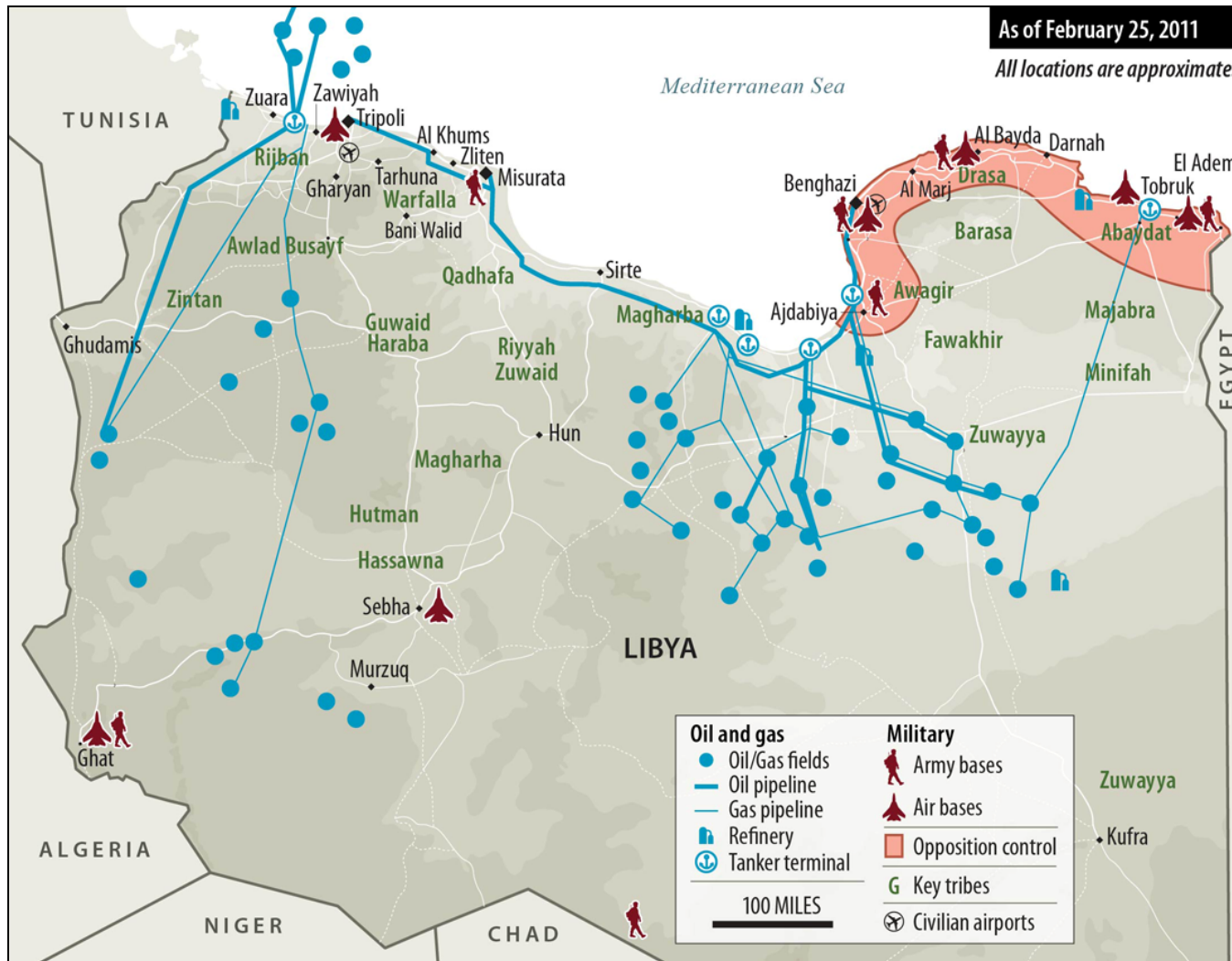
<sup>10</sup> Qadhafi’s February 22 speech was reportedly filmed in front of a portion of his Bab al Aziziya compound that was damaged by the 1986 U.S. bombing of Tripoli, and he referred multiple times to past American aggression. He also has blamed Qatar (headquarters of the *Al Jazeera* satellite television network that has been at the forefront of media coverage of the region-wide political change). The Qadhafis’ reference to Al Qaeda is probably intended to attack the legitimacy of the anti-regime uprising in eastern Libya. The area has links to Islamist groups and causes, and, according to a Jamestown Foundation article, the eastern city of Darnah was the place of origin of the largest group of foreign fighters (relative to its population size) that joined the Sunni Jihadist resistance in post-2003 Iraq. Many fighters also came from Benghazi. Camille Tawil, “Is Libya Headed Toward a Prolonged Civil War?”, Jamestown Foundation, available at [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews%5Btt\\_news%5D=37546&tx\\_ttnews%5BbackPid%5D=7&cHash=db5904030d687a9c14a7a6df346a5f90](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=37546&tx_ttnews%5BbackPid%5D=7&cHash=db5904030d687a9c14a7a6df346a5f90).

<sup>11</sup> After his resignation, Jalil gave a February 23 interview to a Swedish newspaper in which he claimed that Qadhafi personally ordered the 1988 bombing of Pan Am Flight 103 from London to New York, which killed 270 people over and in Lockerbie, Scotland (including 189 Americans). Various issues related to the bombing are discussed later in the report.

<sup>12</sup> Sudarsan Raghavan and Leila Fadel, “Gaddafi appears in Tripoli as soldiers, government officials abandon regime,” *Washington Post*, February 22, 2011.

<sup>13</sup> Elizabeth Arrott, “Libyan Crackdown Continues, Officials Quit in Protest,” *Voice of America*, February 22, 2011.

**Figure 1. Map Depicting Libyan Cities, Energy Infrastructure, and Conflict Areas**



**Sources:** *Guardian* (UK), Graphic News, U.S. Energy Information Administration, Global Security, *The Making of Modern Libya* (Ali Abdullatif Ahmida, State University of New York Press, 1994). Adapted by CRS.



Some analysts believe that because of geographical and tribal differences within the country, the end of the Qadhafi regime could result in a Libya with little internal unity or cohesion.<sup>14</sup> The country's old colonial divisions (between the provinces of Tripolitania in the northwest, Fezzan in the southwest, and Cyrenaica in the east) could become increasingly significant (see **Figure 2** below), and the potential for lawlessness and disorder could raise international concerns about Libya's potential use by terrorist and criminal networks.<sup>15</sup> If the regime does not fall quickly, a prolonged civil war is possible.<sup>16</sup> Such fighting might feature urban battles, as well as competition over tribal loyalties and control of energy infrastructure, that pit the regime and its supporters concentrated in Tripoli and western Libya against anti-regime forces concentrated in the east. Another possible scenario would be for Qadhafi to retreat to a compound he maintains at Sebha on the Saharan periphery in the southwest, although that might cede effective political, economic, and military control of the rest of the country to the opposition. In the event Qadhafi succeeds in quelling the uprising, the potential consequences are unclear given the magnitude of change that has already occurred on the ground and within the regime and bureaucracy. Some speculate that Libya would "revert back into a pariah state."<sup>17</sup> There are reports of concerns that Qadhafi might use biological and/or chemical weapons against his people as a last resort, but the Organization for the Prohibition of Chemical Weapons said this would be unlikely because of evidence that Libya has destroyed the potential delivery systems for such weapons (see "International Controls and Inspections" below).<sup>18</sup>

## U.S. and International Reactions

On February 23, President Barack Obama called the bloodshed in Libya "outrageous" and "unacceptable" and said that his Administration was looking at the "full range of options we have to respond to this crisis."<sup>19</sup> He also said that Secretary of State Hillary Clinton would be in Geneva, Switzerland on February 28 for a session of the U.N. Human Rights Council (UNHRC) to discuss the situation in Libya and elsewhere in the region. Senate Foreign Relations Committee Chairman John Kerry and House Foreign Affairs Committee Chairwoman Ileana Ros-Lehtinen both issued statements on February 22 denouncing the Qadhafi regime and its actions, calling on the Obama Administration to consider reimposing economic sanctions on Libya, and calling on the United Nations to remove Libya from the UNHRC.<sup>20</sup> The U.N. Security Council (UNSC) met on February 22 to discuss the situation in Libya, and its president issued a statement saying that the UNSC's members "called for an immediate end to the violence and for steps to address the legitimate demands of the population," as well as for international humanitarian assistance. The UNSC and the UNHRC are both scheduled to meet February 25 to consider further action on the

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<sup>14</sup> See, e.g., Robert Danin, "Libya's Leadership Crossroads," Council on Foreign Relations, February 22, 2011, available at <http://www.cfr.org/libya/libyas-leadership-crossroads/p24173>; Andrew Solomon, "How Qaddafi Lost Libya," *newyorker.com*, February 21, 2011.

<sup>15</sup> See, e.g., Simon Henderson and David Schenker, "'The Last Bullet': Qadhafi and the Future of Libya," Washington Institute for Near East Policy, PolicyWatch #1761, February 22, 2011.

<sup>16</sup> Tawil, *op. cit.*

<sup>17</sup> *Ibid.*

<sup>18</sup> Oren Kessler, "Gaddafi keeps grip on capital as revolt spreads," *jpost.com*, February 24, 2011.

<sup>19</sup> See full text of President Obama's remarks at <http://www.whitehouse.gov/blog/2011/02/23/president-obama-speaks-turmoil-libya-violence-must-stop>.

<sup>20</sup> See full text of both statements at <http://foreign.senate.gov/press/chair/release/?id=390b4f5a-9aa4-457d-8552-2173b1898eeb> and [http://foreignaffairs.house.gov/press\\_display.asp?id=1728](http://foreignaffairs.house.gov/press_display.asp?id=1728).

matter, and the North Atlantic Treaty Organization (NATO) has called an emergency meeting for February 25 as well.

Similar denunciations of the violence in Libya, along with calls for international responses, have come from leaders in the European Union and its member states, including the United Kingdom, France, and Germany. European energy markets and firms have been most directly affected by the (as of February 25) approximately 70%-80% reduction in Libya's daily oil output. More than 85% of Libya's oil exports go to Europe, with about one third of that amount going to Italy. Only about 5% of oil exports from Libya go to the United States.<sup>21</sup> On February 24, Saudi Arabia indicated its willingness to attempt to stabilize world oil prices by making up the production shortfall caused by the Libyan unrest. On February 22, the Arab League suspended Libya's right to participate in its meetings and the Secretary-General of the Organization of the Islamic Conference characterized the Qadhafi regime's crackdown as a "humanitarian catastrophe which goes against Islamic and human values." On February 24, the African Union condemned the crackdown and said it would send a mission to Libya to assess the situation. On February 25, Switzerland froze Qadhafi's Swiss assets, as it had done earlier in the cases of Tunisia's Zinedine el Abidine Ben Ali and Egypt's Hosni Mubarak. Venezuela's Hugo Chavez, Cuba's Fidel Castro, and Nicaragua's Daniel Ortega have all issued statements of support for and solidarity with Qadhafi.

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<sup>21</sup> Clifford Krauss, "Why the Disruption of Libyan Oil Has Led to a Price Spike," *New York Times*, February 23, 2011. The article says that most of the rest of Libya's oil exports go to Asia.

Figure 2. Map of Libya



Source: CRS.

A ferry transported 183 U.S. citizens and 155 foreign nationals from Tripoli to the Mediterranean island nation of Malta on February 25.<sup>22</sup> On the same day, additional U.S. citizens were evacuated on a chartered jet that flew from Tripoli to Istanbul, Turkey. Several other countries, (especially Egypt, but also Turkey, Russia, China, Canada, Spain, Italy, France, and the United Kingdom) have evacuated or are attempting to evacuate their citizens from Libya.

<sup>22</sup> "Foreigners making dash out of Libya," *cnn.com*, February 22, 2011. According to State Department spokesman P.J. Crowley, approximately 5,000 U.S. citizens have been living in Libya (600 of whom are solely U.S. citizens).

## Possible U.S. and Congressional Responses

Prospects for U.S. and international influence on developments in Libya is uncertain. There is currently no U.S. ambassador serving in Libya.<sup>26</sup> U.S.-Libya military ties and U.S. foreign assistance to Libya are minimal, given that full diplomatic relations were restored only five years ago. Although U.S. trade with and investment in Libya has expanded since the lifting of most sanctions in 2004,<sup>27</sup> it remains relatively small in scope when compared with Libya's economic ties with Europe. Some activists, analysts, and officials, however, along with Libyan diplomats and groups opposed to Qadhafi, have called on the United States and the international community to take steps to address the situation. A prominent human rights activist has asserted: "The absence of close military and diplomatic relations can also free the United States to take more decisive steps to support democratic change and restrain repressive regimes such as Libya."<sup>28</sup> Possible options that could involve action and/or oversight from Members of the 112<sup>th</sup> Congress include the following.

- *Humanitarian Assistance.*
- *Suspending Foreign Assistance* (see "U.S. Foreign Assistance to Libya" below).
- *International Arms Embargoes.*
- *Investigation and/or Prosecution of International Human Rights Violations.*

### Impact of Uprising on Oil Production

As discussed below (see "Oil Reserves and Production Capacity"), the Libyan National Oil Company (NOC) manages oil production activity and negotiates exploration and production agreements with foreign companies. As a result of the February 2011 uprising, the United Arab Emirates news source *The National* reported on February 25 that the NOC "has declared force majeure on exports, a rare move for any country and usually a precursor to a total production shut-down."<sup>23</sup> Two NOC subsidiaries that control oil fields and refineries in eastern Libya, Arabian Gulf Oil Company and Sirte Oil Company, have reportedly broken with Qadhafi and pledged their loyalty to "the people."<sup>24</sup>

Two European companies with extensive operations in Libya, Italy's Eni and Spain's Repsol, have largely halted production, and Eni has temporarily shut down a pipeline transporting natural gas to Italy. Other European companies with major Libyan operations, including France's Total, Norway's Statoil, Germany's Wintershall and BWE, and Austria's OMV, also have curtailed or halted production and begun evacuating staff. China National Petroleum Corporation also has reportedly relocated part of its workforce.

Although Saudi Arabia has pledged to boost production to compensate for Libyan shortfalls, reports say that Libya's "sweet" crude—particularly well-suited for the production of gasoline, diesel, and jet fuel—cannot easily be replaced by Saudi Arabia's more "sour" grades. If European countries seek greater supply from major U.S. sweet crude suppliers Algeria and Nigeria, greater upward pressure on U.S. gasoline prices is likely.<sup>25</sup> European oil embargoes, greater Libyan nationalization, and/or heightened instability in Algeria, if they ensue, also could exert upward pressure.

<sup>23</sup> Tamsin Carlisle, "Libya unrest unnerves oil markets as supplies seriously disrupted," *The National*, February 25, 2011.

<sup>24</sup> "Libya: Oil Companies Announce Break with Gadhafi," STRATFOR, February 24, 2011.

<sup>25</sup> Krauss, "Why the Disruption of Libyan Oil Has Led to a Price Spike," op. cit.

<sup>26</sup> Ambassador Gene Cretz was recalled in January 2011, possibly at least partly owing to leaks of internal U.S. diplomatic communications about Qadhafi.

<sup>27</sup> For more information, see the U.S. Commercial Service's Libya page at <http://www.buyusa.gov/libya/en/doingbusinessinlibya.html>.

<sup>28</sup> Tom Malinowski, "Too Little, Not Yet Too Late," *foreignpolicy.com*, February 22, 2011. See also Josh Rogin, "Senators and experts call on Obama to take stronger measures against Qaddafi," *thecable.foreignpolicy.com*, February 25, 2010.

- *Economic Sanctions and/or Travel Bans.* Imposing or reimposing unilateral and/or multilateral sanctions against Libya and firms that do business with or in Libya, possibly including travel bans and asset freezes targeting the Qadhafis and individuals and entities aligned with them.
- “*No-fly Zones.*” Establishing and enforcing these zones within Libya and/or at its borders in order to (1) prevent the Qadhafi regime from using aircraft for attacks against its people and (2) prevent the importation of mercenaries and arms from other countries.
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Many analysts are debating whether particular options should be carried out unilaterally, multilaterally, or both. Choosing unilateral action over multilateral action could improve response time at the expense of effectiveness, international legitimacy, and future prospects for multilateral cooperation.<sup>30</sup> Given ongoing turmoil across the region, any step taken regarding Libya is likely to set a precedent for U.S. and international involvement in other current or future crises. Even confining international action to the delivery of humanitarian assistance could be dangerous and trigger significant unintended consequences, particularly with thousands of U.S. citizens and other foreign nationals still in Libya. Additionally, reactions to a potential U.S. or other Western military deployment or to an international human rights investigation could be difficult to predict among key actors within Libya, as well as among nearby regimes and populations.

