MEMORANDUM

TO: DR. SAEB EREKAT

FROM: NEGOTIATIONS SUPPORT UNIT

SUBJECT: MEETING REPORT - 2ND OUADRILATERAL

SECURITY MEETING

DATE: 3 APRIL 2007

The Egyptian delegation (EGY) opened the meeting by welcoming the all the parties. Gen. Kinawi (GK) spoke on behalf of Omar Suleiman, emphasizing that Egypt was keen on having a successful meeting. He briefly discussed the peace process, highlighting the importance of making Bush's vision a reality. He said security requires cooperation and is a common responsibility, and that an Egyptian team of experts will deal professionally with the various issues on the agenda.

LTG Dayton (KD) chaired the meeting. In his opening remarks, he informed the committee that he had come directly from a meeting with the Israeli Foreign Minister, which was useful for framing the issues. He said there have been some developments since the last quadrilateral: the formation of the new NUG has both positive and negative consequences. On the positive side, he noted "a form of ceasefire" in Gaza. On the negative side, he said the latest intelligence continues to warn about Hamas arming and strengthening its military capacity in Gaza.

KD discussed the political process, agreeing with GK regarding the two state vision. He said Sec. Rice had come to the region again for this goal. He said president Bush has directed him to speak to the Saudis, the Emirates, the Egyptians and Jordanians, in order to "clarify the situation" and get the security effort going. He said that Sec. Rice is assigning a new task: development of "benchmarks" in conjunction with the Israelis and Palestinians on security – including smuggling from Sinai to Gaza.

KD said the crisis is ongoing and requires immediate efforts. The purpose of these efforts is to prevent Hamas from using the NUG as a means of gaining more powers and building up more arms. He said this is not an academic exercise, but should look for solutions where they can be found.

EGY delegation responded to KD's remarks on the NUG: Egypt will judge the NUG based on its actions – for example its cooperation with Abu Mazen (AM), stopping the rockets. They criticized the US position for being premature.

KD defended his statements by saying that the new situation has complicated relations between Palestinians and Israelis. He said his personal opinion (not that of the USG), which he has told to Amos Gilad (AG), is that there may be some usefulness and opportunities in working with this government. He observed, however, that the Israelis are still coming to terms with the situation.

ISR delegation delivered their opening remarks. AG opined that if the smuggling and arming of terror groups continues we are "all doomed," adding that he is therefore happy to be in this meeting because our future is in the hands of security capabilities.

AG spoke to Rashid Abu-Shbak (RAS), saying he is a symbol of what might happen in the future. He now belongs to the Ministry of Interior, and has to decide whether to "join" this government, what his activities will be. AG said this important as it relates to security, and the government does not recognize the state of Israel. He said that Hamas will use the MoI as cover to form its "proper" forces in order to destroy Fatah, the PA, and the PLO. He said RAS is one of the pillars that will either cope with this government or not. If Hamas, supported by its Shiite sponsors, makes gains, it will have a great impact on the middle east. Therefore, these regional powers are the key to solving the challenge, since Hamas gets money, weapons and political support from these powers. If we fail, we put the future of our children at stake.

KD observed that his experience with RAS is that even though he is under the MoI, he is not part of Hamas. He said the US delegation is happy that he is part of this forum.

RAS thanked the Egyptians for hosting the meeting on behalf of AM. He said that what was said in the last meeting in Tel Aviv was positive, and gave us hope, because it was the first time the Israelis were saying serious things, and we are used to delays and refusals to deal with our plans. As professionals, we are away from political issues that might spoil the efforts of this forum. RAS urged the Israelis to ensure their politicians do not spoil things. He said AM is backing the efforts because Palestinians are the ones who suffer most from the tunnels and the broader situation.

He said that without a collective effort the attempt to remove the tunnels and end the smuggling will fail. He noted that this has been the past experience: during the occupation, smuggling took place over 20 years in Gaza, regardless of the repressive and destructive measures used by Israel. He said Egypt has made some efforts but so far has not succeeded. He gave the positive example of cooperation that took place in 2005 with Egypt and Israel. Even though it was a limited effort, and Israel did not fully cooperate, it achieved concrete results.

RAS took note of concerns regarding the increasing arms of Hamas, and the regional dimension of the situation. Much depends, however, on the Israeli position and involvement, as Israel has the power to strengthen or weaken Hamas. He said supporting AM in all areas is the start to weakening Hamas. RAS then gave a presentation on the tunnels and Palestinian ideas for dealing with the problem. Jamal Kaid (JK) then delivered a presentation on the plans for deployment of 3 battalions along the Philadelphi corridor [see PP slides and narrative text].

