SUMMARY: (C) ATTACKS AGAINST PIPELINES/FACILITIES REPRESENT NEW STRATEGY OF TARGETING ALGERIA'S OIL/GAS INDUSTRY. ATTACKS ON FUMPING STATIONS A GRAVE CONCERN. GIA NOW SEES NO POSSIBILITY OF REPLACING THE GOVT.; THEREFORE THE OIL/GAS SECTOR IS NO LONGER SACROSANCT.

TEXT: 1. (C) ON 21 OCT NEAR MIDNIGHT, THE Hassi R'MEL-ARZEW PIPELINE WAS ATTACKED BY BOMB AT ZEMMORA, NEAR RELIZANE. WITHIN 30 MINUTES A SECOND BOMB DETONATED ON THE PIPELINE NEAR TIARET. IN ADDITION, SUBSEQUENT TO THESE ATTACKS, THE PIPELINE BETWEEN Hassi R'MEL-BOUMERDES WAS ATTACKED IN THE SAME WAY.

ACCORDING TO SONATRACH, THE ALGERIAN NATIONAL PETROLEUM COMPANY, A FOURTH BOMB ATTACK AGAINST A PIPELINE OCCURRED IN THE 21-23 FEB TIME FRAME.

2. (C) THE ATTACKS ON THE Hassi R'MEL-ARZEW PIPELINE USED POWERFUL EXPLOSIVES WHICH DESTROYED 100 METERS OF THE PIPELINE.
THE GIA HAD PREVIOUSLY NOT WANTED TO DESTROY THE NATION'S PRINCIPAL SOURCE OF REVENUE BECAUSE IT HOPED TO EVENTUALLY REPLACE THE GOVERNMENT AND NEEDED THOSE FACILITIES INTACT, BUT THE GIA NO LONGER SEES ANY POSSIBILITY OF OVERTURNING THE GOVERNMENT.

COMMENTS: 1. IN ADDITION TO TARGETING PIPELINES, THE GIA WILL FOCUS ON PUMPING STATIONS POSITIONED APPROX EVERY 30 KILOMETERS ALONG THE LENGTH OF THE PIPELINES. THOSE STATIONS ARE VITAL TO THE RECEIVING PIPELINES AND ANY DISRUPTION TO THE PUMPING STATIONS WOULD BE CONSIDERABLY MORE DIFFICULT TO REPAIR THAN THE PIPELINE ITSELF.

SERIAL: (U)(b)(3):10 USC 424.1

COUNTRY: (U) ALGERIA (AG).

IPSP: (U) (b)(3):10 USC 424

SUBJECT: (b)(3):10 USC 424 /MAJOR SHIFT IN GIA STRATEGY (U)

2. SINCE OIL AND GAS EXPORTS REPRESENT OVER 95 PERCENT OF ALGERIA'S EXPORTS OF GOODS, ANY DISRUPTION TO THIS INDUSTRY WOULD LIKELY RESULT IN A MAJOR NEGATIVE IMPACT TO THE ECONOMY.
5. *G* We are not yet convinced that these latest attacks on hydrocarbon facilities represent a new GIA strategy unfolding. We will need to see if such attacks continue over a sustained period. Also, it is far from certain that the GIA has lost all of its hope of overthrowing the government; the GIA may well still have this as its long-term goal.

INSTR: (U) [b](3):10 USC 424
PREP: (U) [b](3):10 USC 424

CONFIDENTIAL

PAGE 04 2416492
ACQ: (U) [b](3):10 USC 424
DISSEM: (U) [b](3):10 USC 424
WARNING: (U) REPORT CLASSIFIED CONFIDENTIAL
ERASE BY DHS SCC, OCTOBER 99
DECL ON: AE

CONFIDENTIAL

************INR Information Support System (INRISS) Section Summary************
************Sections stored at 980224122310************

SECTION  SSN    DTG    CSN    TIME OF RECEIPT    FROM
 01-02   NOSN  241646   2097    980224122301    [b](3):10 USC 424
 02-02   NOSN  241646   2673    980224122300    [b](3):10 USC 424