In the context of President Obama’s February 23 pledge to consider the “full range of options,” the State Department announced on February 25 that it is suspending operations in Libya—but has not broken off diplomatic relations—and on the same day White House Press Secretary Jay Carney revealed U.S. plans to impose unilateral economic sanctions against the Qadhafi regime, without providing specific details. Past U.S. sanctions specifically aimed at Libya included (1) banning all U.S.-Libya trade, including oil imports (1986-2004), (2) freezing the U.S. assets of the Libyan government and affiliated individuals and entities (1986-2004), and (3) prohibiting U.S. airline flights to Libya (1992-2004).<sup>31</sup> In addition, from 1996 to 2006, legislation known as the Iran and Libya Sanctions Act of 1996 (P.L. 104-172) authorized sanctions against firms doing

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<sup>29</sup> See “Turtle Bay to the Rescue,” *Wall Street Journal*, February 23, 2011, which argued: “Opposition forces need to be able to communicate with each other and the outside world without having their signals jammed, and here too the U.S. can help. And while the U.S. and its allies may not be prepared to intervene militarily, merely the threat of destroying the Libyan air force if it continues to bombard civilians could persuade its airmen to defect to the side of the opposition, thereby hastening the regime’s demise and bringing the killing to a halt.”

<sup>30</sup> See, e.g., Ed Pilkington, “UN ambassadors clash over condemnation of Gaddafi,” *Guardian* (UK), February 23, 2011.

<sup>31</sup> These sanctions were imposed pursuant to Executive Orders 12543, 12544, and 12801 under the authority of the National Emergencies Act (P.L. 94-412) and the International Emergency Economic Powers Act (P.L. 95-223). In 1982, President Ronald Reagan initially banned Libyan oil imports to the United States pursuant to Proclamation 4907 under the authority of the Trade Expansion Act of 1962 (19 U.S.C. 1862), and in 1985 expanded the ban to all petroleum products pursuant to Executive Order 12538 under the authority of the International Security and Development Cooperation Act of 1985 (P.L. 99-83).

business with or in Libya.<sup>32</sup> The United Nations (until 2003) and European Union (until 2004) also previously maintained sanctions against Libya.

## The Uprising's Origins

The National Conference for the Libyan Opposition (NLCO, an umbrella organization of opposition groups headed by the National Libyan Salvation Front (NLSF)—see “Exiles” below) and Internet-based organizers called for a “day of rage” to take place on February 17.<sup>33</sup> Similar events had been organized by anti-government groups in many other countries in the Middle East and North Africa over the previous month. On February 17, hundreds of protestors took to the streets in Benghazi and in other cities in its vicinity.<sup>34</sup> Additional protests were reported in Az Zintan, approximately 100 miles southwest of Tripoli.

Reports indicate that at least 24 and possibly more than 50 people were killed on February 17 when Libyan government forces fired on crowds with live ammunition in an attempt to disperse them.<sup>35</sup> On February 18, demonstrators in Benghazi reportedly numbered in the thousands or tens of thousands, and violent crackdowns by government security forces and affiliated “revolutionary committees,” possibly including forces brought in from other parts of the country, reportedly continued. While unrest intensified in Benghazi and other parts of eastern Libya, Tripoli and most of western Libya reportedly remained under tighter government control until February 20. On February 17, Libyan state television broadcast images of Muammar al Qadhafi driving through Tripoli and rallying thousands of ostensible supporters. Other pro-Qadhafi rallies were reportedly organized throughout the country.<sup>36</sup>

The ongoing unrest in Libya can be traced back to mid-January 2011, as part of the region-wide wave of popular protests—beginning in Tunisia in December 2010—against repression, political corruption, and poor and/or inequitable economic conditions. Although the Libyan government announced housing benefits and price controls,<sup>37</sup> and released 110 members of the opposition Libyan Islamic Fighting Group (see “Libyan Islamic Fighting Group (LIFG)” below) in attempts to placate popular discontent, grievances persisted. They were possibly fueled by the other protests taking place throughout the region, particularly in Libya’s eastern neighbor Egypt, where the military took power from President Hosni Mubarak on February 11. On the evening of February 15, the demonstrations that led directly to the uprising began when several hundred people gathered in front of the Benghazi police headquarters to protest the arrest of attorney and human rights activist Fethi Tarbel. As the February 17 “day of rage” neared, protests escalated in Benghazi and other cities despite reported police attempts at dispersion with water cannons, tear

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<sup>32</sup> P.L. 104-172 remains in force in amended form. Following the 1996 deletion of provisions relating to Libya, it was renamed the “Iran Sanctions Act.”

<sup>33</sup> See Khaled Mahmoud, “Gaddafi ready for Libya’s ‘Day of Rage,’” *Asharq al Awsat* (English), February 9, 2011. The “day of rage” also commemorated anti-government protests held exactly five years before, on February 17, 2006. On that date, demonstrations in Benghazi initially organized to protest the Danish cartoons depicting the Muslim prophet Muhammad turned into anti-government protests and led to protestors setting fire to the Italian consulate. Libyan security forces killed at least nine protestors.

<sup>34</sup> These cities include Al Bayda, Darnah, and Ajdabiya.

<sup>35</sup> Tahani Karrar-Lewsley, “Human-Rights Groups Say Dozens Have Died in Libya,” *Wall Street Journal*, February 18, 2011.

<sup>36</sup> *Ibid.*

<sup>37</sup> “Libya sets up \$24 bln fund for housing,” *Reuters*, January 27, 2011.

gas, rubber bullets, and batons. There were multiple reports of protestors setting government buildings on fire.

Qadhafi reportedly had privately warned Libyan political activists and media figures that the government would hold them responsible for any disturbance of the peace.<sup>38</sup> Additionally, the London-based, Saudi-financed Arab news source *Asharq al Awsat* reported on February 9 that “Libyan activists have claimed that the Libyan intelligence service has been carrying out a large-scale campaign to shut down Libyan websites based outside of the country due to their ongoing coverage of the situation in Libya.”<sup>39</sup>

## Other Recent Developments

The Obama Administration’s FY2011 foreign assistance request for Libya included the following items: \$250,000 in Foreign Military Financing (FMF), \$350,000 for International Military Education and Training (IMET), and \$275,000 in counterterrorism and border security assistance (Nonproliferation, Anti-terrorism, Demining, and Related Programs, or NADR). The Administration has not published its specific requests for Nonproliferation Disarmament Fund (NDF) or Global Threat Reduction (GTR) programs, Middle East Partnership Initiative programs, or Trans-Saharan Counterterrorism Partnership programs involving Libya. The State Department estimated during FY2010 that the U.S. government would spend at least \$780,000 on Libya programs that year.

In August 2009, Scottish authorities released convicted Pan Am 103 bomber Abd al Baset Ali al Megrahi on compassionate grounds in light of his diagnosis with terminal prostate cancer and a medical prognosis that reportedly projected that he would die within three months. His release was highly controversial, and outrage among some parties in the United Kingdom and United States grew after Megrahi was greeted publicly by a cheering crowd upon his arrival in Tripoli. Megrahi remains ill, but has survived longer than the reported prognosis used to justify his release, leading members of the Scottish parliament to demand that their government provide further information about the medical advice it relied upon as well as about Megrahi’s current medical condition. The U.S. Department of Justice Foreign Claims Settlement Commission (FCSC) is currently accepting and adjudicating various categories of terrorism-related claims in accordance with the 2008 U.S.-Libya Claims Settlement Agreement and State Department letters of referral. This includes claims related to the Pan Am 103 bombing.

Megrahi’s disputed release immediately preceded the September 2009 visit of Muammar al Qadhafi to New York for the United Nations General Assembly; that visit in turn fueled controversy over the Libyan leader’s accommodation during his stay and his remarks at the meeting. New scrutiny of the release emerged in July 2010, when four U.S. Senators wrote to Secretary of State Hillary Clinton urging the State Department to investigate claims that BP plc sought to influence the decisions of the governments of the United Kingdom and Scotland concerning Megrahi’s release. Those claims and responses from the relevant parties are reviewed below (see “BP plc and UK-Libya Prisoner Transfer Agreement”).

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<sup>38</sup> Mahmoud, op. cit.

<sup>39</sup> Ibid.

In October 2009, Qadhafi called for his relatively reform-oriented son, Sayf al Islam, to take a leadership position in the country. Sayf subsequently was appointed General Coordinator of the Popular Social Command, a position which, before the 2011 uprising, was set to give him substantive executive and oversight authority as the equivalent of head of state. Sayf's support of the regime's crackdown against the uprising is likely to undo the perceptions of some who may previously have been open to accepting his reformist credentials.

The appointment followed months of speculation about whether or not Sayf had fallen irreparably out of favor among his father's more conservative supporters. Mutassim al Qadhafi, another of the leader's sons, visited Washington in April 2009 in his official capacity as his father's national security adviser. He appeared publicly with U.S. Secretary of State Hillary Clinton, with whom he reportedly discussed security cooperation, among other issues.

## **Political and Economic Profile**

### **Muammar al Qadhafi: A Profile**

Muammar al Qadhafi was born in 1942 near the central coastal city of Sirte. His Arabized Berber family belongs to the relatively small Qadhafa tribe, and his upbringing was modest. As a young man Qadhafi identified strongly with Arab nationalist and socialist ideologies espoused by leaders such as Egypt's Gamal Abdel Nasser. Although he was excluded from the elite Cyrenaica Defense Forces on a tribal basis during the Libyan monarchy period (see **Appendix A**), Qadhafi was commissioned as a regular army captain following stints at the Libyan military academy in Benghazi and the United Kingdom's Royal Military Academy at Sandhurst. Following his return to Libya, he led the September 1, 1969, overthrow of the Libyan monarchy with a group of fellow officers. He was 27 years old.

Qadhafi has proven to be a controversial, complex, and contradictory political survivor during his long reign in Libya, in spite of numerous internal and external challenges to his rule. He has exercised nearly complete, if, at times, indirect political control over Libya over the last 30-plus years by carefully balancing and manipulating complex patronage networks, traditional tribal structures, and byzantine layers of national, regional, and local governance. Libya's foreign and domestic policies nominally have been based on his personal ideology. In the past, Qadhafi and his supporters have imposed his theories with realistic purpose and precision, not hesitating to crush coup attempts, assassinate dissidents abroad, or sponsor violent movements and terrorist attacks against Libya's perceived external enemies. He has apparently taken similar actions in response to the 2011 uprising against his rule, as described above.

Personally, Qadhafi often is described as mercurial, charismatic, shrewd, and reclusive. He is married and has eight children: seven sons and one daughter. An April 1986 U.S. air strike in retaliation for a Libyan-sponsored anti-American bombing in Berlin hit one of his homes in Tripoli, killing his adopted infant daughter and hospitalizing members of his immediate family. The incident reportedly continues to be a source of personal anger and resentment for Qadhafi: he has preserved the bombed-out ruins of the home in the military compound where it stood, and he remarked on the death of President Ronald Reagan in 2004 that the former U.S. President had



died before he could be prosecuted for the “ugly crime that he committed in 1986 against the Libyan children.”<sup>40</sup>

## **Political Dynamics**

Libya’s often contradictory political dynamics are a product of competing interest groups seeking to influence policy within the confines of the country’s authoritarian political system and amid Libya’s emergence from international isolation. Elements of Muammar al Qadhafi’s ideology permeate political discourse on many security and foreign policy issues, while in other cases, such as economic reform, new frameworks are being embraced to meet society’s current and changing needs. The legacies of colonial occupation and Libya’s struggle for independence continue to influence Libyan politics; rhetorical references to preserving sovereignty and resistance to foreign domination are common in political statements. Most Libyans also accept a prominent role for Islamic tradition in public life: Islam is the official religion and the Quran is the basis for the country’s law and its “social code.”

Tribal relationships remain important, particularly with regard to the distribution of leadership roles in government ministries and in political-military relations. Tribal loyalties remain strong within and between branches of the armed services, and members of Qadhafi’s tribe, the Qadhafa, have held many high-ranking government positions, reportedly including key positions in the air force. Members of larger, rival tribes, such as the Warfalla, have opposed the regime on grounds of tribal discrimination. Some Libyan military and security officials staged limited, unsuccessful coup attempts against Qadhafi in 1993 and 1996 based in part on tribal and familial rivalries. The Qadhafi government has performed periodic reassignments and purges of the officer corps to limit the likelihood of organized opposition reemerging from within the military. However, these political considerations have affected the military’s preparedness and war fighting capability.

Political parties and all opposition groups are banned in Libya under law number 71 of 1972. Formal political pluralism is frowned upon by many members of the ruling elite, even as an increasing number of regime figures advocate for greater popular participation in existing government institutions. Prior to the 2011 uprising, opposition groups, most notably the Muslim Brotherhood, appear to have shifted their political strategies toward gradual attempts to influence national policy making in contrast to others’ confrontational efforts to change the makeup of the regime. Prominent figures in Libyan politics include Muammar al Qadhafi’s son Sayf al Islam al Qadhafi,<sup>41</sup> General People’s Committee Secretary Al Baghdadi Ali al Mahmudi, National Oil Company chief Shukri Ghanem, Foreign Minister Musa Kusa, and prominent members of the security establishment, including army leader and original RCC member Abu Bakr Younis Jaber.

## **Government Structure**

Libya has a unique political system composed of nominally decentralized and participatory levels of government. Muammar al Qadhafi and his closest supporters exercise final authority over

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<sup>40</sup> Khaled El-Deeb, “Gadhafi: Regrets Reagan Died Before Being Tried for 1986 Air Strikes on Libya,” *Associated Press*, June 6, 2004.

<sup>41</sup> For a detailed profile of Sayf al Islam al Qadhafi and a discussion of questions about the possibility of his succeeding his father, see Yehudit Ronen, “Libya’s Rising Star: Said Al-Islam and Succession,” *Middle East Policy*, Vol. XII, No. 3, Fall 2005, pp. 136-44.

domestic and foreign policies by means of their control of the implementation mechanisms of the national government—the sizeable military and security apparatus and a handful of powerful ministries. Qadhafi’s ideological emphasis on “the authority of the people” is the stated basis for the operation of Libya’s multiple levels of government. Although participation in these institutions is mostly open and political leaders routinely encourage citizens to take part in their deliberations, most external observers regard Libya’s political system as largely authoritarian and undemocratic. The U.S. State Department’s annual human rights reports document ongoing restrictions on political life and human rights in Libya (see “Political Reform and Human Rights” below).

### **The “Authority of the People”**

A hierarchy of “people’s congresses” make up Libya’s government and serve as venues for the exercise of “popular authority” as defined by Muammar al Qadhafi’s ideology. At the local level, citizens meet in Basic People’s Congresses to appoint representatives to regional and ultimately the national General People’s Congress. Participation in the basic congresses is open to all Libyan citizens, although participation rates are notoriously low and Qadhafi regularly makes public statements expressing his disappointment with participation levels and urging broader popular involvement in public affairs. At the March 1, 2000, session of the General Peoples’ Congress, Qadhafi abolished the positions of 12 General People’s Committee (cabinet-equivalent) secretaries and reassigned their duties to provincial committees. Secretariats of foreign affairs, justice, public security, and finance remained under the authority of the centralized General People’s Committee. Some experts have argued that the decentralization was designed to deflect popular criticism from the central government and further dilute political opposition within the country.

In March 2006, the Libyan government announced the replacement of Secretary (prime minister-equivalent) of the General People’s Committee Shukri Ghanem by former Health Minister Al Baghdadi Ali al Mahmudi. A cabinet reshuffle and the creation of seven new ministries also were announced. The replacement of the reform-oriented Ghanem was interpreted by some observers as an effort by conservative and hard-line elements of the Libyan political establishment to reassert control over the speed and direction of Libya’s reform efforts. Ghanem now serves as the director of the National Oil Company, where he is involved with ongoing international bidding for oil exploration and production-sharing agreements. A further reshuffle in March 2009 elevated longtime intelligence chief Musa Kusa to the position of Foreign Minister, and further changes in the leadership of the General People’s Congress were enacted in January 2010.

### **Proposals for the Dissolution of State Ministries and Revenue Distribution**

In March 2008, Qadhafi announced his intention to dissolve most government administrative bodies and institute a Wealth Distribution Program whereby state oil revenues would be distributed to citizens on a monthly basis for them to administer personally, in cooperation with and via local committees.<sup>42</sup> Citing popular criticism of government performance in a long, wide-ranging speech, Qadhafi repeatedly stated that the traditional state would soon be “dead” in Libya and that direct rule by citizens would be accomplished through the distribution of oil revenues.

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<sup>42</sup> *BBC Monitoring Middle East*, “Libyan leader says cabinet must be dismantled,” March 2, 2008; and, “Libyan Leader Addresses Libyan People’s Congress; Dissolves Cabinet,” OSC Report GMP20080305864001, March 3, 2008.

Defense, foreign affairs, security, and oil production arrangements reportedly would remain national government responsibilities, while other bodies would be phased out. In early 2009, Libya's Basic People's Congresses considered variations of the proposals, and the General People's Congress voted to delay implementation. Prior to the 2011 uprising, there was no indication that action on the initiative was forthcoming.

## **Opposition Groups**

As has been seen during the 2011 uprising discussed above, the government has dealt harshly with opposition leaders and groups over the last four decades, establishing special "people's courts" and "revolutionary committees" to enforce ideological and political discipline and to punish violators and dissidents. Abroad, Libyan intelligence personnel have monitored, harassed, and, in some cases, assassinated expatriate dissidents, some of whom were referred to as "stray dogs." In past years, some in the Libyan establishment have reached out to opposition figures and exiles, facilitating engagement and negotiating the return of some former regime opponents to Libya.