RAS noted that the presentations did not go into great detail regarding the required equipment, and that a separate paper can be submitted with the full information.

EGY delegation interjected that the Palestinian requests as expressed in the presentations were reasonable. For example, the deployment of forces east of Rafah Crossing, barbed wire, towers, lighting, communication equipment, are all doable and require only small funding, and of course Israeli "approval".

US delegation raised the idea of setting a workplan with a time-frame for action. KD said that simply setting a date would make this meeting successful.

EGY delegation noted that Egypt has been training and will continue to train Palestinian security elements to help create professional and effective bodies that can control the situation on the ground. These activities require financial support. The EGY delegation stressed the need to unify the security agencies.

AG, in response to the Palestinian presentations, said the Israelis will have to study the proposals carefully, which will take time. He said they will give their response "with good will".

Commenting on the Palestinian presentations, KD said that during his visit to Rafah, he had noted that the wall runs right by Palestinian homes. He asked the Palestinians how they intend create a barrier zone given this situation. RAS that most of the infrastructure had been destroyed by Israel, so this is not a major issue. He referred to an area of 100 meters behind the wall where the barbed wire would be placed. Deployment would take place within this zone and up to 300 meters, which should cover the length of all tunnels. For the small number of houses and other structures that will be destroyed, RAS said there has to be compensation of the owners, and asked the US to provide support.

KD noted that the presentations showed a well thought-out and comprehensive plan. He said his team as well as AG will study it. As chair, he set the date of the next meeting (April 22) as the time for a clear answer (by the US and ISR). He encouraged AG to have the review completed by then.

KD made an observation that while this proposal deals with the issue of the tunnels themselves comprehensively, the problem ultimately involves the people and not only the physical infrastructure. So this proposal is just one piece of the puzzle. He hoped therefore the TTR does not think its work is done.

KD made the following recommendation: ISR is concerned about the new National Security Council (NSC), and the chances of it becoming a tool of Hamas. To allay these concerns, KD strongly recommended that the Palestinian proposal on the tunnels and deployment is taken up at the level of the NSC and endorsed as policy for the approval of the president. If the president approves, this will help convince people in Washington and Tel Aviv that the NSC is a serious tool that will provide security to the Palestinians.

RAS agreed with KD that the proposal should not be only about the tunnels, but should deal with the people. He said part of the plan is to reactivate the role of the courts and dealing with smugglers through judicial means.

Regarding the second recommendation (NSC), RAS said Hamas has nothing to do with this proposal, and has only one member out of nine in the council. If Hamas is going to control us, including Dahlan (MD) and the President, then we might as well all go home!

KD: I will answer as clearly as I can. I personally agree with you, and I have had this conversation with MD and AM. My recommendation is that if the NSC can pass this

plan and it gets approved by the president, this will help significantly in US and Israel. The PM is deputy chair of the NSC, so it would be a good demonstration if you could pass this proposal.

EGY: Regarding the Rafah Crossing, we are preventing any suspects from passing through – even when there is infiltration from the Palestinian side, we return them. That is why we ask for coordination when we need to close the crossing with the Palestinians and with AG.

KD introduced the next item on the agenda: Presentation by Egypt. The presentation provided history and background to the problem of smuggling in general (drugs, illegal workers) not only through tunnels, but also on land and sea. Regarding procedures for dealing with smuggling, EGY delegation named the following:

- A decree preventing construction within 50 meters of the border within Rafah City;
- o Egypt carries out destruction of structures and gives compensation;
- Criminal Code punishes the tunneling and smuggling activities including hard labour for smuggling of weapons;
- o Increased security presence with a mandate to search for tunnels;
- o Coordination and liaison with Israel on tunnel information (including Israel providing them with detailed pictures)
- o Coordination with the PA following Israeli withdrawal.

EGY delegation raised the issue of restriction on its ability to conduct operations in the area due to its agreements with Israel (the peace agreement and the recent "Agreed Arrangements"). The Egyptians said the number of Border Guards (BG), capped at 750, was not sufficient. There was a discussion on the redeployment of the "Central Security Forces" (CSF) and their relation to the BG.

Gen. Nagy of the EGY delegation made the following remarks: There is a need to protect the border as a whole, even though over the last 2 years there has not been any smuggling of weapons into Gaza above land. The strategy needs to be from a general perspective: to curb smuggling of weapons into Egypt from other places (through Upper Egypt, coming from Sudan, Yemen, Eritrea ...). This requires procedures such as detectors on roads in Sinai. Tunnel detection equipment is also key. We need to detect the complete body of the tunnel and not just the openings.

