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CONFIDENTIAL SECTION 01 OF 03 BAGHDAD 000638

EXDIS

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TAGS: PTER, MOPS, IZ

SUBJECT: CPA 1297: FALLUJA SITREP FOR JUNE 6, 2004

CLASSIFIED BY AMBASSADOR L. PAUL BREMER III FOR REASONS 1.4 (B) AND (D).

REFTEL A) CPA 1287/BAGHDAD 629 B) CPA 1259/BAGHDAD 593

INCIDENTS IN THE FALLUJA AREA IN THE LAST 24 HOURS

- 1. (\mathscr{C}) A NUMBER OF SIGNIFICANT EVENTS OCCURRED IN AND AROUND FALLUJA IN THE LAST 24 HOURS:
- -- A COMPETENT AND TRUSTED COALITION INTERPRETER WAS ABDUCTED FROM WITHIN SIGHT OF MARINE POSITIONS IN THE VILLAGE OF KHARMA (NORTHEAST OF FALLUJA). THE 1ST BATTALION 5TH MARINES IS WORKING WITH LOCAL IRAQI POLICE AND ICCCS TO TRY AND FIND THIS FATHER OF TWO, BUT SO FAR THERE HAVE BEEN NO LEADS. IRAQI REPORTS SUGGEST THAT HE WAS ABDUCTED BY AN OLDER TRIBAL LEADER WITH TWO YOUNG ACCOMPLICES.
- -- 2ND BATTALION 1ST MARINES DISCOVERED TWO LARGE IEDS EMPLACED ALONG THEIR EGRESS ROUTE FROM A CITY COUNCIL MEETING IN SAKLAWIYAH (NORTHWEST OF FALLUJA). THE IEDS WERE NOT/NOT DAISY CHAINED SUGGESTING THAT THE INSURGENTS WERE TRYING TO HIT THE COMMANDER'S CONVOY AND THE FOLLOW UP QRF.
- -- A VEHICLE CONVOY ON HIGHWAY ONE BROKE DOWN WITHIN SIGHT OF FALLUJA AND TOOK SIGNIFICANT FIRE FROM THE CITY. INITIAL REPORTS SUGGESTED THAT ONE OF THE VEHICLES WAS DESTROYED BY ENEMY FIRE, HOWEVER IT HAS NOW BEEN DETERMINED THAT VEHICLE CAUGHT FIRE FROM OVERHEATED BRAKES.

A TWO VEHICLE ARMORED PATROL TO THE NORTH OF THE CITY GOT LOST ON ITS WAY BACK TO BASE AND TOOK A WRONG TURN INTO THE NORTHWEST QUADRANT OF THE CITY. THE PATROL DROVE ALONG THE OUTER EDGE OF THE CITY BEFORE GETTING OUT OF THE AREA AND WAS FIRED ON BY RPGS.
1ST MARINE REGIMENT (RCT-1) COMMANDER COLONEL (b)(3):10 USC CP WAS AMBUSHED IN THE WESTERN PENINSULA ON THE FAR SIDE OF THE EUPHRATES FROM FALLUJA WHILE HE WAS ON HIS WAY TO MEET WITH 505TH ICDC COMMANDER COLONEL (b)(1) THE ASSAILANTS APPEARED TO BE SOLDIERS IN FALLUJA BRIGADE (FB) UNIFORMS. FB COMMANDER GENERAL (b)(1) CLAIMS THAT NO FB SOLDIERS ARE DEPLOYED OUTSIDE FALLUJA, BUT COLONEL (b)(1) CONFIRMS THAT THEY WERE FROM THE BRIGADE.
CLAIMS PROCESS
2. (2) TO DATE, THE MARINES HAVE PROCESSED 590 SOLATIA CLAIMS EQUIVALENT TO \$2 MILLION. SOME RECENT INDEMNIFICATION CLAIMS FROM CITY LEADERS HAVE BEEN EXAGGERATED BY AS MUCH AS 5 TO 10 TIMES THE REAL MARKET VALUE OF REPAIRS. FOR EXAMPLE, (6)(1) DEMANDED \$120,000 AS COMPENSATION FOR DAMAGE TO HIS HOUSE THAT CLEARLY AMOUNTED TO LESS THAN \$5,000 (NOTE. THE MARINES HAVE REFUSED TO ENTERTAIN OBVIOUSLY FRAUDULENT CLAIMS. END NOTE.). PROSPECTIVE (b)(f) /MATTIS MEETING AND FALLUJA PATROL
3. (8) 1ST MARINE DIVISION COMMANDER MAJOR GENERAL MATTIS MET WITH FALLUJA BRIGADE COMMANDER GENERAL (b)(1) (b)(1) THE FALLUJANS BEGAN THE MEETING WITH THE FOLLOWING POINTS:
THOUGH THERE WAS A LOT OF FEAR IN THE CITY THAT THE LOST PATROL IN THE NORTH WAS A COALITION ATTACK, WE UNDERSTAND THAT THIS WAS A MISTAKE.
COMPENSATION IS NOT MOVING FAST ENOUGH; WE HAVE SET UP A COMMITTEE OF 27 TO REVIEW CLAIMS; WANT THE MARINES TO SET THE