Libya's myriad opposition movements can be categorized broadly as Islamist, royalist, or democratic in orientation. However, prior to the 2011 uprising, their activities and effectiveness had been largely limited by disorganization, rivalry, and ideological differences. New efforts to coordinate opposition activities had begun in response to Libya's reintegration to the international community and the emergence of a broader political reform debate in the Arab world, and gained momentum with the outbreak of region-wide protests and political change in late 2010 and early 2011. Nevertheless, the extent of coherent organization or coordination among the anti-regime forces involved in the 2011 uprising is unclear.

## **Exiles**

In the past, government officials and intelligence operatives have monitored and taken violent action against expatriate opposition groups and leaders, including in Europe and the United States. Clandestine opposition groups also have carried out assassinations and attacks against Libyan government officials abroad. Opposition groups in exile include the National Alliance, the Libyan National Movement (LNM), the Libyan Movement for Change and Reform, the Islamist Rally, the National Libyan Salvation Front (NLSF), and the Republican Rally for Democracy and Justice. A royalist contingent based on the claim to the throne by Mohammed al Sanusi, the grandson of the former king, is based in London. These groups and others held an opposition conference—known as the National Conference for the Libyan Opposition (NCLO)—in July 2005 in London and issued a "national accord," calling for the removal of Qadhafi from power and the establishment of a transitional government.<sup>43</sup> A follow-up meeting was held in March 2008.<sup>44</sup> The NCLO reportedly helped lead the call for the February 17, 2011, "day of rage" that helped catalyze protests into a full-blown uprising against the Qadhafi regime (see "The Uprising's Origins" above).

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<sup>43</sup> May Youssef, "Anti-Gaddafists Rally in London," *Al Ahrum Weekly (Cairo)*, No. 749, June 30 - July 6, 2005; *Al Jazeera (Doha)*, "Opposition Plans to Oust Al Qadhafi," June 25, 2005; *Middle East Mirror*, "Libya's Fractured Opposition," July 29, 2005.

<sup>44</sup> "Libyan Opposition Groups Meet in London To Reiterate Commitment To Save Libya," OSC Report GMP20080329825012, March 29, 2008.

In a September 2005 interview, then-Foreign Minister Abd al Rahman Shalgam characterized some of the regime's expatriate opponents as individuals who fled the country after committing economic crimes or collaborating with foreign intelligence services. He then invited any expatriate dissidents who had not committed crimes to return to Libya.<sup>45</sup> In August 2005, the government announced the return of 787 exiles who agreed to reconcile with the Qadhafi regime.<sup>46</sup> Regional observers characterized the return of prominent dissidents in August 2006 as evidence of an unofficial reconciliation program between the Libyan government and its expatriate opponents.<sup>47</sup> The Qadhafi Development Foundation reportedly facilitated the return of a group of 33 exiles in January 2010.<sup>48</sup>

## **The Muslim Brotherhood**

Like other political organizations and opposition groups, the Muslim Brotherhood is banned in Libya under law number 71 of 1972. Since the late 1940s, when members of the Egyptian Muslim Brotherhood first entered Libya following a crackdown on their activities, the Libyan Muslim Brotherhood has existed as a semi-official organization. Hundreds of Brotherhood members and activists were jailed in 1973, although the Brotherhood eventually reemerged and operated as a clandestine organization for much of the following two decades. In 1998, a second round of mass arrests took place, and 152 Brotherhood leaders and members were arrested. Several reportedly died in custody, and, following trials in 2001 and 2002, two prominent Brotherhood leaders were sentenced to death and over 70 were sentenced to life in prison. The government announced a retrial for the imprisoned Brotherhood activists in October 2005, and in March 2006, the group's 84 remaining imprisoned members were released.<sup>49</sup>

The controller general of the Libyan Muslim Brotherhood, Suleiman Abdel Qadir, describes the Brotherhood's objectives as peaceful and policy-focused, and has called for the cancellation of laws restricting political rights.<sup>50</sup> Sayf al Islam al Qadhafi has reached out to the Libyan Muslim Brotherhood by publicly characterizing the organization as nonviolent and non-sectarian. Abdel Qadir responded to political reform statements by Sayf al Islam al Qadhafi in 2007 with calls for more inclusive, consultative decision making.<sup>51</sup> In a November 2008 interview with Qatar-based satellite television channel *Al Jazeera*, Abdel Qadir expressed appreciation for the younger Qadhafi's attempt, while noting that the fact that outreach has taken place under the auspices of the Qadhafi Foundation and not through official state organs undermines their significance. He also repeated calls for reform and reconciliation aimed at creating a constitution and protecting civil rights for Libyans.<sup>52</sup>

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<sup>45</sup> "Libya's Shalgam on Ties With US, S. Arabia, Opposition," OSC Report GMP20050924512001, September 24, 2005.

<sup>46</sup> *UPI*, "Libya Says Hundreds Return From Exile," August 20, 2005.

<sup>47</sup> Khalid Mahmoud, "Libya: Surprise Return of More Opponents Following Secret Contacts," *Al Sharq al Awsat* (London), August 19, 2006.

<sup>48</sup> "Libyan Opposition Members Reportedly Return Home," OSC Report GMP20100102950009, January 2, 2010.

<sup>49</sup> Afaf El-Geblawi, "Libya Frees All Jailed Muslim Brotherhood Members," *Agence France Presse*, March 3, 2006.

<sup>50</sup> "Al Jazirah TV Interviews Libyan Muslim Brotherhood Leader on Current Situation," OSC Report - GMP20050803550006, August 3, 2005.

<sup>51</sup> "Libyan MB Concerned Over Sayf al-Islam's Statements Regarding New Constitution," OSC Report - GMP20070830282001, August 30, 2007.

<sup>52</sup> "Libyan Muslim Brotherhood Official on Libya's Foreign, Domestic Politics," OSC Report - GMP20081111635001, November 10, 2008.

## Libyan Islamic Fighting Group (LIFG)

The Libyan Islamic Fighting Group (LIFG) is a violent Islamist movement opposed to the Qadhafi government. Its imprisoned leaders have been engaged in a dialogue with the Qadhafi Foundation for several years, and over 200 LIFG members have been released, including 110 at the outset of the 2011 uprising. In 2009, some of the group's leaders issued a lengthy series of writings, referred to as "the recantations," outlining their rejection of the use of violence (see below). However, Libyan and U.S. concerns about LIFG's domestic and international activities persist. According to the Department of State, the LIFG has attempted to assassinate Qadhafi, most recently in 1996, and may have participated in the planning of the May 2003 suicide bombings in Casablanca, Morocco.<sup>53</sup> The group's reported ties with Al Qaeda came under scrutiny in July 2009 after group members based in Britain reportedly renounced the group's affiliation with Al Qaeda, and contrasted the LIFG with others who use indiscriminate bombing and target civilians. In November 2007, Al Qaeda figures Ayman al Zawahiri and Abu Layth al Libi announced the merger of the LIFG with Al Qaeda, which many terrorism analysts viewed at the time as having political rather than operational relevance.<sup>54</sup> Al Libi was killed in an air strike in Pakistan in February 2008.

### *Al Qaeda Affiliation and Recantations*

In a July 2009 statement, LIFG members in Britain characterized the November 2007 Al Qaeda affiliation announcement from Al Libi as "a personal decision that is at variance with the basic status of the group," and sought to "clearly emphasize that the group is not, has never been, and will never be, linked to the Al Qaeda organization."<sup>55</sup> The statement stressed that LIFG members abroad support "the dialogue underway between the group's leadership and the Libyan regime if it should lead to an end to bloodletting, the release of prisoners, the spreading of security and justice, the reunion of families, and to permitting preaching, educational, and political activities." The statement warned that the group would "preserve [its] lawful and natural right to oppose the regime if it does not turn its back on its previous policy that has led to tension and deadlock."

Sayf al Islam al Qadhafi oversaw an effort to engage with LIFG leaders in an effort to encourage them to renounce violence and links with other violent groups. Reports on the dialogue suggested it was similar to processes in other countries such as Egypt and Saudi Arabia. In 2009, the government and the LIFG reached an agreement in which LIFG leaders renounced violence against the Libyan state, and, later in 2009, the dialogue resulted in the issuance of written "recantations" of the LIFG's former views on religion and violence.<sup>56</sup> In October 2009, over 40 LIFG prisoners were released, alongside other Islamists.

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<sup>53</sup> U.S. Department of State, "Libya," *Country Reports on Terrorism 2004*, April 2005.

<sup>54</sup> "Al-Zawahiri, Al-Libi: Libyan Islamic Fighting Group Joins Al-Qa'ida," OSC Report - FEA20071104393586, November 3, 2007.

<sup>55</sup> "Libyan Islamic Fighting Group Abroad Issues Statement Supporting Regime Dialogue." OSC Report - GMP20090703825003, July 3, 2009.

<sup>56</sup> "Report on 'Seething Anger' in Libya Over Dismantling Al Qa'ida-Linked Cells," OSC Report GMP20080630825001 June 30, 2008; "Libya: Jailed Islamic Group Leaders 'Preparing' To Renounce Armed Violence," OSC Report GMP20080706837002, July 6, 2008; "Libyan Islamic Fighting Group Source Announces Ideology Revision Nearly Complete," OSC Report GMP20090615825012, June 15, 2009; and OSC Reports, GMP20090911452001, GMP20090911452002, GMP2009091145200, GMP20090910488004, GMP20090911452004, GMP20090915452001, "Libyan Newspaper Publishes Libyan Fighting Group Retractions," September 2009.

The United States froze the LIFG's U.S. assets under Executive Order 13224 in September 2001, and formally designated the LIFG as a Foreign Terrorist Organization in December 2004. In February 2006, the U.S. Department of the Treasury designated five individuals and four entities in the United Kingdom as Specially Designated Global Terrorists for their role in supporting the LIFG.<sup>57</sup> On October 30, 2008, Treasury designated three more LIFG financiers.<sup>58</sup> Some observers characterized the designations as a U.S. gesture of solidarity with the Libyan government and argued that the ability and willingness of the LIFG to mount terror attacks in Libya may have been limited. Others claimed that some LIFG fighters were allied with other violent Islamist groups operating in the trans-Saharan region, and cited evidence of Libyan fighters joining the Iraqi insurgency as an indication of ongoing Islamist militancy in Libya and a harbinger of a possible increase in violence associated with fighters returning from Iraq.<sup>59</sup> Prior to the 2011 uprising that began in eastern Libya, reports suggested that the region could be a stronghold for LIFG members and other extremist groups that might pose a threat to Libya's security.

## **Political Reform and Human Rights**

The 2009 U.S. Department of State report on human rights in Libya (released March 11, 2010) characterizes Libya's human rights record as "poor."<sup>60</sup> According to the report:

Continuing problems included reported disappearances; torture; arbitrary arrest; lengthy pretrial and sometimes incommunicado detention; official impunity; and poor prison conditions. Denial of fair public trial by an independent judiciary, political prisoners and detainees, and the lack of judicial recourse for alleged human rights violations were also problems.<sup>61</sup>

The report also stated that "security personnel reportedly routinely tortured prisoners during interrogations or as punishment," but added that reports of instances of torture had declined over the last year according to foreign observers. The Qadhafi Development Foundation's Human Rights Society issued a report in December 2009 stating that the Society had "received a large number of complaints regarding cases of torture, ill-treatment, unlawful and unjustified detention, denial of freedom, and a clear premeditated violation of the law."

Between 2003 and the 2011 uprising, Libyan political figures, including Muammar al Qadhafi and his son Sayf al Islam al Qadhafi, made a series of public statements and policy announcements in an effort to repair Libya's reputation with regard to human rights practices. Some tangible steps were taken, and Libyan authorities reported that legal reforms were underway to possibly improve the protections and rights afforded to citizens. Judicial entities associated with human rights abuses and political control in the past, such as "revolutionary courts" and "people's courts," reportedly were dismantled. As a result, some observers expressed cautious optimism that political, social, and religious freedom would improve in Libya. Others

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<sup>57</sup> U.S. Department of the Treasury, "Treasury Designates UK-Based Individuals, Entities Financing Al Qaida-Affiliated LIFG," JS-4016, February 8, 2006.

<sup>58</sup> U.S. Department of the Treasury, "Three LIFG Members Designation for Terrorism," HP-1244, October 30, 2008.

<sup>59</sup> Alison Pargeter, "Militant Groups Pose Security Challenge for Libyan Regime," *Janes Intelligence Review*, Vol. 17, No. 8, August 2005, pp. 16-19.

<sup>60</sup> U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, Country Reports on Human Rights Practices, Libya - 2009, March 11, 2010.

<sup>61</sup> *Ibid.*

continued to warn that such reforms might have been merely cosmetic and meant to support the government's efforts to improve its domestic legitimacy and international standing.

A December 2009 *Human Rights Watch* report concluded that

the past five years have witnessed an improvement in the human rights situation, though far less than promised or required. There are less frequent reports of arbitrary arrests and enforced disappearances compared to the two previous decades. There has been greater tolerance of freedom of expression and some progress in addressing gross violations of the past, though this remains very unpredictable.<sup>62</sup>

As discussed above, a number of U.S. and international officials, human rights organizations, media sources, analysts, and other eyewitnesses have alleged that the Qadhafi regime has violated human rights laws and norms by reason of its violent crackdown against the 2011 uprising. Many believe that outside intervention of some kind is advisable or necessary in order to prevent a further escalation of violence, bloodshed, and human rights abuses.

## **Legal and Institutional Reform**

Libyan law prohibits the activities of all political opposition groups and restricts the free exercise of speech and the press.<sup>63</sup> Since Qadhafi's 1969 coup, little legal recourse has been available to citizens accused of political crimes. Nevertheless, officials had announced plans to embark upon a full review of the country's Penal Code and Code of Criminal Procedure to eliminate restrictive laws regarding political activity. Sayf al Islam al Qadhafi also had called for a constitution to clarify the power of different legislative, executive, and judicial institutions in Libya and had endorsed ongoing legal reforms as a means to "provide a free environment that is suitable for a normal political life."<sup>64</sup> He renewed these calls in an August 2007 speech and indicated that a constitutional drafting process would begin. The speech called for the guarantee of "independent institutions," including the central bank, the supreme court, the media, and civil society. He also outlined four "red lines" to guide reform efforts: Islamic law, the territorial integrity of Libya, security and stability, and "Muammar al Qadhafi."<sup>65</sup>

In support of the reform efforts, some institutional changes had been instituted to improve political and human rights conditions. In March 2004, the General People's Committee Secretariat of Justice and Public Security was split into two separate secretariats in an effort to establish greater judicial independence. In January 2005, the General People's Congress approved a law abolishing judicial institutions known as "people's courts" and "revolutionary courts" that tried suspected regime opponents, sometimes in secret. International human rights organizations

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<sup>62</sup> Human Rights Watch, "Truth and Justice Can't Wait: Human Rights Developments in Libya Amid Institutional Obstacles," December 12, 2009. Available at <http://www.hrw.org/node/87097>.

<sup>63</sup> According to the U.S. State Department, Libyan law provides for freedom of speech "within the limits of public interest and principles of the Revolution." In practice, criticism of the government and Qadhafi are restricted and often punished. By law, most print and broadcast media in Libya are owned and operated by government authorities, and the activities of private newspapers and broadcasters have come under scrutiny since early 2009, when outlets that had been given limited space to practice independent journalism were renationalized. Satellite television and Internet access are limited and partially censored.

<sup>64</sup> "Libyan Leader's Son on Call to Reopen Human Rights Files," OSC Report - GMP20050820537003, August 20, 2005.

<sup>65</sup> "Libyan Leader's Son Outlines his Version of Democracy," OSC Report - GMP20070823950058, August 20, 2007.

welcomed the abolition of the people's court system as an "important step" and urged Libyan authorities to grant new trials to prisoners convicted by the courts, including several who were convicted in late 2004. In December 2009, the Qadhafi Development Foundation called for the abolition of the State Security Court, which had in some instances assumed the former activities of the people's court system.

## **Human Rights Monitoring**

The Libyan government has not permitted the establishment of independent human rights organizations but invited international human rights groups Amnesty International and Human Rights Watch to Libya for the first time in 15 years in 2004. In late 2004 and early 2005, representatives from both organizations toured various security facilities and prisons and met with selected imprisoned dissidents. A January 2006 Human Rights Watch report based on research conducted during the visit concluded that "Libyan leader Muammar al Qadhafi and his inner circle appear unwilling to implement genuine reform, especially in the areas of free expression and association," although the Libyan government had taken "some positive steps" to improve human rights conditions since 2003.<sup>66</sup> Sayf al Islam al Qadhafi had publicly supported a pro-human rights agenda and created the Human Rights Society to operate under the auspices of the Qadhafi Development Foundation.