Nagy: A holistic approach to security at the borders, from Rafah to Taba, is needed. We have made requests to Israel, some are being studied, others have been responded to, but are not timely to raise now. An important demand is to allow doubling the BG. 750 personnel cannot be expected to secure over 200km border. We also need more powers for the BG, including the power to control joint border areas. The Central Security Forces also should be allowed to have a continuous presence. (According the Agreed Arrangements, the BG replaced the CSF). The scope of the presence of CSF used to start fro Mark 1 to Mark 46. After they were moved due to deployment of BG we could not transport the headquarters, because the CSF are affiliated with MoI and its facilities. As you know the CSF were used to counter Palestinian incursion after the withdrawal. We also have demands regarding maritime smuggling, such as funding for a sea docks and buoys. We will prepare a list of needed equipment, such as night vision, patrol

boats, radar system and coastal radar. Regarding smuggling of narcotics, we request satellite images of suspected sites. We also need to cleanse Sinai of the effects of previous conflicts and to develop agriculture in order to encourage the Bedouins to have genuine jobs, away from smuggling and drugs. The removal of mines is important as well and for that we need maps as well as equipment.

Another member of the EGY delegation made the following remarks: Egypt is doing its best and has attained positive results. AG appreciates our efforts and has responded to all who criticize them. Continuous coordination with the Palestinians and Israel must continue. We need financial support for joint operations for securing the crossing. This funding would fall outside the scope of the US funding for the MoD. We are running out of time, and a gradual approach cannot go on indefinitely. I agree with KD on the need to approve the Palestinian proposal before the next meeting.

KD: I am a bit overwhelmed, so let me ask you some questions. First, do you have these requests in writing? I have a straightforward question: Is there or isn't there a problem with Hamas smuggling weapons from Sinai to Gaza?

EGY: Yes, Hamas is involved. RAS: Yes, but not only Hamas. Smuggling is a lucrative business, and many people are involved.

KD: We are trying under the AMA to get Kerem Shalom open for commercial goods and remove some of the incentives for smuggling. But today I am solely interested in weapons smuggling. So is this a problem or not?

EGY: Of course.

KD: Let's examine how anti-tank missiles get to Hamas, because Israel is concerned they will be used against Israeli targets. As an American, I agree with this concern. So, that rocket is either coming in through Egypt or from the sea. Let's not talk about the sea now. The rocket gets to Hamas in Gaza by land. According to Gen. Nagy, it does not go over ground, but through a tunnel. It probably came from somewhere outside of Egypt (for example, Sudan). How it got into Egypt is an internal Egyptian issue that we are not dealing with today.

EGY: Are you sure such a missile came from Egypt?

KD: I am asking you ... EGY: Are you sure?

KD: As sure as can be. EGY: Do you have information ...?

KD: I hope you are talking about this. Who found the tunnel openings you mentioned?

EGY: The BG work from Mark 3 to Mark 6, where the tunnels are.

KD: This is important because most tunnels are between M3 and M6 – roughly 8km strip. So, if the BG found 116 openings since its deployment, do you believe the problem is that there are deeper tunnels?

EGY: From the border up to 1000 meters we have patrols in rear areas. We spoke of 130 meters where (according to Presidential Decree) the BG are allowed to fire under the Rules of Engagement. There are no openings that the BG did not discover on the Egyptian side.

KD: You are getting to my point. I believe Egypt is doing a lot and I don't doubt your good faith. But, if Hamas continues to receive these things, we must be doing something wrong. RAS admits his forces on the Palestinian side are currently ineffective – the reason JK made his demands was to make them effective. RAS, how many openings have you located on your side?

RAS: In 2005 we had some success. The problem is the body of the tunnel, so we should speak about destruction of the tunnels and not the openings. We destroyed 12. We have this documented on film and it was a success because of cooperation. If we had cooperation in the recent Egyptian work (the 116 openings) we would have destroyed bodies of tunnels. Basically, if you put someone into the opening on one side, he would eventually lead to the uncovering of many openings and fully uncovering the tunnel on both sides of the border.

EGY (speaking to KD): We are aware that Hamas has made progress on manufacture of weapons – and they do not depend mainly on imports, especially the anti-tank "Yassin" missile.

