

RELEASE IN FULL

CONFIDENTIAL

November 19, 2012

For: Hillary
From: Sid
Re: Egyptian Intel on Israeli negotiations/military/internal discussions

SOURCE: Sources with direct access to the governments of Egypt, Libya and Israel, as well as the highest levels of European governments, and Western intelligence and security services.

1. On November 18, 2012, Egyptian General Abdel Fatah al-Sissi told President Mohamad Morsi in a private conversation that Egyptian Military Intelligence (MI -Mukhabarat el-Khabeya) is reporting that their contacts in the Israeli Defense Force (IDF) continue to state that the leadership of Israel's military and political establishment is engaged in a heated debate over how to proceed in Gaza. According to sensitive sources, the MI officers verify information passed to Morsi and his advisors by Israeli diplomatic contacts in secret sessions; the matter remains unresolved as Israeli Prime Minister Benjamin Netanyahu has not yet made a decision regarding how best to proceed.

2. In the opinion of this individual, al-Sissi believes that while senior Israeli Army commanders are intent on pursuing a ground assault on Gaza Minister of Defense Ehud Barak and some of Netanyahu's advisors believe that this course can be avoided at this time. The Israeli generals are frustrated with Barak, who supported their initial plans to escalate attacks in Gaza in an effort to demonstrate to Hamas that Israel has the military capacity to destroy its enemies. The Minister is now concerned that a move by IDF troops into Gaza will result in heavy civilian casualties, as well as significant losses among the Israeli forces moving through the narrow streets of Gaza City. The Egyptians believe that Barak is becoming convinced that the use of sophisticated weaponry by the IDF is demonstrating the Israel's strategic advantage over Hamas and its other enemies. In the Minister's opinion, this development will allow the Israeli government to accept a ceasefire which will stop Hamas' rocket attacks in Southern Israel.

According to this source, despite his aggressive rhetoric, the Egyptian MI is convinced that Netanyahu has not committed to either side in this debate.

3. (Source Comment: According to this individual, Barak will also insist that any violation of such a ceasefire will result in a large and aggressive IDF incursion into Gaza, using all the technical military assets of the Army to destroy the Hamas military arm. IDF intelligence officers are also telling their Egyptian MI counterparts during secret liaison meetings that the senior commanders of the IDF see this strategy as a waste of time, allowing the Hamas military and security apparatus to prepare for what they see as the inevitable use of IDF troops. Barak is apparently concerned over a number of factors in this situation, particularly the reaction of the people and government of the United States and Western Europe to what is likely to be very bloody house to house fighting in Gaza City, this at a time when the U.S. government is supporting Israel's right of self-defense in strong terms. At the same time Barak is concerned over the logistics and expenses associated with such an operation if it lasts longer than the six (6) weeks planned by the IDF commanders. The Egyptians believe that Barak is extremely pleased with the performance of the Israeli "Iron Dome" missile defense system, the new generation of drone aircraft, and the entire Israeli Air Force. Accordingly, the Minister feels that the success of these sophisticated weapons in protecting Israeli cities, while devastating Gaza City, serves to remind Hamas of the power of the IDF.)

4. During their conversation, as noted by this source, al-Sissi did warn Morsi that the information coming from their IDF liaison contacts must be considered carefully as the Israelis can be expected to try to use this channel to influence Egyptian policy. That said he believes that these mid-level IDF officers, who will actually have to do the fighting in Gaza, are looking to a diplomatic solution. For his part Morsi acknowledges that the Israelis in general and Netanyahu in particular are unpredictable, but the Egyptian President wants to keep the lines of communications open, especially contacts that can be kept secret or discreet.

5. (Source Comment: In addition, this sensitive source notes that Morsi told al-Sissi he is concerned that continued violence in Gaza, particularly if the IDF launches a ground attack on Hamas, will threaten the stability of his government, as well as the newly elected interim government in Libya. Morsi sees his regime as a moderate Islamist administration, committed to working with Western business and government leaders, a position that puts him at odds with the more extreme members of the Muslim intellectual elite. At the same time Morsi's position in the hierarchy of the Egyptian Muslim Brotherhood (MB) allows him a degree of influence with Hamas. By the same token, the Egyptian President believes that the Libyan Government of President Youssef el Magariaf and Prime Minister Ali Zidan may be in even greater danger. Both

men are seen as pro-Western, and closely linked to the U.S. Government and business communities. Accordingly, while Libya does not have the same level of religious conflict as Egypt, Morsi told al-Sissi that his MB associates report that the relatively small conservative Islamist factions in both Tripoli and Benghazi look on the situation in Gaza as a way to undercut the Magariaf Government for not supporting Hamas in strong enough terms.)

6. In the opinion of this individual, al-Sissi and Morsi will continue their secret contacts with Israeli officials and IDF officers, while maintaining a strong contact with Hamas. While the situation is extremely dangerous, and both the Israelis and Hamas are completely unpredictable, Morsi also sees this as an opportunity to establish himself as one of the real leaders in the region. This would be particularly true if he is seen as preventing an IDF incursion, while reducing the level of the current exchange of fire. In this regard Morsi is using his MB position to maintain a relationship with Hamas, while carrying on discreet/secret talks with Israel. For his part, Al-Sissi added that the IDF "Iron Dome" missile defense system is Morsi's best weapon in this process as it has limited the amount of damage Hamas has been able to inflict on southern Israel, giving Netanyahu more time to decide which course to take in this matter. Morsi added that one real concern for him is related to Netanyahu's situation. Morsi stated that his associates in Israel tell him that the Prime Minister appears to be under extreme stress, and, for him, somewhat distracted in discussing privately the next steps in Gaza.