## **Fathi al Jahmi**

The death of Fathi al Jahmi, Libya's most internationally recognized political prisoner, shortly after his release from Libyan custody in May 2009, brought a negative end to a long-running issue of contention in U.S.-Libyan relations. Al Jahmi was imprisoned in 2002 after publicly calling for elections and press reforms and for criticizing Muammar al Qadhafi and the government. President George W. Bush praised Al Jahmi's subsequent release in March 2004 under a suspended sentence, but Al Jahmi was soon rearrested after he repeated his calls for reform and expanded his criticism of Qadhafi in interviews with regional satellite channels, including U.S.-funded *Al Hurra*. Al Jahmi subsequently was detained and remained in ill health throughout his detention. Bush Administration officials repeatedly called for Al Jahmi's release,<sup>67</sup> and U.S. officials, including Secretary of State Condoleezza Rice, reportedly raised the issue in private with their Libyan interlocutors.<sup>68</sup> On March 17, 2009, U.S. State Department spokesman Robert Wood stated that the Obama Administration continued to call for Al Jahmi's "unconditional release, as well as his ability to travel and seek medical care where he wishes." In response to the news of his death, State Department spokesman Ian Kelly said, "we had welcomed his release to Jordan. We regret that his poor state of health, however, did not allow him to fully recover upon transfer."

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<sup>66</sup> *Human Rights Watch*, "Libya: Words to Deeds The Urgent Need for Human Rights Reform," Volume 18, No. 1(E), January 2006.

<sup>67</sup> On March 31, 2008, the U.S. Department of State issued a statement urging "the Libyan government to fulfill their promise to release without condition" prominent political activist Fathi al Jahmi. U.S. Department of State Deputy Spokesman Tom Casey, Press Statement: Washington, DC, March 31, 2008.

<sup>68</sup> Issues Related to United States Relations With Libya On-the-Record Briefing Washington, DC, May 15, 2006.



## **Libyan Foreign Policy**

Libyan foreign policy since the 1990s has been defined by a shift from engagement with other Arab states to a greater focus on Africa. The prominent role played by Libyan leader Muammar al Qadhafi has ensured that foreign relations remain personality driven, somewhat unpredictable, and characterized by close relationships with non-state actors and opposition movements in a number of neighboring states. As discussed above, in recent years, Qadhafi publicly maintained his opposition to Arab engagement with Israel in the face of continued Israeli military occupation and settlement activity in the West Bank. He also called for a “one state solution” based on reconciliation between the Israeli and Palestinian people within a single state, which he proposes be called “Isratine.” Qadhafi has criticized the Arab League’s Arab Peace Initiative, arguing that it does not represent the views of all Arabs and would be detrimental to the interests of Palestinians.

Qadhafi’s diplomatic engagement in Africa remained active through early 2011, particularly his efforts to mediate between governments and rebel factions in neighboring Sudan, Niger, and Chad and his proposals for the establishment of an United States of Africa, which many African leaders consider quixotic and regard with suspicion. Qadhafi’s term as chairman of the African Union during 2009 created opportunities for him to advocate for greater African unity and for a more powerful voice for the African Union in international bodies. However, his attempts to extend his tenure as chairman were unsuccessful.

Prior to the 2011 uprising, Libyan defense officials informed their U.S. Defense Department counterparts that the Libyan government opposed the potential introduction of non-African military forces to the continent on a permanent basis. Libyan officials reportedly supported the proposed security capacity building mission of the new U.S. Africa Command (AFRICOM), if only in general terms.<sup>69</sup> The Arab Maghreb Union, of which Libya is a member, rejected the presence of foreign military forces on its members’ territory at a 2007 summit in Rabat, a move seen as underscoring Libya’s opposition to stationing of U.S. forces in North Africa under the new command.<sup>70</sup> AFRICOM’s Deputy for Military Operations, Rear Admiral Robert Moeller, has stated that “U.S.-AFRICOM does not need to station large operational units across the African continent,” and that “small numbers of forces will come to the continent to do a particular activity and then ... depart.”<sup>71</sup> AFRICOM Commander General William “Kip” Ward met with Qadhafi in Libya in May 2009, and then-U.S. Ambassador to Libya Gene Cretz indicated during a March 2010 trip to Washington, DC, that U.S.-Libya military dialogue would begin in earnest in 2010. U.S.-Libya military relations following the 2011 uprising will likely depend on the uprising’s outcome and possibly a number of other factors within Libya, regionally, and internationally.

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<sup>69</sup> Testimony of Theresa M. Whelan, Deputy Assistant Secretary of Defense for Africa before the Africa and Global Health Subcommittee of the House Foreign Affairs Committee, August 2, 2007.

<sup>70</sup> Libyan Foreign Minister Abd al Rahman Shalgam stated, “The Arab Maghreb Union (AMU) will not allow the presence of any foreign soldier on its soil, because people in this region object to that, the authorities are not thinking of such presence and even others are aware of the fact that this region will not accept the presence of any kind of foreign troops on its territory.” “Libyan Foreign Minister on Maghreb Union, US Military Command in Africa,” OSC Report GMP20071201950028, November 30, 2007.

<sup>71</sup> *Voice of America*, “U.S. Military Delegation in Nigeria for AFRICOM Talks,” November 29, 2007.

## Energy and the Libyan Economy

Until the discovery of oil in 1959, Libya's economic viability was seriously questioned by many outside observers. Foreign aid and subsidies largely supported the national budget, until the introduction of massive amounts of oil revenue transformed the country's economy and social fabric. Following the September 1, 1969, military coup, Qadhafi and his government restructured Libya's economy along socialist lines, placing a heavy emphasis on national management of industry and resource allocation. However, the economy remained highly dependent on oil revenue and thus highly vulnerable to fluctuations in global oil prices.<sup>72</sup> The government had announced its intention to reverse state ownership trends associated with the country's long experiment with socialism. Economic diversification and resource management remain challenges for the government and private sector as they seek to revive the economy and capitalize on interest from foreign investors.

Oil revenue has been the lifeblood of the Libyan economy and government since exports began in 1961, constituting an estimated 80% of Libya's government revenue<sup>73</sup> and 55% of its gross domestic product. Rising oil prices through mid-2008 spurred corresponding growth in the economy. Libyan leader Muammar al Qadhafi stated that Libyans have been "very happy" with higher price levels in the global oil market, although he underlined the importance of creating alternative sources of revenue and economic growth in public statements.<sup>74</sup> Maintaining hydrocarbon exports and general economic stability amid and following the 2011 uprising—particularly given the likelihood of substantial casualties, population displacement, disruption of normal life, property damage, and possibly long-term political instability—could present a significant challenge for Libya.

## Oil Reserves and Production Capacity

According to *Oil and Gas Journal*, Libya's proven oil reserves are estimated at 43.7 billion barrels (ninth-largest in the world). The Libyan National Oil Company (NOC) manages oil production activity and negotiates exploration and production agreements with foreign companies. Oil exploration and production are carried out on the basis of a 1955 oil law, and Libyan authorities reportedly are drafting a new law to govern production activities and reform the foreign investment approval process. Foreign investment is regulated through exploration and production agreements negotiated by foreign companies and the NOC. In September 2006, Libya established a Council for Oil and Gas Affairs to regulate oil and gas exploration and production and to approve decisions about the development of the oil and gas sector.<sup>75</sup> Most of Libya's oil is exported to Italy, Germany, France, and Spain. However, following the resumption of crude oil exports to the United States in June 2004, oil shipments to U.S. refiners have increased, from

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<sup>72</sup> See Dirk Vandewalle, *Libya Since Independence*, Cornell Univ. Press, Ithaca, 1998.

<sup>73</sup> International Monetary Fund, *Socialist People's Libyan Arab Jamahiriya: 2009 Article IV Consultation—Staff Report*, IMF Country Report No. 09/294, September 2009.

<sup>74</sup> "Libyan Leader Says 'Problems Abroad' Solved," OSC Report GMP20050919710040, September 19, 2005; *Reuters*, "Libya Very Happy With High Oil Prices - Gaddafi," July 4, 2005.

<sup>75</sup> The prime minister serves as the chairman of the Council. Other members include outside experts, the head of the NOC, the ministers of economy, trade, employment, finance, and the central bank governor. Vahe Petrossian, "Libya Sees Panel on the Fast Track," *Upstream*, September 15 2006; and, *Reuters*, "Libya Oil Licensing Round Attracts Many Offers - NOC," September 26, 2006.

56,000 barrels per day in 2005 to an average of 102,000 barrels per day in 2008.<sup>76</sup> In 2009, the average declined slightly to 77,000 barrels per day.<sup>77</sup>

Until recently, Libyan oil production had steadily declined from its peak of 3.3 million barrels per day (b/d) in 1970 due to the deterioration of production equipment and infrastructure related to strict investment controls and international sanctions. According to the U.S. Energy Information Administration, Libya produced an average of 1.88 million barrels per day (b/d) in 2008, which officials have stated is currently the sector's maximum capacity. Since the termination of U.N. and U.S. sanctions in 2003 and 2004, Libya has sought foreign investment to rehabilitate and expand its oil production capacity and expects \$11 billion in oil production related investment from 2005 to 2015. Current government production targets are 2.3 million b/d by 2013.<sup>78</sup>

At the outset of the February 2011 uprising, Russia's Gazprom acquired half of Italian company Eni's operations in Libya's so-called "Elephant" oil field. The acquisition remains subject to Libyan approval.

## **Natural Gas**

Libya's proven natural gas reserves are estimated to be 54 trillion cubic feet, although, like the country's oil reserves, Libya's gas holdings may be significantly higher given the generally under-explored status of Libyan territory. As with oil production, the development of natural gas production and export capacity has been limited by restrictive investment policies and international sanctions. Nevertheless, Libya has been able to use natural gas for some domestic power generation and for limited exports to some European countries. Royal Dutch Shell is currently exploring for natural gas deposits and has developed a plan to upgrade Libya's aging liquefied natural gas plant at Marsa al Brega.<sup>79</sup> Libyan authorities also are reportedly pursuing pipeline agreements with neighboring North African states to improve export access to European markets. In May 2007 representatives from BP plc announced the signing of an extensive natural gas exploration and LNG export agreement with Libya. In July 2008, representatives from Gazprom visited Libya and expressed interest in purchasing Libya's natural gas exports and cooperating with Libya on new natural gas export pipelines to Europe. According to Gazprom, Libya and Gazprom decided "to initiate the thematic negotiations on the purchase of the currently available hydrocarbon volumes from the Libyan party."<sup>80</sup>

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<sup>76</sup> U.S. Energy Information Administration (EIA), *Libya Country Analysis Brief*, July 2009.

<sup>77</sup> CRS calculation based on EIA U.S. Imports by Country of Origin data, Monthly-thousand barrels per day, available at [http://tonto.eia.doe.gov/dnav/pet/pet\\_move\\_impcus\\_a2\\_nus\\_ep00\\_im0\\_mbbldpd\\_m.htm](http://tonto.eia.doe.gov/dnav/pet/pet_move_impcus_a2_nus_ep00_im0_mbbldpd_m.htm).

<sup>78</sup> EIA, *Libya Country Analysis Brief*, July 2009.

<sup>79</sup> WWP *Report on Oil, Gas & Petrochemicals*, "Libya: Multi-billion Dollar Joint Venture Agreement to Modernize Liquefied Natural Gas (LNG) Plant," June 1, 2005.

<sup>80</sup> Polya Lesova, "Gazprom seeks to buy all of Libya's oil, gas exports," *MarketWatch*, July 10, 2008.

# Military Profile and WMD Disarmament

## The Libyan Military

### Structure, Training, and Equipment

Libya's mostly conscripted military forces are small relative to the large amount of weaponry at their disposal (see **Table 1** below). Most outside military analysts regard the training and leadership of Libyan forces as poor and identify a lack of combined arms and joint service planning as factors that limit their overall effectiveness. The Qadhafi government historically has made the acquisition of weapons and equipment a higher priority than training or creating high-quality military support infrastructure.

**Table 1. Libyan Military Personnel**

Service	Personnel
Army (~ half conscript)	50,000
Air Force	18,000
Navy	8,000
Revolutionary Guard Corps	3,000
Reserve People's Militia	40,000
<b>Total</b>	<b>119,000</b>

**Sources:** International Institute for Strategic Studies, *The Military Balance*, February 2010; Jaffee Center for Strategic Studies, "Libya," *Middle East Military Balance*, September 2007.

Libya's army, navy, and air forces are equipped with a broad range of aging Soviet and Eastern Bloc equipment, although the country's poorly maintained inventories also include some U.S. and Western European equipment, including French Mirage fighters and U.S. C-130 transports.<sup>81</sup> Libya's exorbitant military spending in the late 1970s and early 1980s yielded an unmanageable crop of diverse weapon systems from various sources and manufacturers. Purchases declined significantly during the 1990s because of international sanctions, which limited the revenue available for defense spending. Libya's current military leadership presides over a largely stored and surplus catalog of weaponry with poor maintenance records.<sup>82</sup> The military also lacks sufficient numbers of trained personnel to operate the military equipment currently in its possession.

<sup>81</sup> *Facts on File World News Digest*, "U.S. Bars Libya Planes, Training," September 20, 1975; and *Washington Post*, "Libya's Qaddafi Praises Carter, Urges Closer Ties," June 13, 1977. In 2004, Libya sold 40 of its aging Mirage fighters to Pakistan.

<sup>82</sup> Senior Middle East security analyst Anthony Cordesman has described Libya as "the world's largest military parking lot." For a more detailed profile of the Libyan military, see Anthony H. Cordesman, *The Military Balance in the Middle East*, Center for Strategic and International Studies, March 15, 2004, pp. 79-85.

## Arms Sales<sup>83</sup>

The subject of renewed arms sales to Libya remains a sensitive subject in the United States and some European countries whose citizens were killed in Libyan-sponsored terrorist attacks during the 1980s. The European Union lifted its arms embargo against Libya in October 2004. The U.S. ban on export of defense articles lapsed at the end of a 45-day congressional notification period, on June 30, 2006. Prior to the 2011 uprising, Qadhafi reportedly had expressed interest in procuring U.S., European, and Russian weapon systems. France, Spain, Ukraine, and Russia have been among the countries reportedly interested in refurbishing and replacing Libya's weapon stocks.<sup>84</sup> The United Kingdom's Defense Export Services Organization (DESO) reportedly had labeled Libya a "priority" market in documents promoting exports by UK arms manufacturers, and press reports had detailed meetings between DESO representatives and Libyan authorities since 2004.<sup>85</sup>

In August 2007, the European aerospace and defense group EADS signed a contract to provide Milan anti-tank missiles to Libya in the wake of a visit by French President Nicolas Sarkozy to negotiate the release of imprisoned Bulgarian medics. Both sides denied any quid pro quo arrangement. France is upgrading several 1970s era Mirage F-1 fighters in Libyan possession.<sup>86</sup> In conjunction with a state visit by then-Russian President Vladimir Putin in April 2008, a number of potential arms sales were discussed by the Russian press, including fighter aircraft, helicopters, submarines, and sophisticated air defense missiles.<sup>87</sup> In return, Russia agreed to cancel Soviet-era Libyan debt. A November 2008 visit by Muammar al Qadhafi to Russia did not produce any publicly announced weapons sales, creating speculation that the Libyan leader was seeking other sources of new military equipment. A January 2010 visit to Moscow by Libyan military leader Abu Bakr Younis Jaber revived speculation about Libyan purchases of Sukhoi Su-35 and Su-30 fighters, along with advanced air defense systems.

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<sup>83</sup> For a detailed account of Libya's recent military procurement activities, see *Jane's Sentinel Security Assessment - North Africa*, "Procurement - Libya," June 22, 2009.

<sup>84</sup> *AFP*, "French Defence Minister Holds Talks in Libya," February 5, 2005; Andrew Borowiec, "Paris Strengthens Military Ties with Libya," *Washington Times*, February 17, 2005; and *Flight International*, "France Eyes Libyan Deal," August 1, 2006.

<sup>85</sup> Antony Barnett, "MoD targets Libya and Iraq as 'Priority' Arms Sales Targets," *Observer* (London), September 24, 2006; and, *Independent* (London), "MoD targets arms deals with Libya," March 9, 2007.

<sup>86</sup> "Under the negotiated deal, France would supply Libya with 14 Rafale aircraft as part of a larger arms package valued at between \$5.7 billion and \$6.4 billion. *Forecast International Defense Intelligence Newsletters*, "Deadline for Libyan-French Arms Package Negotiations Likely to be Extended," June 12, 2008; Reuben Johnson, "Dassault denies sale of Rafale to Libya is imminent," *Jane's Defence Weekly*, March 26, 2009.

<sup>87</sup> Tor-M1 air defense missiles were reported as part of the potential package along with MiG-29SMT fighter interceptors and Su-30MK multi-mission fighter aircraft. *ITAR-TASS World Service* (Russia), "Russia-Libya military cooperation increasing," April 17, 2008.

## WMD Programs and Disarmament<sup>88</sup>

### Nuclear, Chemical, and Ballistic Missile Programs

Despite Libya's membership in the Nuclear Non-Proliferation Treaty (NPT), Libyan leader Muammar al Qadhafi made several efforts to acquire nuclear weapons related technology assistance, beginning in the early 1970s. The most renowned was his reportedly unsuccessful request for a working nuclear weapon from China in the 1970s. Other unsuccessful attempts to acquire nuclear energy technology useful to the development of nuclear weapons were subsequently made through contacts with the Soviet Union, the United States, France, India, Pakistan, Japan, and Argentina.<sup>89</sup> Nonetheless, most experts agree that Libya never had a dedicated indigenous nuclear weapons program. Over the next 25 years, Qadhafi made several public statements in which he argued that Arab states were compelled to develop their own nuclear weapons capability in response to Israel's development of nuclear weapons.<sup>90</sup> Libya established a small nuclear research reactor at Tajura in 1979 with Soviet assistance, and entered into several rounds of negotiations with Soviet and French authorities for the construction of large nuclear power facilities that were never concluded.