- -- COMPENSATION IS NOT MOVING FAST ENOUGH; WE HAVE SET UP A
 COMMITTEE OF 27 TO REVIEW CLAIMS; WANT THE MARINES TO SET THE
 100 FILES WE HAVE IDENTIFIED AS PRIORITY AT THE TOP OF THE LIST
 FOR COMPENSATION; THIS WILL BRING PEACE. IT WILL BE BETTER TO
 MEET WITH (D)(1) AFTER THESE CLAIMS ARE PAID.
 (NOTE. THE 100 FILES IDENTIFIED BY THE COMMITTEE CLEARLY PLAY
 INTO THEIR PATRONAGE SYSTEM IN THE CITY AND ARE NOT NECESSARILY
 THE MOST NEEDY CLAIMANTS. END NOTE.)
- -- WE HAVE ESTABLISHED A NEW COMMITTEE CONSISTING ONLY OF (6)(1)

AND A CITY ENGINEER THAT WILL TRY TO REVIEW AND SPEED UP CLAIMS, BUT WE NEED BETTER COOPERATION FROM THE MARINES. WE ARE ACCOUNTABLE TO GOD AND YOU CAN TRUST US TO BE HONEST.

(NOTE. THESE POINTS WERE REITERATED A NUMBER OF TIMES IN A NUMBER OF DIFFERENT FORMULA. END NOTE.)

4. (2) MG MATTIS RESPONDED TO THESE OPENING COMPLAINTS WITH THE FOLLOWING POINTS:

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DAYS SINCE THE END OF THE FIGHTING, THE COALITION HAS BEEN PATIENT AND MADE MANY GESTURES TO PROMOTE PEACE WITH THE CITY, BUT FALLUJANS HAVE PROVIDED US NOTHING IN RETURN. (MG MATTIS LISTED EVERY STEP TAKEN SINCE APRIL).

- -- IF THE COALITION DOES NOT SEE WEAPONS TURNED IN, RECEIVE ACCESS FOR ITS CIVIL AFFAIRS TEAMS INTO THE CITY, GET A MEETING WITH (b)(1). AND SEE A REAL INVESTIGATION OF THE MURDERS OF THE SECURITY CONTRACTORS, MG MATTIS WOULD CEASE ALL COMPENSATION AND CONTRACTS IN THE CITY. HE ALSO STATED HE WAS ALSO CONSIDERING CEASING ALL PAYMENT OF FB SALARIES.
- -- THE COALITION DOES NOT THREATEN, BUT IT SEEMS THAT THE COALITION IS MORE CONCERNED WITH PEACE THAN THE LEADERS OF FALLUJA.
- 5. (C) AN INTENSE AND PROLONGED DISCUSSION ENSUED WITH THE FALLUJANS, WHO PLEADED WITH MG MATTIS, "NOT TO TURN YOUR BACK ON ETERNAL PEACE WHEN IT IS FINALLY IN REACH ... ALL WE NEED ARE OUR 100 CLAIMS PAID AND YOU WILL HAVE YOUR MEETING WITH ANYONE YOU PLEASE AND BE ABLE TO DO ANYTHING YOU WANT IN THE CITY." SOME REPRESENTATIVE STATEMENTS FROM THE IRAOIS:
- -- WE DIDN'T AGREE WITH (b)(1) INSULTING CONDITIONS
 PRESENTED TO YOU IN OUR LAST MEETING (REF B), THESE 100 CLAIMS
 ARE NOT A CONDITION;
- -- THE FALLUJA BRIGADE NEEDS THREE WEEKS UNTIL WE ARE READY TO ATTACK OUR MUTUAL ENEMIES IN THE CITY;
- -- YOU SHOULDN'T STRESS MEETING WITH (b)(1) SO HIGHLY,

 THERE ARE OTHERS AS IMPORTANT AS HE IN THE CITY LIKE (b)(1)

 (b)(1) (NFI) AND (b)(1) . THE DECISION TO MAKE

 THE 100 CLAIMS A CONDITION FOR A MEETING (SIC) WAS ARRIVED AT BY

 A MEETING OF MANY IMAMS. THEY WILL PRESSURE (b)(1) IF YOU PAY.

