

RELEASE IN PART  
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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Wednesday, September 02, 2009 5:55 AM  
**To:** H  
**Subject:** Fw: 9/1 Senior Staff and Deputies Meetings

**From:** Smith, Daniel B  
**To:** Mills, Cheryl D; Abedin, Huma; Sullivan, Jacob J  
**Sent:** Tue Sep 01 12:33:05 2009  
**Subject:** 9/1 Senior Staff and Deputies Meetings

SENSITIVE BUT UNCLASSIFIEDSomalia

- Cheryl noted that she needed to hear further from the Secretary on the proposed changes to the OFAC letter with respect to humanitarian assistance to Somalia and the potential for diversion. She indicated she would let Eric Schwartz know where things stand.

Afghanistan

- No one has yet seen the McChrystal Report.

Iraq

- Jack stressed his continued concern over funding for the transfer of police training responsibilities from Defense to State, noting that it remains "highly ambiguous." (The estimated cost is an initial \$500 million, with an additional \$700 million a year in expenses.) Defense is insisting it does not have money to transfer to State for this purpose, and the idea of a Supplemental is problematic, not the least because the timing would not coincide with the transfer of responsibilities. Jack is concerned that we will look like we are holding up the transfer.

Chinese Tires

- Jim reported that there had been another meeting on Chinese tire imports yesterday where there was interagency agreement on the "first best option," but disagreement over other options. The Chinese are in town for negotiations and there will be another meeting tomorrow after the first round.

B5

Baghdad Management Issues

- Eric Boswell noted that the Department would extend

- Eric also noted that the roof of the USAID building in Baghdad had collapsed.

### Congressional Issues

- Rich said that he met with Senator DeMint yesterday to discuss the holds on Valenzuela and Shannon. Rich thinks DeMint is prepared to let Valenzuela go forward, but would like to speak to Jim Steinberg regarding Honduras. He will insist on a debate and roll call vote for Tom Shannon. DeMint apparently warned, however, that any “substantive change” in our current policy vis-à-vis Honduras would jeopardize both nominations.
- Codel Levin will be heading to Afghanistan, Pakistan and Iraq, but will not overlap with Jack Lew’s stay in those places.

### Legal Issues

- Harold said that one fallout from the renewed focus on Libya is that some former claimants are coming back seeking new relief.

### Hurricane Jimena

- I noted that Hurricane Jimena is expected to make landfall in Baja early tomorrow morning as a powerful Category 4 or 5 Hurricane. Embassy Mexico City and Consulate General Tijuana have issued warden messages and Consular Affairs has put out a travel alert advising citizens to avoid the areas likely to be hit. Many hotels in the path of the storm have been largely evacuated, but there are still many Americans who could be affected. The Ops Center is in close touch with our missions in Mexico to monitor conditions.

### Public Affairs

- PJ anticipates questions about Iran’s alleged willingness to restart talks and whether the Secretary will meet with Zelaya.

### Deputies Meeting Highlights

#### Sri Lanka

- The War Crimes Office said that the report to the Hill on alleged war crimes in Sri Lanka is due by September 21. They have prepared a 60-page draft which is now circulating for clearance. The report covers the period up to May, but Jack encouraged the Office to consider including later material if it would be helpful.

#### Pakistani Internally Displaced Persons

- Eric Schwartz said that the Op-ed in today’s post by Morton Abramowitz criticizing the U.S. and Pakistan for allegedly forcing the return of IDPs into Swat and other areas is simply not true. Eric said he would call Mort to discuss this.

### Export Controls

- Andrew Shapiro noted that the interagency process aimed at “reforming” export controls gets underway today. The goal is to have something to present to Deputies in six weeks.

### Brazilian Oil Development

- David Goldwyn said that Brazil's proposed regulations for developing its vast offshore petroleum reserves were disappointing. Brazil seems to have opted for a nationalist model that will substantially delay bringing on line the most promising non-OPEC source of oil in years.

#### H1N1

- OES reported that the Administration will release its report on H1N1 in the Southern Hemisphere today. The analysis of the virus in several developed countries in the region suggests that it has not mutated and that the vaccine being developed should be effective. It is still not clear, however, whether one or two doses will be required.