According to several press accounts, Libyan officials reached an agreement with Pakistani nuclear scientist Dr. Abdul Qadeer Khan in 1997 for Khan and his illicit proliferation network to provide the Libyan government with a nuclear weapons design and the uranium enrichment technology it desired. These accounts and International Atomic Energy Agency reports describe how, over the next six years, a complex network of companies and individuals in Malaysia, Switzerland, Pakistan, Spain, Turkey, South Africa, Germany, the United Kingdom, and the United Arab Emirates supplied Libya with uranium enrichment components.<sup>91</sup>

Libya's chemical weapons programs were more advanced and independent than its nuclear weapons development activities. In 1986 and 1987, U.S. officials suspected Libya of using Iranian-supplied chemical weapons against military forces in neighboring Chad and provided the Chadian military with protective equipment to guard against further Libyan attacks.<sup>92</sup> During the

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<sup>88</sup> For a detailed discussion of Libya's WMD programs and disarmament see CRS Report RS21823, *Disarming Libya: Weapons of Mass Destruction*, by Sharon Squassoni.

<sup>89</sup> John K. Cooley, "Qaddafi's Great Aim for Libya is a Nuclear Capability of its Own," *Christian Science Monitor*, November 12, 1980; *New York Times*, "Nuclear Energy Aide And Foreign Adviser Appointed in Tripoli," January 8, 1981; Joshua Sinai, "Libya's Pursuit of Weapons of Mass Destruction," *Nonproliferation Review*, Spring/Summer 1997, pp. 92-100; and *Associated Press*, "Japan Company Sold Atomic Plant to Libya," March 12, 2004.

<sup>90</sup> In 1987, for example, Qadhafi said that, "Now that the Israelis possess the atomic weapon, the Arabs have nothing before them except to work day and night to possess the atomic weapon in order to defend their existence." *Reuters*, "Gaddafi Urges Arabs to Develop Nuclear Weapons," September 2, 1987. See also *San Francisco Chronicle*, "Khadafy Wants Arab A-Bombs," June 23, 1987; and *Agence France Presse*, "Libya Urges Arabs to Get Nuclear Arms," January 27, 1996. Qadhafi made similar remarks in a March 2002 interview: "We demanded the dismantling of the weapons of mass destruction that the Israelis have ... Otherwise, the Arabs will have the right to possess that weapon." John Bolton, Remarks to the Heritage Foundation, Washington, DC, May 6, 2002.

<sup>91</sup> The IAEA does not directly identify Dr. Khan or Pakistan as a source for nuclear weapons designs or enrichment equipment disclosed by Libya. Leslie Lopez, "Libyans Got Nuclear Training at Malaysian Company, Police Say," *Wall Street Journal*, June 4, 2004; Stephen Fidler and Mark Huband, "Turks and South Africans 'Helped Libya's Secret Nuclear Arms Project'," *Financial Times*, June 10, 2004; Craig Whitlock and Shannon Smiley, "Germany Arrests Man in Libyan Atomic Case," *Washington Post*, October 12, 2004; Douglas Frantz and William C. Rempel, "New Find in a Nuclear Network," *Los Angeles Times*, November 28, 2004.

<sup>92</sup> Elaine Sciolino, "U.S. Sends 2,000 Gas Masks to the Chadians," *New York Times*, September 25, 1987.

late 1980s and early 1990s, the Libyan government developed chemical weapons production facilities at Rabta, Sebha, and Tarhuna with technology acquired from a number of Western European and Asian firms.<sup>93</sup> The plants produced large amounts of chemical weapons and components, including 23 tons of mustard gas. Libya's ballistic missile program relied on foreign technical assistance to produce Scud-B and a limited number of Scud-C missiles but was limited by a lack of indigenous technical skill and ineffective management.<sup>94</sup>

### **Termination of WMD and Missile Programs**

In 1999, Libyan officials approached the Clinton Administration and offered to dismantle Libya's chemical weapons programs in exchange for a loosening of U.S. terrorism sanctions. The offer was rejected in an effort to maintain pressure on Libya to comply with U.S. and United Nations demands in the Lockerbie airliner (Pan Am Flight 103) bombing case. Following the Lockerbie settlement, Sayf al Islam al Qadhafi and intelligence chief Musa Kusa re-engaged with U.S. and British intelligence authorities beginning in March 2003 regarding Libya's weapons of mass destruction programs. The October 2003 naval interception of the freighter *BBC China*, which was carrying centrifuge components to Libya, accelerated negotiations and led to assessment visits by U.S. and British personnel later that month and in early December 2003.

On December 19, 2003, Foreign Minister Abd al Rahman Shalgam read a statement on Libyan national television announcing the government's decision to dismantle its weapons of mass destruction and long range missile programs and to invite international inspectors to Libya to remove materials and perform verifications. Qadhafi publicly endorsed the statement, paving the way for the removal of weapons of mass destruction (WMD)-related equipment from Libya in January and March 2004.<sup>95</sup> Subsequent reviews of seized material and interviews with Libyan officials indicated that Libya remained far from developing a nuclear weapons capability, although A.Q. Khan sold Libya a crude nuclear weapon design and some components necessary to begin a uranium enrichment program. However, as of late 2003, Libya had not obtained key pieces of equipment, such as a sufficient number of high-precision rotors to power its enrichment centrifuges.<sup>96</sup>

### **Motives for Disarmament**

Officials and independent observers have attributed Libya's decision to end its pursuit of weapons of mass destruction to a number of factors. Administration officials have argued that U.S. military action in Iraq in 2003 demonstrated to Libya the resolve of the Bush Administration to eliminate

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<sup>93</sup> Joshua Sinai, "Libya's Pursuit of Weapons of Mass Destruction," *Nonproliferation Review*, Spring/Summer 1997, pp. 92-100; Anthony H. Cordesman, *Weapons of Mass Destruction in the Middle East*, *Center for Strategic and International Studies*, 1999; Stockholm International Peace Research Institute (SIPRI) et al., "Educational Module on Chemical and Biological Weapons Non-Proliferation: Case Study: Libya," 1998-2001.

<sup>94</sup> Andrew Koch, "Libya's Missile Programme Secrets Revealed," *Jane's Defence Weekly*, August 18, 2004.

<sup>95</sup> Statement of Assistant Secretary of State for Verification and Compliance Paula A. DeSutter Before the House Committee on International Relations Subcommittee on International Terrorism, Nonproliferation, and Human Rights, September 22, 2004; and, Douglas Franz and Josh Meyer, "The Deal to Disarm Kadafi," *Los Angeles Times*, March 13, 2005.

<sup>96</sup> William J. Broad, "Libya's Crude Bomb Design Eases Western Experts' Fear," *New York Times*, February 9, 2004; David Crawford, "Libya Was Far From Building Nuclear Bomb," *Wall Street Journal*, February 23, 2004; and William J. Broad, "Arms Control Group Says U.S. Inflated Libya's Nuclear Bid," *New York Times*, March 25, 2004.

perceived threats to U.S. security posed by states associated with terrorism and in pursuit of weapons of mass destruction. In contrast, Libyan officials have denied that external pressure or threats influenced their government's decision making processes and have characterized the decision as a sovereign initiative to restore Libya's ties with the international community and improve its security and economy. Most independent observers have argued that Libya's decision was a calculated move designed to extricate the country from the international sanctions regime that was limiting its economic activity and contributing to the deterioration of its vital oil and natural gas infrastructure. Libyan officials have pointed to the financial and economic rewards associated with its international re-engagement, although, prior to and following the restoration of full diplomatic relations with the United States, Qadhafi has stated his belief that Libya should be more directly and substantively rewarded for its decision to disarm and re-engage.

### **International Controls and Inspections**

Libya acceded to the Nuclear Non-Proliferation Treaty (NPT) in 1975. Libya's nuclear research facility at Tajura has been subject to IAEA safeguards since 1980. Since Libya announced its intent to abandon its WMD programs, the International Atomic Energy Agency (IAEA) and the Organization for the Prohibition of Chemical Weapons (OPCW) have monitored and assisted in ongoing disarmament activities. Libya signed an "additional protocol" agreement in March 2004 granting IAEA inspectors greater access to its nuclear facilities. The IAEA continues to evaluate Libyan disclosure statements related to the scope of its uranium enrichment and nuclear weapons development activities, particularly with regard to the sources of the materials Libya acquired from the proliferation network of Pakistani scientist Abdul Qadeer Khan. As a result of the 2003 WMD disarmament decision, Libya signed the Comprehensive Nuclear Test Ban Treaty (CTBT) and acceded to the Chemical Weapons Convention (CWC) in 2004. Libya also committed to eliminating all its ballistic missiles beyond a 300-kilometer range with a payload of 500 kilograms and agreed to abide by Missile Technology Control Regime (MTCR) guidelines. Libya, the United States, and the UK established a Trilateral Steering and Cooperation Committee (TSCC) to oversee the elimination of Libyan WMD- and MTCR-related missile programs in September 2004.

As of October 2005, all materials and components associated with Libya's nuclear weapons development program had been removed and all associated activities had stopped. Libya returned highly enriched nuclear fuel assemblies weighing 17 kilograms from its Tajura research reactor to Russia in 2004, and Russia replaced them with low enriched uranium fuel in December 2005 as part of a program co-sponsored with the International Atomic Energy Agency and the U.S. Department of Energy.<sup>97</sup> During the summer of 2006, Libya returned a further three kilograms of highly enriched uranium from the Tajura reactor to Russia.<sup>98</sup>

Libya has signaled its desire to continue its nuclear energy and materials development plans under the supervision of the International Atomic Energy Agency (IAEA). France signed a nuclear energy agreement with Libya in July 2007 that could result in the construction of a

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<sup>97</sup> *International Atomic Energy Agency*, Staff Report: Removal of High-Enriched Uranium in Libyan Arab Jamahiriya, March 8, 2004; *RIA Novosti* (Moscow), "Russia Supplies 14kg of Low-Enriched Uranium to Libya," December 23, 2005.

<sup>98</sup> William C. Mann, "U.S. Says Libya Has Returned 20 Kilograms of Weapons-grade Uranium to Russia," *Associated Press*, July 27, 2006; U.S. National Nuclear Safety Administration, "NNSA Secures Nuclear Material from Libya," July 27, 2006; and *Associated Press*, "Oak Ridge Workers Assess Uranium in Libya," July 29, 2006.



nuclear reactor to fuel water desalinization plants. In August 2007, Libyan officials confirmed that they were negotiating with unspecified foreign governments for the sale of 1,000 tons of uranium yellow cake ore stored at a former nuclear facility in Sebha.<sup>99</sup> Libyan officials also reportedly have signed civil nuclear cooperation agreements with Russia and Canada.

Libya has submitted an inventory of its chemical weapons and related activities to the OPCW and has destroyed over 3,600 munitions designed to disperse chemical agents. The OPCW has verified Libya's inventory of 23 metric tons of mustard gas and over 1,300 metric tons of precursor chemicals and approved the conversion of a chemical weapons facility into a pharmaceutical plant for the production of HIV/AIDS and malaria medication. In December 2009, the OPCW stated that only 2% of Libya's chemical weapons stockpiles had been destroyed as of December 31, 2008.<sup>100</sup> Libya requested a stockpile destruction deadline extension in August 2009, citing logistical, financial, and political challenges. In its request, Libya proposed to begin its chemical agent destruction by October 25, 2010, following the addition of additional equipment at its chemical weapons destruction facility.<sup>101</sup> The OPCW Conference of State Parties considered the Libyan request at its December 2009 meeting and amended Libya's intermediate deadlines, extending the new final deadline to May 15, 2011.<sup>102</sup>

## Background and Recent History

The North African territory that now composes the Great Socialist People's Libyan Arab Jamahiriya<sup>103</sup> has a long cultural history as a center of Phoenician, Carthaginian, Roman, Berber, and Arab civilizations. Modern Libya's distinct regions and tribally influenced society create a complex political environment that is made up of diverse constituencies from northwestern Tripolitania, northeastern Cyrenaica, and the more remote southwestern Fezzan (see **Figure 2** above). Significant economic and political changes have occurred since Libya became independent in 1951. These changes have been fueled by the country's emergence from Italian colonization, the discovery of vast oil and natural gas reserves, and the domination of political life by the authoritarian government of Muammar al Qadhafi,<sup>104</sup> who overthrew the Libyan monarchy on September 1, 1969. The legacies of anti-Italian insurgency and World War II combat, international pressures associated with the Cold War, and complex relationships with

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<sup>99</sup> Katherine Griffiths, "Libya Stalls on Pledge to Destroy Stock of Uranium," *Daily Telegraph* (UK), August 13, 2007; *BBC Monitoring/Al Jazeera* (Qatar), "Libyan Official Slams UK Paper's Uranium Allegations, Says Supply 'Known,'" August 13, 2007.

<sup>100</sup> According to the OPCW, "Destruction levels remained at 0% of Category 1 chemical weapons and 39% (551 metric tonnes) of Category 2 chemical weapons." Report of the OPCW on the Implementation of the Convention on the Prohibition of the Development, Production, Stockpiling and use of Chemical Weapons and on their Destruction in 2008, Fourteenth Session C-14/4, December 2, 2009.

<sup>101</sup> The facility is known as the "Rabta Toxic Chemical Disposal Facility and Ruwagha Chemicals Reloading System." The Socialist People's Libyan Arab Jamahiriya, Request for Extension of the Intermediate and Final Deadlines for the Destruction of its Category 1 Chemical Weapons, OPCW Executive Council, EC-58/NAT.5/Add.1, October 14, 2009.

<sup>102</sup> OPCW Conference of State Parties, Decision: Extension of the Intermediate and Final Deadlines for the Destruction by the Libyan Arab Jamahiriya of its Category 1 Chemical Weapons, C-14/DEC.3, December 2, 2009.

<sup>103</sup> The Arabic word *jamahirriya* means "state of the masses" or "people's authority" and was added to Libya's official name in 1978 by Col. Muammar al Qadhafi to reflect Libya's nominally decentralized political system. The adjective "great" was added in 1986.

<sup>104</sup> Multiple spellings of Muammar al Qadhafi's first and last names are used in the Western press. This report uses a phonetic spelling; others reflect varying pronunciations.

Arab and African neighbors have all shaped Libya's development. See **Appendix A** for a discussion of Libya's pre-Qadhafi history, other background information, and a list of historical resources.

## **The Qadhafi Era**

On September 1, 1969, a cabal of Libyan military officers led by army Captain Muammar al Qadhafi seized important government institutions in the eastern city of Benghazi and abolished the Libyan monarchy. Facing negligible internal resistance, the leadership of the movement, known as the Revolutionary Command Council (RCC), established authority and announced that it would direct the activities of a new cabinet. The RCC also made statements affirming Libya's Arab and Islamic identity and its support for the Palestinian people. After renaming the country the Libyan Arab Republic, the RCC announced the promotion of Captain Qadhafi to Colonel and named him commander in chief of Libya's armed forces.<sup>105</sup> Like Qadhafi, the other members of the RCC were pan-Arabist and socialist ideologues from rural and somewhat marginalized communities. The United States did not oppose the 1969 coup, as the RCC initially presented an anti-Soviet and reformist platform.

Colonel Qadhafi and the RCC focused intensely in their early years in power on taking steps to safeguard "national independence" and consolidate their rule through populist and nationalist political and economic programs. The members of the RCC were determined to secure the immediate and full withdrawal of British and U.S. forces from military bases in Libya, which occurred on March 28 and June 11, 1970, respectively. Italian expatriates were expelled and their assets were confiscated on October 7, 1970. All three dates subsequently were declared national holidays. The new government also pressured U.S. and other foreign oil companies to renegotiate oil production contracts and cede a larger share of production revenues. Some British and U.S. oil operations eventually were nationalized. In the early 1970s, the RCC gradually reversed its stance on its initially icy relationship with the Soviet Union and extended Libyan support to revolutionary, anti-Western, and anti-Israeli movements across Africa, Europe, Asia, and the Middle East. These policies contributed to a rapid souring of U.S.-Libyan political relations, although economic relations, particularly U.S. oil purchases from Libya, remained steady.

## **The Green Book and Qadhafi's Ideology**

Beginning in the early 1970s, Muammar al Qadhafi and his regime carried out drastic and frequent reorganizations of Libyan political and economic life in line with his "Third Universal Theory." The theory, which blends pan-Arab, Islamic, and socialist values, is enshrined in Qadhafi's three-volume *Green Book*. The redistribution of land and wealth, the allocation of fluctuating oil revenues, and a near total decentralization of political institutions reshaped Libya's social landscape in line with Qadhafi's principles. These trends also helped Qadhafi and his supporters maintain political control. Overseas, Qadhafi promoted his political and economic "Third International Theory" as an alternative to the capitalist and communist systems of the United States and the Soviet Union for the developing countries of the Third World. Qadhafi's confrontation with the United States was both a catalyst for and product of the Libyan

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<sup>105</sup> Over time, Qadhafi stopped using his military title and identifying himself with a formal government position. Although he retains de facto control over Libya's affairs, he is now commonly referred to as the "Guide of the Revolution" or "Brother Leader."

government's violent and destabilizing activities abroad, Qadhafi's ideological fervor, and his regime's gradual drift into the Soviet sphere of influence.

