



UNITED STATES SENATE

October 27, 2011

The Honorable Hillary Clinton
Secretary of State
U.S. Department of State
Washington, D.C. 20520

Dear Secretary Clinton:

Muammar al-Qaddafi's death requires the Libyan people to begin anew by developing a representative government, cultivating civil society, and rebuilding their infrastructure. The United States can and should be a partner in helping Libya with these monumental tasks. However, we should do so in a way that is mindful of both Libya's resources and our own difficult fiscal situation.

The United States has a significant amount of experience that can be shared with the new Libyan government. Whether it be providing immediate medical assistance to those injured in the conflict, or the longer term mission of providing technical expertise in creating democratic institutions, the United States should be ready to partner with Libya. We should also help the Libyans bring their most valuable economic asset, their oil production, back on line. I'm sure you would agree that a politically and economically stable Libya is in our own national security interests.

Reports following Qaddafi's death indicate that he sheltered up to \$200 billion; the United States alone has frozen over \$34 billion in Libyan assets. This money was stolen from the Libyan people and as it becomes freed up, it should be used to finance their reconstruction.

I truly believe one of the biggest mistakes we made in Iraq was providing all of the funds as grants, not loans. I strongly encouraged the Bush Administration to adopt loans to the Iraqi government, but they refused. Over time, this decision helped create an environment where the Iraqis did not feel financial ownership of their own reconstruction. It also made our operations in Iraq significantly more expensive than they needed to be.

I hope our nation will not make the same mistake twice.

We should help the Libyan people, in an appropriate manner, with the understanding the American taxpayer will be reimbursed to the fullest extent possible. In the proposed Senate version of the *Fiscal Year 2012 Department of State, Foreign Operations, and*

Senate version of the *Fiscal Year 2012 Department of State, Foreign Operations, and Related Programs Appropriations Act*, we include \$20 million to Libya for technical assistance to be provided on a cost matching basis. Additionally, we require that any infrastructure rehabilitation or reconstruction assistance be provided in the form of a loan. I would like to see this expanded to cover as much assistance as possible, particularly with regards to rebuilding Libya's infrastructure.

I look forward to working with you as the serious work of rebuilding Libya continues. Now is the time to make a real commitment to the Libyan people, while being mindful of our financial situation stateside.

Sincerely,



Lindsey O. Graham
United States Senator