- -- IF'YOU PAY THE CLAIMS, (b)(1) WILL PERSONALLY ESCORT YOU AND YOUR CA TEAMS INTO THE CITY AND TAKE RESPONSIBILITY FOR YOUR SAFETY.
- -- WE WILL HAVE A PRESS CONFERENCE WHEN YOU PAY AND WILL SAY ANYTHING YOU WANT TO THE WORLD PRESS. WHAT DO 100 CLAIMS MEAN COMPARED WITH THE BUDGET OF THE UNITED STATES?
- 6. AFTER TWO HOURS OF TOUGH NEGOTIATING, MG MATTIS ANNOUNCED THAT THE MARINES WOULD PAY 50 OF THE 100 CLAIMS BY JUNE 8 AND WOULD PRESENT TO PERSONALLY APPROVALS FOR THE REMAINING 50 AT A MEETING ON WEDNESDAY. HE NOTED THAT HE WAS NOT HOPEFUL THAT THE FALLUJANS WOULD ACTUALLY COME THROUGH WITH THE DOMESTING AS PROMISED SINCE THEY HAD NOT PRODUCED ANYTHING TO DATE. THE FALLUJANS PROMISED TO MEET ON TUESDAY WITH A CONFIRMED TIME FOR THE WEDNESDAY MEETING.

COMMENT

7. (2) MG MATTIS IS RIGHT TO CONCLUDE THAT THE FALLUJANS HAVE NOT AND WILL NOT COME THROUGH WITH ANYTHING THEY HAVE PROMISED. AS PREVIOUSLY NOTED, THE CONTINUING NEGOTIATIONS ARE LIKELY STALLING TACTICS. WE CAN EXPECT THAT ON TUESDAY AND WEDNESDAY, THE FALLUJANS WILL TRY AND PUT BACK THE MATTIS/(b)(1) MEETING ANOTHER WEEK. FROM THEIR PERSPECTIVE, THEY HAVE EVERYTHING TO GAIN FROM DRAWING OUT NEGOTIATIONS UNTIL THE END OF THE MONTH, WHEN THEY CORRECTLY CONCLUDE ANY RESUMPTION OF OUR OFFENSIVE AGAINST ACF/AIF AND FOREIGN FIGHTERS IS POLITICALLY IMPOSSIBLE. IT SEEMS CLEAR THAT THE MAIN GOAL FOR ENEMY LEADERS, CIVIC LEADERS, AND FALLUJA BRIGADE LEADERS ALIKE IS TO ESTABLISH FALLUJA AS AN INDEPENDENT CITY STATE/SAFEHAVEN INSIDE IRAQ. IT IS UNLIKELY THAT ANY STRATEGY WE UNDERTAKE WILL CONVINCE THE FALLUJANS TO GIVE US ACCESS TO THE CITY FOR ANY REASON. THE CRITICAL QUESTION AT THIS POINT IS WHETHER THE FALLUJA SAFEHAVEN BECOMES A LOGISTICAL BASE FOR ATTACKS ELSEWHERE IN IRAQ, OR

REMAINS A QUIESCENT FIEFDOM OF BRIGANDS CONTENT WITH THE CURRENT STALEMATE. THE RECENT REPORTS OF INTERNECINE FIGHTING BETWEEN RIVAL GROUPS IN THE CITY SUGGEST THAT THE ALLIANCE OF INTERESTS AGAINST US MAY HAVE BEGUN TO FRACTURE. IT IS POSSIBLE THAT SOME OF THE MORE RUTHLESS GROUPS WITH TIES TO FOREIGN TERRORISTS HAVE BEEN FIGHTING WITH OTHER FALLUJANS WHO WANT TO KEEP THEIR PROACTIVE TERROR AGENDA IN CHECK AND SO PRESERVE THE STATUS QUO. A CRITICAL FACTOR IN ALL OF THIS IS HOW THE IIG WILL WANT TO DEAL WITH FALLUJA. THE MARINES BELIEVE THAT THE IIG WILL SHORTLY ASK FOR THE COALITION TO RESOLVE FALLUJA'S PROBLEMS BY FORCE, WITH THE EXCUSE THAT FALLUJA'S INDEPENDENCE THREATENS IRAQI STABILITY, BUT THAT IRAQI SECURITY FORCES WILL NOT BE ABLE OR WILLING TO DO THE DIRTY WORK. IT IS ASSUMED THAT ANY SUCH ACTION UNDERTAKEN EVEN WITH THE TACIT BLESSING OF THE IIG WILL

EE PURLICLY REPUDIATED BY THE IRAQIS, AND WILL BE ANOTHER PUBLIC RELATIONS DEBACLE. THIS IS THE MAIN REASON THE MARINES GIVE FOR PRESSING TO RESOLVE THE SITUATION BEFORE 30 JUNE. END COMMENT

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AND A TEAM FROM BAGHDAD IS TRAVELING JUNE 8 TO PROVIDE ADDITIONAL INPUT.

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