## Terrorism and Confrontation with the United States

In line with his ideological precepts, Muammar al Qadhafi long characterized Libyan backing for anti-colonial, separatist, and Islamist movements and terrorist groups around the world as legitimate support for parties seeking self determination. The United States and others categorically and continuously rejected Libya's policies as unacceptable sponsorship of illegitimate terrorism and subversive violence. In the 1970s and 1980s, U.S. officials cited the existence of training camps in Libya and other Libyan government support for a panoply of terrorist groups, including the Abu Nidal Organization, the Red Army Faction, the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), and the Irish Republican Army. Libyan-sponsored bombings and assassinations also drew sharp international criticism, especially killings of Libyan dissidents and the bombings of Pan Am Flight 103 and UTA Flight 772 in the late 1980s. In the 1990s, Libyan-trained individuals led brutal rebel movements across Africa, including Foday Sankoh's Revolutionary United Front in Sierra Leone and Charles Taylor's National Patriotic Front of Liberia.<sup>106</sup>

## Qadhafi's Arab-Israeli Intransigence

The Arab-Israeli conflict was another particularly pointed source of tension between the United States and Qadhafi: Libya remained distinctly opposed to negotiation or reconciliation with Israel throughout the Cold War era and the 1990s, promoting armed struggle as the only viable means to end Israel's occupation of territory it captured from neighboring Arab states in 1967. At times, Qadhafi's positions led to deep bilateral rifts between Libya and Egypt, particularly under Anwar Sadat, as well as confrontations with PLO leader Yasir Arafat. Qadhafi and his security services provided support, training, and safe harbor for Palestinian terrorist groups until the late 1990s. After a temporary reconciliation with Arafat during the first Palestinian *intifada* in 1987, Qadhafi returned to voicing complete opposition to the Oslo peace process and called for Arab leaders to avoid further recognition of or negotiation with Israel.

In recent years, Qadhafi publicly has maintained his opposition to Arab engagement with Israel in the face of continued Israeli occupation and settlement activity. He also has called for a "one state solution" based on reconciliation between the Israeli and Palestinian people within a single state, which he proposes be called "Isratine." In a January 2009 opinion editorial in the *New York Times* Qadhafi rejected the "tired rhetoric of partition and two-state solutions," and argued that "the compromise is one state for all, an 'Isratine' that would allow the people in each party to feel that they live in all of the disputed land and they are not deprived of any one part of it."<sup>107</sup> Central to

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<sup>106</sup> See Paul Richards, "War as Smoke and Mirrors: Sierra Leone 1991-2,1994-5,1995-6," *Anthropological Quarterly*, Vol. 78, Issue 2, Spring 2005; Douglas Farah, *Blood from Stones*, Broadway Books, New York, 2004, pp. 23-25; *Economist*, "Foday Sankoh," Vol. 368, August 9, 2003, p. 73; *Economist*, "Qaddafi Says Farewell, Arabia, and Sets His Sights on Africa," Vol. 351, April 24, 1999; I. Abdullah and P. Muana, "The Revolutionary United Front of Sierra Leone," in C. Clapham (ed.) *African Guerrillas*, London: James Currey, 1998, pp. 179-193; Scott Anderson, "The Makeover," *New York Times Magazine*, January 19, 2003; and Douglas Farah, "Gaddafi 'Meddling' in Africa," *Washington Post*, August 16, 2003.

<sup>107</sup> Muammar Qaddafi, "The One-State Solution," *New York Times*, January 22, 2009.

Qadhafi's position is "the right of return for Palestinian refugees to the homes their families left behind in 1948," which is rejected by the Israeli government.

More recent controversy has focused on reports that Qadhafi declined to meet with Palestinian Authority President Mahmoud Abbas during his visit to Libya in February 2010; Qadhafi received a telephone briefing from Hamas political bureau chief Khaled Meshaal days later.<sup>108</sup>

## **International Isolation and Signs of Change**

Following the imposition of U.N. sanctions in the aftermath of the Libyan-sponsored airliner bombings of the late 1980s, Libya entered a period of increasing international isolation. The compounded effects of a loss of oil revenue, restrictions on the travel of senior officials, an international air travel ban, and an arms embargo brought significant pressure on Qadhafi and his government. Signs of change began to emerge in 1999 when Libya agreed to pay compensation for the bombing of UTA Flight 772 and allowed two intelligence agents to stand trial for the bombing of Pan Am Flight 103.

Qadhafi's offers of counterterrorism and intelligence cooperation following the terrorist attacks of September 11, 2001, and his late 2003 decision to dismantle Libya's weapons of mass destruction and long range missile development programs marked further steps toward new relationships with the United States and the international community. Qadhafi pledged to end his government's support for violent political movements around the world in December 2003, and the Libyan government has participated in peacemaking efforts in a number of African conflicts, including hosting and subsidizing U.N. World Food Program aid flights to Darfur, Sudan, from Libyan territory. New oil production agreements and improved relations with the United States and a number of European and Asian countries demonstrated the tangible benefits of Libya's apparent new political orientation, although it is unclear how the 2011 uprising and regime crackdown might affect Libya's international profile. Libya was elected as a non-permanent member of the U.N. Security Council in October 2007. Libya held the seat for 2008 and 2009, and held the Council presidency in January 2008 and March 2009. In February 2009, Qadhafi was elected as the chairman of the 53-member African Union (AU), giving him a new platform to pursue his active foreign policy toward Africa. His attempt to extend his one-year tenure was unsuccessful.

## **Issues in U.S.-Libyan Relations**

The relationship between the United States and Libya has been tense for much of the last 35 years but normalized gradually between 2003 and 2011. The Libyan government's past support for international terrorism, its history of intervention in regional conflicts, and its now-abandoned pursuit of weapons of mass destruction proved to be persistent points of contention with the United States. The Libyan government has long taken issue with what it regards as unbalanced U.S. military and financial support for Israel and what it describes as unwarranted U.S. intervention in the affairs of Arab states. In the past, these differences led to a number of confrontations and engagements between U.S. and Libyan armed forces, the imposition of economic and diplomatic sanctions by the United States, and, reportedly, some limited, covert

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<sup>108</sup> U.S. Open Source Center (OSC) Report GMP20100305825009, "PA's Abbas Reportedly Under Pressure From Fatah, PLO To Boycott Summit in Libya, *Al-Sharq al-Awsat*, (London) March 5, 2010.

U.S. efforts at regime change.<sup>109</sup> As sanctions were removed in recent years, a number of U.S. oil companies successfully bid for reentry into Libya's energy market, and other U.S. businesses resumed trade relationships with Libyan firms.

The restoration of full diplomatic relations between the United States and Libya in 2006 was expected to open a new chapter in the bilateral relationship and bring a long period of U.S.-Libyan confrontation to a close. However, until late 2008, U.S.-Libyan relations remained clouded by mutual frustration. Libyan officials expressed dissatisfaction with the pace and scope of normalization with the United States and alleged that Libya had not gotten what was promised when it decided to abandon weapons of mass destruction and terrorism in 2003. Considerable discontent also remained apparent in some U.S. quarters, including among some Members of Congress. New terrorism concerns delayed Libya's removal from the state sponsors of terrorism list until 2006, and Libyan engagement with legal counsel and U.S. officials on terrorism cases led to charges that Libya was not acting in good faith to resolve outstanding claims.

The Libyan government responded to congressional pressure with increasingly direct statements warning that if its relations with the U.S. government and U.S. business community remained complicated by outstanding terrorism claims, U.S. companies could miss opportunities to bid on lucrative Libyan government contracts to refurbish and expand the country's infrastructure. The Administration and the U.S. business community supported normalization with Libya while continuing to engage Libya on outstanding terrorism claims.

Throughout this period, some participants on both sides supported efforts to find an agreeable formula for resolving outstanding issues so that the United States and Libya could reap the potential benefits of a fully normalized relationship. Bilateral negotiations bore fruit in mid-2008 in the form of a Comprehensive Settlement Agreement (see below). Congress supported those negotiations by authorizing the creation of an independent entity to manage settlement funds and by opening the prospect of conditional legal immunity for Libya.

The Bush Administration viewed Libya as a model for potential rapprochement with other state sponsors of terrorism and sought to establish and expand counterterrorism, military, and economic cooperation with Libyans through foreign operations budget requests. The Obama Administration embarked on an effort to more fully define the goals and scope of renewed U.S.-Libyan relations. To date, the Obama Administration's foreign assistance funding requests for Libya programs have remained relatively limited and have not expanded significantly. Once the outcome of the 2011 uprising becomes clearer, Members of the 112<sup>th</sup> Congress may influence future developments through consideration of FY2011 foreign assistance requests for Libya, oversight of security cooperation or other bilateral assistance programs, and through the possible funding and oversight of preliminary plans to construct a new U.S. Embassy in Tripoli.

## **Comprehensive Claims Settlement Agreement**

From January 2008 onward, the enactment by Congress of changes in terrorism liability provisions and the awarding of significant monetary damages to the families and estates of U.S. victims of the 1989 bombing of UTA Flight 772 heightened the intensity of U.S.-Libyan

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<sup>109</sup> Joseph T. Stanik, *El Dorado Canyon: Reagan's Undeclared War with Qaddafi*, Naval Institute Press, 2003; Bernard Gwertzman, "Shultz Advocates U.S. Covert Programs to Depose Qaddafi," *New York Times*, April 28, 1986; and Clifford Krauss, "Failed Anti-Qaddafi Effort Leaves U.S. Picking Up the Pieces," *New York Times*, March 12, 1991.

engagement on outstanding terrorism claims.<sup>110</sup> Confidential negotiations began in early 2008 on a comprehensive settlement, while the Bush Administration publicly underscored its desire “to show the Libyans that they made the right decision” in abandoning weapons of mass destruction and eschewing terrorism.<sup>111</sup> Negotiations continued through mid-2008, and the prospect of success led to collaboration between the Congress and the executive branch aimed at providing potential relief for Libya from the liability changes in the event of a finalized claims settlement agreement.

## **Settlement Details**

On August 14, 2008, Libya and the United States signed a comprehensive Claims Settlement Agreement.<sup>112</sup> The agreement provides for the establishment of a humanitarian settlement fund to receive donations sufficient to address the outstanding legal claims of U.S. terrorism victims and Libyan claims related to U.S. military strikes.

- The agreement’s stated objective is to “reach a final settlement” of claims, “terminate permanently all pending suits” and “preclude any future suits” arising from personal injury, death, or property loss caused by certain defined acts<sup>113</sup> that occurred prior to June 30, 2006.
- The agreement calls for the establishment of a humanitarian settlement fund to receive contributions. The agreement also directs the parties to open accounts for the distribution of funding to their respective nationals from the central fund.
- Upon receipt of \$1.8 billion in funding, the agreement calls for the central fund account to distribute \$1.5 billion dollars to the United States’ national account and \$300 billion to Libya’s national account. Thereafter, the agreement requires each party to terminate any suits pending in its courts, preclude any new suits, and restore “the same sovereign, diplomatic, and official immunity” to the other party, its personnel, and property “as is normally provided to other states.”
- Further distribution of the funds from the national accounts is precluded until the immunity restoration provisions are satisfied. Claimants’ suits also must be terminated in order for them to be eligible to receive distributions from the national accounts.

On October 31, 2008, the Administration, acting according to the terms of the Libya Claims Resolution Act (S. 3370, P.L. 110-301), certified the receipt of \$1.5 billion and stated the received funding was sufficient to meet the claims requirements outlined in section 5(a)(2) of the act. An accompanying memorandum of justification stated:

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<sup>110</sup> In January 2008, U.S. District Judge Henry H. Kennedy ruled that Libya was directly responsible for the bombing of UTA Flight 772 and ordered the Libyan government and specific Libyan officials to pay \$6 billion in damages to the families and estates of six U.S. victims of the attack.

<sup>111</sup> U.S. Deputy Assistant Secretary of State Jeffrey Feltman quoted in Jay Solomon, “U.S. Vies to Seal Libya Settlement, Preserve Detente,” April 2, 2008.

<sup>112</sup> Claims Settlement Agreement between the United States of America and the Great Socialist People’s Libyan Arab Jamahiriya, August 14, 2008. Text and Annex provided to CRS by U.S. Department of State.

<sup>113</sup> The acts defined in Article One of the agreement include “an act of torture, extrajudicial killing, aircraft sabotage, hostage taking or detention or other terrorist act, or the provision of material support or resources for such an act” or “military measures.”

This amount is sufficient to ensure the remaining payment of \$536 million for the Pan Am 103 Settlement and \$283 million for the LaBelle<sup>114</sup> settlement.... The remaining \$681 million is sufficient to ensure fair compensation for the claims of nationals of the United States for wrongful death or physical injury in those cases described in the Act which were pending against Libya on the date of enactment of the Act (August 4, 2008) as well as other terrorism-related claims against Libya.<sup>115</sup>

The certification rescinded the applicability of several terrorism liability provisions to certain cases involving Libya, including Section 1083 of P.L. 110-181, the National Defense Authorization Act for FY2008 (see **Appendix B** for more information).

## **Settlement Eligibility and Adjudication**

In December 2008 and January 2009, the State Department referred all eligible outstanding claims to the U.S. Department of Justice Foreign Claims Settlement Commission for final adjudication and certification. Claims for physical injury were referred in December 2008, and six additional categories of claims were referred in January 2009. Claim forms and documentation for the December 2008 referral were required to be submitted to the FCSC by July 23, 2009. Claim forms and documentation for the January 2009 referral were required to be submitted to the FCSC by July 7, 2010. Information on the Libya claims settlement adjudication process and awards to date is available at the commission's website at <http://www.usdoj.gov/fcsc/libyaclaims.htm>.

## **Pan Am Flight 103 and Megrahi's Release**

On December 21, 1988, a bomb exploded on Pan Am flight 103 en route from London to New York, killing all 244 passengers and 15 crew on board and another 11 people in the town of Lockerbie, Scotland. On November 14, 1991, the United States and Scotland indicted two Libyan intelligence agents for their alleged roles in the bombing: Abd al Baset Ali al Megrahi and Al Amin Khalifah Fhimah. Under a U.N.-negotiated agreement, Fhimah and Al Megrahi were tried on murder charges under Scottish law in The Hague beginning in 1999. Fhimah was acquitted and Al Megrahi was convicted: he was sentenced to serve a life sentence in a Scottish prison.

Al Megrahi appealed his conviction and the length of his 27-year sentence before the Scottish Criminal Cases Review Commission (SCCRC). Some observers in the United Kingdom, including lead Scottish Lockerbie investigator Lord Fraser of Carmyllie, questioned Al Megrahi's conviction and argued that the Lockerbie investigation should have been reexamined.<sup>116</sup> Claims periodically resurfaced that the Popular Front for the Liberation of Palestine-General Command may have planned the bombing for Iran in retaliation for the downing of an Iranian airliner by the U.S. Navy in 1988.<sup>117</sup> In November 2006, the Scottish commission ruled that Al Megrahi's

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<sup>114</sup> See **Appendix B** for a description of the La Belle case.

<sup>115</sup> Certification Under Section 5(a)(2) of the Libyan Claims Resolution Act Relating to the Receipt of Funds for Settlement of Claims Against Libya, with Memorandum of Justification, signed and transmitted to Congress October 31, 2008.

<sup>116</sup> *Sunday Times* (London), "Focus: Was Justice Done?" October 23, 2005; Magnus Linklater, "It's Time To Look Again at Lockerbie," *The Times* (London), October 26, 2005.

<sup>117</sup> Derek Lambie, "Diplomat 'Evidence' May Clear Megrahi of Flight 103 Bomb," *Express on Sunday* (UK), September 24, 2006.

appeals could be heard in Scottish courts, and in June 2007, the SCCRC granted Al Megrahi the right to a second appeal of his conviction.<sup>118</sup> (See below.)

In August 2003, Libya accepted responsibility “for the actions of its officials” and agreed to a settlement agreement that called for successive payments to the families of Pan Am 103 victims following the termination of U.N. and U.S. sanctions.<sup>119</sup> As of October 2005, Libya had issued payments of \$4 million per victim following the termination of U.N. sanctions in September 2003 and a second payment of \$4 million to each victim’s family following the termination of bilateral U.S. sanctions in September 2004. The Libyan government withdrew funds for a final payment of \$2 million per victim from a designated escrow account after several deadline extensions because of delays in the United States government’s rescission of Libya’s designation as a state sponsor of terrorism.<sup>120</sup> The previously negotiated final round of \$2 million payments was worth over \$500 million. Under the terms of the Comprehensive Settlement Agreement, the Bush Administration certified that sufficient funds for the final Lockerbie payment were made available to settle the remaining outstanding claims.