KD: I understand. But they do not make explosives. Military-grade TNT has to come from outside. You see, there are people asking questions: How come Egypt intelligence (one of the best in the world) cannot control things over an 8km stretch? Over this limited area it is clear that people know where the tunnels are. Maybe then the question is equipment or organization. I understand that many of the Egyptian demands derive from restrictions in Israel-Egypt agreements, and the Israelis will examine these demands. Let me ask you this: what does doubling the BG to 1500 give you? I ask this, Gen. Nagy, because I was impressed by your 750 currently there. You say they found all 116 openings. So what would doubling give you, greater depth? The Agreed Arrangements are there – my government is happy with them.

EGY: It will help with securing the depth. For example there is the case of the TNT found near 'Arish. This will prevent smugglers getting stuff to the tunnel area.

KD: A question on intelligence sharing: did you discover any intelligence due to sharing?

EGY: Yes—especially in the last few months there has been more sharing in joint operation centres between Israel and Egypt.

KD (speaking to RAS): When Israel tells you about a tunnel, what do you do?

RAS: In the past there was a good level of cooperation. But recently it is inadequate. Despite that, we deal seriously with every information they give us.

KD (speaking to Gen. Nagy): The police – that is, the CSF – its presence is in Rafah City, not at the border. But looking at statistics from 2004-2005, prior to the

deployment of the BG, the number of openings found by the police range from 17 to 21.

KD concluded by asking Egypt to present its demands and recommendations in writing. He said his personal view is that they are doing a lot, but "we still have a problem." The ISR delegation spoke next:

AG: There is no alternative to Egypt... The problem is the tons of explosives that are being smuggled to Gaza. Hamas and other will upgrade the quality and the quantity of their arsenal. Much of this is a result of smuggling of raw materials through Sinai or the sea. If not stopped, they will soon launch upgraded long-range rockets that might destroy a school, for example. This might escalate things, for example a new IDF operation (as happened after attack in Netanya and the operation in Judea and Samaria - the West Bank). The key to preventing this is intelligence, not army and numbers of people. The 750 BG are soldiers and as such, already contradict the spirit of the agreement. I always believed in the abilities of the Egyptian Intelligence service (GIS). It keeps order and security among 70 millions – 20 millions in one city – this is a great achievement, for which you deserve a medal. It is the best asset for the middle east. But if you can't deal with a small area of tunnels and their source, that is a problem. As for Palestinian intelligence, I consider RAS a great expert and don't hesitate to express appreciation, but the gap is between ability and performance. The new government was formed after Fatah gave up to Hamas. I understand the the great challenge is chaos vs. stability, but Hamas' strategic goal is to take all – including the PLO if it is not stopped by any means. Therefore, two elements are relevant: 1. The capabilities of Palestinian intelligence are not implemented especially against what we call terror; 2. deployment of battalions of NSF along the corridor without capability and desire is not useful. We are supporting training in Egypt and we hope there will be a change, but we can't just depend on God. So, we will cooperate on the PG, on the crossings, and whatever is needed.

EGY (to AG): Regarding doubling the BG, this is just to improve their work – they are not doing anything against the treaty, we simply want to do a perfect job.

KD: I think from now to the next meeting AG might say no on this. There may be ways to be creative under the treaty. You have to remember that before Sadat things were very bad. I would like to see borders here like my country and Canada, but I don't see that happening here.

Gen. Nagy: In the spirit of the treaty we propose we need 750 more BG.

JK (to AG): Two questions: Are you satisfied with what you have provided AM since your withdrawal, for example, for the PG, training and equipment?

KD: Is this a real question or a speech? You can ask the other question.

JK: Regarding the elections, you insisted on holding them, when you knew they might win...

KD: Well, I will answer this privately at some time. I can say my government decided it was the right thing. If we were to do it again we would make sure that terror organizations cannot run, and that Fatah would be better.

The next item on the agenda was a presentation by the USSC on tunnel detection technology [slides are available].

KD concluded the meeting with the following remarks: What was presented and discussed today shows some risk. The job of governments is to balance risks—the risk of doing nothing and the risk of doing something stupid. Israel did not speak tonight unless provoked – they will examine and come back with an assessment next meeting. My team will do the bilateral work with the three sides to help move forward.

We have a problem, even if we do all that you presented. There are positive things happening now, for example the Palestinians training in Egypt – the Israelis are happy with it. The problem, however, is not Hamas itself, but the ability of Hamas and its sponsor to push things in a very different direction in Gaza. If you can keep Hamas from overwhelming the PLO forces, and keep Fatah together, until Hamas is no longer an attractive option – you prevent it from winning militarily until the next elections.

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