### **Lockerbie Appeal and Megrahi’s Release**

Proceedings for the second appeal for Abd al Baset Ali al Megrahi opened in October 2007, and preliminary hearings were held in an effort to determine the scope of his appeal. Defense attorneys sought access to classified information regarding key pieces of evidence, reportedly including classified intelligence documents related to the supply of timers by a Swiss company to the Libyan intelligence service. The documents reportedly originated with a third country’s government, and that government refused to grant permission for the documents to be made available to the court by British authorities.<sup>121</sup>

In May 2008, the British government filed a Public Interest Immunity (PII) order with the Scottish court seeking to keep the documents secret, but the court ruled that the government was required to “produce for the court the documents in question ... subject to appropriate security measures.”<sup>122</sup> In June 2008, the prosecution reportedly argued to restrict the appeal to the original terms under which the appeal was granted, while the defense reportedly argued that new evidence should be considered. Megrahi’s appeal for release on bail on the basis of his diagnosis with terminal prostate cancer was denied.

In July 2009, the Libyan government submitted an “application for compassionate release” to Scottish authorities requesting that he be allowed to return to Libya. Under the terms of a prisoner

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<sup>118</sup> An executive summary of the SCCRC’s findings in support of further appeal is available online at <http://www.sccrc.org.uk/ViewFile.aspx?id=293>.

<sup>119</sup> Letter from the Great Libyan Arab Jamahiriya to the President of the Security Council, reprinted in United Kingdom Foreign & Commonwealth Office Release - “UK Calls for Lifting of UN Sanctions on Libya,” August 15, 2003.

<sup>120</sup> On April 21, 2004, Libya extended its unilaterally set deadline for the rescission and payment to the victims’ families to July 22, 2004. Libya extended the deadline a second time to September 22, 2004. Lawyers and U.S. negotiators secured a third extension to April 30, 2005; however, Libya froze the final round of \$2 million payments (worth an estimated \$500 million) and reasserted its demand for removal from the U.S. state sponsors of terrorism list. Associated Press, “Libyan Central Bank Takes Back Last Batch of Compensation Money Due to Lockerbie Victims,” April 9, 2005.

<sup>121</sup> John Robertson, “Angiolini Rapped over Lockerbie File,” *The Scotsman* (UK), December 21, 2007.

<sup>122</sup> Ian MacKenzie, “Scottish judges call for secret Lockerbie papers,” *Reuters*, May 29, 2008.



transfer agreement signed between the United Kingdom and Libya, Megrahi could have been eligible to serve the remainder of his prison term in Libya if he agreed to drop his pending appeal in the Scottish court system. Families of some U.S. victims of the Lockerbie bombing stated their opposition to his release in consultations with Scottish legal authorities. Megrahi did choose to drop his appeal in August 2009, but was ordered released on compassionate grounds by Scottish authorities outside of any arrangement involving the prisoner transfer agreement. His release, return to Libya, and subsequent public welcome in Tripoli ignited severe controversy in the United Kingdom, and several parties in the United States, including the Obama Administration, criticized what they perceived as a “hero’s welcome” for Megrahi. Megrahi’s health and survival have emerged as subjects of continuing scrutiny, amid reports that his release was agreed to partly based on a prognosis that he would not survive longer than three months and that document his continuing battle with cancer in Libya.

### **BP plc and UK-Libya Prisoner Transfer Agreement**

In May 2007, then-UK Prime Minister Tony Blair visited Libya and met with Muammar al Qadhafi. During the visit, BP plc and the Libyan National Oil Company (LNOC) announced a planned \$900 million energy exploration agreement, and Libyan and UK officials signed a memorandum of understanding calling for the conclusion within 12 months of an agreement on the bilateral transfer of prisoners. Some Scottish authorities protested that such an agreement could be viewed as applicable to Megrahi and criticized the London government for failing to consult with them prior to concluding the memorandum of understanding. UK officials denied the pending transfer agreement would apply to Megrahi and stressed Scottish authority to deal with all matters regarding Megrahi under the UK devolution of justice powers to Scotland.

In December 2007, reports indicated that the United Kingdom government had submitted a final proposal for the prisoner transfer agreement to Libya. Subsequently, in late January 2008, Libyan officials announced they had ratified the BP-LNOC deal. According to the *Financial Times*, “A BP spokesman told the FT that the company’s deal was ratified and backdated to December 23.” BP plc filed a Form 6-K (Report of Foreign Issuer Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934) with the U.S. Securities and Exchange Commission (SEC) for the period that ended February 5, 2008, stating that “in December, the Libyan General People’s Committee ratified the exploration and production agreement between BP and Libya’s National Oil Company, which we announced in May of 2007.” Although at the time many private observers linked the ratification of the energy deal to the conclusion of the prisoner transfer agreement, UK officials denied any such linkage.

In July 2010, four U.S. Senators wrote to the U.S. State Department urging the Administration to investigate statements made by representatives of the UK-based international energy company BP plc. The company reported that, in 2007, its representatives expressed concern to UK authorities that delay in reaching a final UK-Libya prisoner transfer agreement could delay consideration of a then-pending \$900 million BP energy contract with Libya. In 2009, the company stated:

BP did bring to the attention of the UK Government in late 2007 our concerns about the slow progress in concluding a Prisoner Transfer Agreement with Libya.... Like many others, we were aware that delay might have negative consequences for UK commercial interests, including ratification of BP’s exploration agreement.... However, in making that point to the

Government, we were not talking about the Al-Megrahi case because we were fully aware that this was solely a matter for the Scottish Executive and not the UK authorities.<sup>123</sup>

In response to recent controversy, UK officials have stressed that Megrahi was not released under the auspices of the UK-Libyan prisoner transfer agreement and denied that commercial interests were involved. Sir Nigel Sheinwald, UK Ambassador to the United States, said:

The British Government deeply regrets the continuing anguish that [Megrahi's] release on compassionate grounds has caused the families of Megrahi's victims in the UK as well as in the US. However under UK law, where Scottish justice issues are devolved to Scotland, it fell solely to the Scottish Executive to consider Megrahi's case. Under Scottish law, Megrahi was entitled to be considered for release on compassionate grounds. Whilst we disagreed with the decision to release Megrahi, we have to respect the independence of the process.<sup>124</sup>

Officials from BP plc stated that, "The decision to release Mr al-Megrahi in August 2009 was taken by the Scottish Government. It's not for BP to comment on the decision of the Scottish Government. BP was not involved in any discussions with the UK Government or the Scottish Government about the release of Mr al-Megrahi."<sup>125</sup> Scottish officials added:

The Scottish Government had no contact from BP in relation to Mr. Al Megrahi. The issues being raised in the United States at present regarding BP refer to the Prisoner Transfer Agreement negotiated by the governments of the U.K. and Libya, and therefore have nothing to do with the decision on compassionate release which is a totally different process, based on entirely different criteria. We were always totally opposed to the Prisoner Transfer Agreement negotiated between the U.K. and Libyan Governments. The memorandum that led to the PTA was agreed without our knowledge and against our wishes. Indeed, the Justice Secretary rejected the application from Libya under the PTA specifically on the basis that the US Government and families of victims in the US had been led to believe that such a prisoner transfer would not be possible for anyone convicted of the Lockerbie atrocity.<sup>126</sup>

## **U.S. Foreign Assistance to Libya**

Although U.S. sanctions on Libya were lifted in 2004 and terrorism-related restrictions on foreign assistance were rescinded in 2006, Congress acted to limit the Bush Administration's ability to provide foreign assistance to Libya as a means of pressuring the Administration and the Libyan government to resolve outstanding terrorism claims. The Bush Administration's October 2008 certification (see "Settlement Details" above) ended standing restrictions on the provision of U.S. foreign assistance contained in appropriations legislation for FY2008 and FY2009.<sup>127</sup> Assistance requests submitted by the Bush and Obama Administrations for FY2009 and FY2010 included funding for programs to reengage with Libyan security forces after "a 35-year break in contact"

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<sup>123</sup> "BP warned UK of risk in delayed Libya prisoner deal," *Reuters*, September 4, 2009.

<sup>124</sup> "Lockerbie bomber's release 'a mistake', says British ambassador," *Telegraph* (UK) July 16, 2010.

<sup>125</sup> *Ibid.*

<sup>126</sup> *Ibid.*

<sup>127</sup> The certification satisfied the requirement in Section 654 of the Consolidated Appropriations Act FY2008 (P.L. 110-161, H.R. 2764, signed December 26, 2007) relating to the provision of foreign assistance to Libya. Under the terms of Section 101 of H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (P.L. 110-329, signed September 30, 2008), the provision of FY2009 foreign assistance funding for Libya was prohibited prior to the certification issued on October 31, 2008.

with their U.S. counterparts and to support Libyan efforts to improve security capabilities in areas of common concern, such as border control, counterterrorism, and export/import monitoring.

**Table 2. Recent U.S. Foreign Assistance to Libya**  
(Current U.S. \$, thousands)

Account	FY2008 Actual	FY2009 Actual	FY2010 Estimate	FY2011 Request
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)	1,000	750	300	275
Economic Support Fund (ESF)	-	2,300	-	-
International Military Education and Training (IMET)	-	-	330	350
Foreign Military Financing (FMF)	-	-	150	250
<b>Annual Total</b>	<b>1,000</b>	<b>3,050</b>	<b>780</b>	<b>875</b>

**Source:** U.S. State Department, Congressional Budget Justifications for Foreign Operations Appropriations, FY2010 and FY2011. Available at <http://www.state.gov/f/releases/iab/>.

For FY2010, the Obama Administration requested \$350,000 in International Military Education and Training (IMET) funding for Libya to “support education and training of Libyan security forces, creating vital linkages with Libyan officers after a 35-year break in contact.”<sup>128</sup> Participation in the IMET program also makes the Libyan government eligible to purchase additional U.S. military training at a reduced cost.<sup>129</sup>

The Obama Administration also requested Foreign Military Financing assistance for Libya for the first time in FY2010, with the goal of providing assistance to the Libyan Air Force in developing its air transport capabilities and to the Libyan Coast Guard in improving its coastal patrol and search and rescue operations. FY2011 FMF assistance was requested to support Libyan participation in a program that assists countries seeking to maintain and upgrade their U.S.-made C-130 air transport fleets.

In both FY2010 and FY2011, the Administration’s request indicated that “additional funding will be sought through the Trans-Sahara Counter Terrorism Partnership (TSCTP) initiative, focusing primarily on anti-terrorism assistance, counterterrorism finance, terrorist interdiction, and delegitimizing terrorist ideology through educational, cultural, and information programming.” Libya had been invited to join the TSCTP, but is not currently a participant.

<sup>128</sup> U.S. Department of State, Congressional Budget Justification for Foreign Operations FY2010, Volume II, Request by Region, p. 442. Available at <http://www.state.gov/documents/organization/124072.pdf>.

<sup>129</sup> Section 21(c) of P.L. 90-629, the Arms Export Control Act (AECA), states that IMET recipient countries are eligible to purchase non-IMET training at reduced cost. Section 108(a) of P.L. 99-83 amended the AECA to provide this reduced cost benefit to IMET recipients. The U.S. Defense Security Cooperation Agency (DSCA) implements the authority provided in P.L. 99-83 to apply a lower cost to U.S. military training purchased by IMET recipient countries through the Foreign Military Sales (FMS) program. At present, the “incremental rates” applied to the FMS training purchases of IMET recipient countries are calculated according to the terms outlined in Department of Defense Financial Management Regulation (FMR), Volume 15, Chapter 7 (Sections 0711 and 0712).

## Funding for New U.S. Embassy Construction

In conjunction with the restoration of full diplomatic relations, the United States upgraded its Liaison Office in Tripoli to an Embassy, which has moved to an interim location. Libyan demonstrators attacked and burned the former U.S. Embassy in December 1979. Plans to procure property for a new U.S. embassy were placed on hold, after delays in securing funding and approval complicated negotiations during 2007.<sup>130</sup> The Bush Administration requested \$109.9 million in FY2008 Embassy Security, Construction, and Maintenance (ESCM) funds for property procurement and construction of a new U.S. Embassy in Tripoli. The Senate report on the Consolidated Appropriations Act, 2008 (S.Rept. 110-128, H.R. 2764/P.L. 110-161) did not include the requested ESCM funds. The State Department's FY2009, FY2010, and FY2011 budget requests indicate that requested ESCM funds may support the acquisition of property for a future new embassy compound (NEC) in Tripoli.

## Counterterrorism Cooperation

Muammar al Qadhafi immediately condemned the September 11, 2001, terrorist attacks as “horrific and gruesome,” and his government took steps to improve U.S.-Libyan counterterrorism cooperation and intelligence sharing afterwards. As evidenced by Qadhafi's public remarks during the 2011 uprising against his rule, the Libyan government has long perceived Al Qaeda as a threat because members of Libya's Islamist opposition have been linked to Al Qaeda and other foreign jihadist organizations (see “Libyan Islamic Fighting Group (LIFG)” below). This contributed to Libya's willingness to expand counterterrorism cooperation with U.S. authorities. Qadhafi has characterized members of Al Qaeda as “heretics” in prominent public statements and has described his government's intelligence and counterterrorism cooperation with the United States as “irrevocable.” Libya has taken direct action to limit the activities of known Al Qaeda associates within its borders, including elements of its own Islamist opposition allied with Al Qaeda. Libya is a party to all 12 international conventions and protocols relating to terrorism, including the International Convention on the Suppression of the Financing of Terrorism.

According to the U.S. Department of State's 2009 Country Report on Terrorism (issued August 2010), the Libyan government “has continued to cooperate with the United States and the international community to combat terrorism and terrorist financing.” This included efforts to support U.S. counterterrorism initiatives against the Libyan Islamic Fighting Group (LIFG) and Al Qaeda in the Islamic Maghreb (AQIM, formerly known as the Salafist Group for Call and Combat, or GSPC).<sup>131</sup> U.S. officials contemplated extending counterterrorism assistance to Libya during FY2010 and FY2011, including potential assistance under the framework of the interagency Trans-Sahara Counter Terrorism Partnership (TSCTP), which involves all of Libya's neighbors, except Sudan and Egypt.<sup>132</sup>

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<sup>130</sup> CRS Analyst consultation with State Department personnel, May 2008. Plans for the new Embassy compound included an office building, support annex, and quarters for a Marine Security Detachment.

<sup>131</sup> U.S. Department of State, Office of the Coordinator for Counterterrorism, *Country Reports on Terrorism - Libya*, April 30, 2007.

<sup>132</sup> As noted above, the Obama Administration's FY2010 foreign assistance request states that TSCTP funds may support counterterrorism assistance programs for Libya once the government agrees to join the initiative. The Bush Administration reportedly intended to extend TSCTP assistance to Libya, but Libya did not agree to participate in the program. See Ann Tyson, “U.S. Pushes Anti-Terrorism in Africa,” *Washington Post*, July 26, 2005.

## Further Reading and Historical Resources

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## Appendix A. Libya's Pre-Qadhafi History

### Libya's Colonial Experience

#### The Ottoman Empire and Qaramanli Dynasty

Ottoman forces first occupied the coastal regions of the territory that now constitutes Libya in the mid-16<sup>th</sup> century. However, Ottoman administrators faced stiff and near constant resistance from tribal confederations and a rival independent state in the Fezzan region, all of which limited the Ottomans' political influence. Beginning in 1711, a semi-independent state under Turkish official Ahmed Qaramanli emerged in Tripoli and established control over the Ottoman provinces of Tripolitania and Cyrenaica, with Fezzan remaining contested. The Qaramanli family maintained its power and independent rule until the early 19<sup>th</sup> century through naval privateers and pirates under its control who were used to collect tribute and ransom from merchant vessels seized in the Mediterranean Sea.

#### "The Shores of Tripoli"

The Qaramanli naval forces of Tripoli formed one component of a regional grouping commonly referred to as "the Barbary pirates," which played a pivotal role in shaping the foreign and military policies of the young United States. Beginning in the late 1780s, a series of confrontations between U.S. merchant ships and naval raiding parties from Tripoli and other neighboring city-states such as Algiers and Tunis led to the destruction of U.S. maritime cargo and the seizure of U.S. hostages. Subsequent negotiations between the United States and the governments of the Barbary states concluded with the signing of some of the first bilateral treaties in U.S. history, including U.S. agreements to pay tribute to Tripoli in exchange for the safe passage of U.S. vessels off what is now the Libyan coast.

Disputes over the terms of this bilateral agreement and continuing attacks on U.S. merchant ships impressed upon the U.S. government the need for a naval protection force to safeguard U.S. commercial activity in the Mediterranean. This need eventually was satisfied by the creation of the United States Navy by Congress in April 1798. An attack on the U.S. consulate in Tripoli in 1801 and further attacks on U.S. ships sparked open hostilities between the newly commissioned light naval forces of the United States and the privateers of Tripoli. Frequent naval engagements from 1801 to 1805 were often won by U.S. forces, but one skirmish in 1804 ended with the grounding of the *U.S.S. Philadelphia* and the capture of her crew. The conflict culminated in the overland seizure of the eastern Libyan city of Darnah by U.S. Marines and a team of recruited indigenous forces in 1805—the basis for the reference to "the shores of Tripoli" in the Marine Corps hymn. The fall of Darnah compelled the Qaramanli leadership in Tripoli to relent to demands to ransom the U.S. prisoners and sign a "treaty of peace and friendship." Efforts to repatriate the remains of U.S. personnel killed in these early 19<sup>th</sup> century military engagements with Tripoli are ongoing.<sup>133</sup>

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<sup>133</sup> See *Veterans of Foreign Wars Magazine*, "Return Oldest U.S. MIAs," Volume 94, Issue 1, September 1, 2006; and the Somers Point Historical Society, information available at <http://www.richardsomers.org>.

The decline of Qaramanli naval power following the confrontation with the United States contributed to the dynasty's steady loss of political power. Ottoman authorities reoccupied Tripoli in 1835 and began a campaign to pacify and co-opt the region's tribal confederations. The Ottomans solicited the cooperation of the leaders of a conservative revivalist Sufi order known as the *Sanusiyah* based in Cyrenaica, which they allowed to raise an independent militia and participate in a tacit ruling partnership. Although the Ottoman administrative structure imposed in the 19<sup>th</sup> century formed the basis for a centralized state, the penetration of Ottoman political power remained incomplete and regional resistance to Ottoman reforms and central authority persisted into the 20<sup>th</sup> century.

### **Italian Annexation and Post-War Uncertainty**

Italy annexed Tripolitania and Cyrenaica in 1911, and the Ottoman Empire's subsequent release of its claim to its territory in 1912, marked the beginning of a violent 20-year period of resistance to Italian rule led by the Sanussi order and local tribes. The Italian occupation authorities dismantled the remaining Ottoman governing structures and disrupted the activities of social and cultural institutions across Libya. Sanussi resistance fighters were defeated during World War I, and the international community formally recognized Italian control over the territory in 1924. A second round of anti-Italian insurgency spurred a violent crackdown by Italian forces under Mussolini, who renamed the territory Libya in 1929. Resistance based in Cyrenaica was worn down and ultimately crushed by 1931. In 1934, Italian peasant colonists began entering the provinces, leading to the displacement of local farmers and the uprooting of established agricultural communities across the country. The population of Cyrenaica remained hostile to Italian rule and its Sanussi leaders allied themselves with British colonial forces in neighboring Egypt.

During the Second World War, Libya served as a staging ground for Italian and German attacks on French North Africa and British-held Egypt. Pivotal battles took place in Cyrenaica from 1940 to early 1943, when German and Italian forces were forced from Libya by British troops under General Bernard Montgomery. British-organized Sanussi fighters played a role in supporting allied operations against German and Italian forces. Following the war, Libya's provinces were divided under British and French protection until the disposition of Italy's former colonies could be negotiated. Protracted and complex negotiations continued for years. In November 1949, U.N. General Assembly Resolution 289 declared that the three disparate regions would be united in a single, independent state. The resolution also dispatched a United Nations Commissioner to assist a national assembly representing the regions in creating institutions for a new state that was to assume sovereignty no later than January 1, 1952. The strength of tribal and regional identities complicated the subsequent negotiations and strongly influenced the new government following independence.

### **Independence and Monarchy, 1951-1969**

A constitution agreed to by the U.N.-assisted National Constituent Assembly in October 1951 established a federal system of government with central authority vested in King Idris As Sanussi I and legislative authority vested in a Prime Minister, a Council of Ministers, and a bicameral legislature. On December 24, 1951, the United Kingdom of Libya became one of the first independent states in Africa. The first parliamentary election was held in February 1952, one month after independence. Political parties were banned by the king shortly after independence was declared, and Libya's first decade of independence was characterized by continuous

bargaining and rivalry among the provincial governments over taxation, development, and constitutional issues. In 1963, King Idris replaced the federal system of government with a unitary monarchy that centralized royal authority, in part to streamline the development of the country's newly discovered oil resources.

Prior to the discovery of marketable oil in 1959, the Libyan government was largely dependent on economic aid and technical assistance it received from international institutions and through military basing agreements with the United States and United Kingdom. The U.S.-operated air base at Wheelus field outside of Tripoli served as an important Strategic Air Command base and center for military intelligence operations throughout the 1950s and 1960s. Oil wealth brought rapid economic growth and greater financial independence to Libya in the 1960s, but the weakness of national institutions and Libyan elites' growing identification with the pan-Arab socialist ideology of Egyptian leader Gamal Abdel Nasser contributed to the gradual marginalization of the monarchy under King Idris. Popular criticism of U.S. and British basing agreements grew, becoming amplified in wake of Israel's defeat of Arab forces in the 1967 Six Day War. King Idris left the country in mid-1969 for medical reasons, setting the stage for a military coup in September, led by a young, devoted Nasserite army captain named Muammar al Qadhafi.



## **Appendix B. Normalization of Relations, Terrorism, and Related Claims**

### **Background: La Belle and UTA Flight 772**

Compensation claims for U.S. victims of the 1986 bombing of the La Belle nightclub in Berlin and the 1989 Libyan-sponsored bombing of a French passenger aircraft also have been pending in U.S. courts. Two U.S. servicemen, Sgt. Kenneth T. Ford and Sgt. James E. Goins, were killed in the La Belle bombing, and 80 other U.S. servicemen and women were injured. Some were permanently disabled.<sup>134</sup> On September 19, 1989, a mid-air explosion killed 171 passengers and crew of the French airline UTA flight 772 over Niger in western Africa, including seven U.S. citizens. On March 10, 1999, a French court found six Libyans guilty in absentia for bombing the DC-10 aircraft. In January 2008, U.S. District Judge Henry H. Kennedy ruled that Libya was directly responsible for the bombing of UTA Flight 772 and ordered the Libyan government and specific Libyan officials to pay \$6 billion in damages to the families and estates of six U.S. victims of the attack. Libya made payments to German and French victims for the two bombings.<sup>135</sup>

Legal representatives of the La Belle victims and representatives of the Libyan government met several times in 2006 to discuss settlement terms, and reached an agreement in which the victims and their families relinquished further claims against the Libyan government in return for a Libyan commitment to make specified settlement payments. The U.S. parties signaled their acceptance of the agreement by signing and transmitting to Libyan government representatives legal documents known as Release of Claims forms. The Libyan government did not make the payments described under the terms of the agreement, and the U.S. parties filed a motion before the U.S. District Court for the District of Columbia to enforce the settlement agreement.<sup>136</sup> In early July 2007, President Bush reportedly identified the resolution of the La Belle settlement as an issue of importance for further consolidation of U.S.-Libya relations in a letter to Libyan leader Muammar al Qadhafi.

Under the terms of the Comprehensive Settlement Agreement, the Bush Administration certified that sufficient funds for the La Belle payments were made available to an independent entity under the supervision of the U.S. Secretary of State. Reporting suggested that some UTA plaintiffs have expressed dissatisfaction with the arrangements, stating, “The courts have decided that Libya carried out the UTA 772 attack, and has awarded us compensation under the rule of law. [S. 3370] will invalidate the court’s judgment, and allow Libya to avoid a court judgment.”<sup>137</sup>

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<sup>134</sup> See Robert Lee Beecham et al. v. Socialist People’s Libyan Arab Jamahiriya, 01 CIV 02243, District of Columbia Circuit.

<sup>135</sup> Libya paid a total of \$33 million in compensation to the victim’s families in July 1999. France re-negotiated the settlement in 2003 and received about \$1 million for each victim. See Robert L. Pugh, et al. v. The Socialist People’s Libyan Arab Jamahiriya, et al., Civ. A. No. 02-2026, U.S. District Court for the District of Columbia.

<sup>136</sup> At issue is the question of whether the Libyan representatives who participated in the meetings with the U.S. parties when the terms of the agreement were outlined has “apparent authority” to represent the Libyan government and commit to binding agreements on its behalf. See Robert Lee Beecham, et al. v. Socialist People’s Libyan Arab Jamahiriya, et al., Civ. A. No. 01-2243 U.S. District Court for the District of Columbia.

<sup>137</sup> Adam Graham-Silverman, “Congress Clears Measure Limiting Further Terrorism Lawsuits Against Libya,” (continued...)

## Reestablishing Normal Bilateral Relations

The reestablishment of normal bilateral relations between the United States and Libya has proceeded incrementally in the wake of Libya's December 2003 decision to relinquish its weapons of mass destruction and ballistic missile programs.

- On February 11, 2004, the United States opened a two-person interest section at the Belgian embassy in Tripoli, which was expanded to a larger Liaison Office in June 2004. The White House announced several measures on February 26, 2004, including rescissions on bans on using U.S. passports to travel to or through Libya, and U.S. citizen expenditures in Libya.
- On September 20, 2004, President Bush issued Executive Order 13357 that ended most economic sanctions against Libya, allowed air flights between the two countries, permitted Libyan purchases of U.S.-built aircraft, and released approximately \$1 billion in Libyan assets that had been frozen in the United States.
- On September 28, 2005, President Bush issued two waivers of Arms Export Control Act restrictions on the export of defense articles to Libya. The waivers allowed U.S. companies to “possibly participate” in Libya’s efforts to destroy its chemical weapons and precursor stockpiles, along with the refurbishment of eight C-130 transport planes purchased by Libya in the 1970s that have been withheld for the last 30 years. The President has not indicated when or if the aircraft will be delivered.<sup>138</sup>
- On May 15, 2006, the Bush Administration announced its intention to restore full diplomatic relations with Libya and to rescind Libya’s listing as a state sponsor of terrorism and a country not fully cooperating with U.S. counterterrorism efforts. Full diplomatic relations were restored on May 31, when the United States upgraded its Liaison Office in Tripoli to Embassy status.
- On June 30, 2006, one day after the 45-day congressional notification period for the rescission of Libya’s terrorism-related designations ended, the remaining restrictions on U.S. trade with Libya were removed, including the ban on the export of U.S. defense articles. Certain dual-use technology exports remain restricted under revised U.S. Commerce Department national security guidelines.<sup>139</sup>
- On September 30, 2006, President Bush signed the Iran Freedom Support Act (H.R. 6198/P.L. 109-293), which removed Libya from the terms of the Iran and Libya Sanctions Act (P.L. 107-24).

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(...continued)

*Congressional Quarterly*, July 31, 2008.

<sup>138</sup> The C-130s remain in storage at Dobbins Air Reserve Base in Georgia. They reportedly remain militarily useful, but will require technology upgrades and significant repair. The Administration reportedly has declined to release the planes, but may plan to allow their sale and the return of the proceeds, minus repair and storage costs, to Libya. *Atlanta Journal-Constitution*, “Bound to the Ground: Libyan C-130s Still Parked 30 Years After Purchase,” May 2, 2004; and, Renae Merle, “After 30 Years, Libya Can’t Get Its Planes, Might Get Repair Bill,” *Washington Post*, August 18, 2006.

<sup>139</sup> *Inside U.S. Trade*, “BIS Removes Libya’s State Sponsor-related Export Controls,” Vol. 24, No. 36, September 8, 2006.

Prior to the announcement of plans to restore full diplomatic relations with Libya, some Members of Congress vocally supported further U.S. engagement in response to Libya's decision to rid itself of its weapons of mass destruction and long-range missile development programs.<sup>140</sup> Many Members welcomed the announced changes, although some Members were vocal in calling for the Administration to obtain assurances from the Libyan government that it would adequately resolve the outstanding claims of some U.S. terrorism victims. The fulfillment of the Claims Settlement Agreement and the signing of Executive Order 13477 officially recognized the settlement of outstanding claims from the U.S. government's perspective, although some concerns may remain among private parties.

## Congressional Efforts on Behalf of U.S. Terrorism Victims

Congressional concern over the outstanding legal claims of U.S. terrorism victims accompanied efforts to restore full diplomatic relations between the United States and Libya for several years. Congressional concerns related to a number of claims, including some related to prominent cases such as the 1986 bombing of the La Belle nightclub in Berlin, the 1988 bombing of Pan Am Flight 103, and the 1989 bombing of French airline UTA Flight 772 over Niger (For more information on these attacks and related claims, see **Appendix B**).

From 2007 through mid-2008, an atmosphere of brinkmanship characterized U.S.-Libyan engagement, particularly with regard to outstanding terrorism claims. Some terrorism victims' families, associated legal counsel, and some Members of Congress sought to leverage remaining symbols of diplomatic normalization and new U.S.-Libya economic ties to pressure Libya to resolve pending cases. This included efforts to delay the construction of a new U.S. Embassy in Tripoli and postpone the confirmation of the Administration's nominee for the U.S. ambassadorship to Libya. Congress also enacted legislation to prohibit U.S. foreign assistance to Libya for FY2008 and to alter immunity and damage award provisions relating to Libyan-sponsored acts of terrorism.

## Liability Changes Under Section 1083 of P.L. 110-181

Legislation enacted in January 2008 altered the legal environment in which some outstanding terrorism cases were being considered, and further complicated U.S.-Libyan relations. Section 1083 of P.L. 110-181, the FY2008 National Defense Authorization Act (NDAA, H.R. 4986, signed January 28, 2008) amends the Foreign Sovereign Immunities Act (FSIA) (28 U.S.C. §§ 1602-1611) in order to provide a federal cause of action to sue foreign governments designated as state sponsors of terrorism for damages (including punitive damages) arising from terrorist acts committed or supported by that state.<sup>141</sup> The provision includes measures designed to facilitate the enforcement of judgments by allowing a claimant to subject foreign government assets to liens of *lis pendens* as soon as a suit is filed and by permitting the attachment of indirectly held property

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<sup>140</sup> After an August 2005 visit to Libya, Senate Committee on Foreign Relations Chairman Lugar called Libya "an important partner for [the United States] on the war against terrorism," and indicated that he would "work constructively on the assumption that it's in our best interest to normalize the relationship, to get an embassy there, to get an ambassador." Representative Lantos introduced the "United States-Libya Relations Act of 2005" (H.R. 1453) calling for the dispatch of a charge d'affaires to Libya, the negotiation of an agreement for the establishment of a full U.S. Embassy in Tripoli, and a number of cooperative security, economic, and cultural initiatives. Sylvia Smith, "Libya Wins Lugar, Souder's Praise," *Fort Wayne Journal Gazette*, September 25, 2005.

<sup>141</sup> See CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea.

to satisfy a final judgment. It also permits the re-filing of certain dismissed cases, nullifying certain legal defenses that might have been available to defend against them, and permits the filing of new cases related to previously filed cases that would otherwise be time-barred.

As such, the provisions could have proven applicable to Libya because Libya was previously designated as a state sponsor of terrorism and remained subject to lawsuits by victims of terrorist acts that were committed or alleged to have been committed by agents of Libya. Nearly \$1.7 billion had been awarded against Libya, with an additional \$5.3 billion awarded against certain named Libyan officials,<sup>142</sup> with some twenty additional cases pending. As long as there were pending claims or outstanding judgments against Libya under the terrorism exception to the FSIA, U.S. companies doing business with Libya may have been subject to litigation by judgment creditors who believed the U.S. company was in possession of Libyan property that is subject to execution on a terrorism judgment.<sup>143</sup> From January 2008 onward, legal representatives of U.S. terrorism victims reportedly filed liens of *lis pendens* on Libyan assets related to current contracts with legal and lobbying firms such as Blank & Rome, the Livingston Group, and White & Case.<sup>144</sup>

President Bush vetoed the original version of the bill (H.R. 1585) on December 27, 2007, based on concern that potential court proceedings related to Section 1083 of H.R. 1585 could tie up billions of dollars in Iraqi government funds in the United States, thus undermining efforts to rebuild Iraq and train Iraqi security forces. Conditional waiver authority for Iraq was included in H.R. 4986 and subsequently exercised.<sup>145</sup> However, no specific provisions were included to limit the applicability of the provisions to Libya. In March 2008, the Administration proposed amending Section 1083 to include a new waiver provision to permit an exception with respect to all states whose designation as sponsors of terrorism have been rescinded if the President determines that the waiver is in the national security interest of the United States.<sup>146</sup> Under the terms of the Libyan Claims Resolution Act (P.L. 110-301), the applicability of Section 1083 provisions to Libya was suspended once the Bush Administration certified the receipt of \$1.5 billion in settlement funds and issued Executive Order 13477 stating that claims covered by the agreement were settled.

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<sup>142</sup> For legal analysis, see CRS Report RL31258, *Suits Against Terrorist States by Victims of Terrorism*, by Jennifer K. Elsea.

<sup>143</sup> The new legislation addresses the rights of third parties who have an interest in property that may be subject to levy in execution on a judgment. The conference report for H.R. 1585 (H.Rept. 110-477) applies to P.L. 110-181 and states the conferees intention with regard to the application of Section 1083 was to “encourage the courts to protect the property interests of such innocent third parties by using their inherent authority, on a case-by-case basis, under the applicable procedures governing execution on judgment and attachment in anticipation of judgment.”

<sup>144</sup> Kevin Bogardus, “Libya contracts targeted to fund terror victims’ compensation,” *The Hill*, June 4, 2008.

<sup>145</sup> The waiver authority provided in Section 1083 of P.L. 110-181 requires the President to determine that a waiver for Iraq is in the national security interest of the United States and will “promote the reconstruction of, the consolidation of democracy in, and the relations of the United States with, Iraq.” The President also must determine that Iraq continues to be a reliable ally in combating international terrorism. President Bush waived the application of Section 1083 of P.L. 110-181 to Iraq on January 28, 2008, by issuing Presidential Determination No. 2008-9.

<sup>146</sup> Text of the Administration proposal was included in the correspondence from U.S. Secretary of State Condoleezza Rice, U.S. Secretary of Defense Robert Gates, U.S. Secretary of Energy Samuel Bodman, and U.S. Secretary of Commerce Carlos Gutierrez to Speaker of the House Nancy Pelosi, Senate Majority Leaders Harry Reid, et al., March 18, 2008.

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