



REPORT

OF THE

COMMISSION ON THE EASTERN MEDITERRANEAN

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UNIVERSITY OF HAIFA AND HUDSON INSTITUTE



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Introduction – Eastern Mediterranean: Always strategic, now in tumultuous transformation

For at least three thousand five hundred years, since Egypt's Pharaoh Thutmose III sent an army by sea to conquer Syria, the Eastern Mediterranean has been a principal theater of world politics. Its waters were, and remain, a highway critical not only for military operations but for trade. Protecting what are now called sea lines of communication was a challenge in the ages of Solomon, Homer, Herodotus, and Octavian and continued to command attention from world leaders in the eras of Suleiman the Magnificent, Napoleon and General Edmund Allenby. So it does today.

In its long political history, the region has seldom been as volatile and violent as at present. The so-called Greater Middle East slid into extraordinary tumult after the September 11, 2001 al Qaeda attack on New York and Washington. Among other responses, the United States led wars that ousted the regimes in Afghanistan and Iraq. That spawned insurgencies against the new authorities, which have waxed, waned and waxed again. In Lebanon, the 2005 Cedar Revolution ended the Syrian occupation. Popular demonstrations, which started in Tunisia in December 2010 and were called the Arab Spring, then triggered catastrophic upheavals in multiple countries.

As a result, Syria is now disintegrating, creating millions of refugees. Civil wars are wracking Libya and Yemen. Radical Islam's prestige seems to be rising among young Muslims in much of the world. Seizing opportunity from the disarray, Russia has expanded its naval presence in the Mediterranean. Iran has grown more assertive, taking advantage of sanctions relief and of its nuclear deal diplomacy. China's interest in the Mediterranean and Red Sea has intensified. And Turkey, while becoming politically volatile at home, has made to-and-fro strategic readjustments regarding Syria, Russia, Israel and the European Union.

The world's state system is still adjusting to the end of the Cold War. That half-century conflict gave a kind of structure to international affairs. The world since has in general become less stable and, in parts of the Middle East, even chaotic. The rise of al Qaeda and Islamic State (also known as ISIS) represents an attack by non-state actors against the state system and against liberal and democratic principles. America's status as

the world's predominant military power has neither ensured international stability nor deterred serious challenges to traditional Western interests in the Middle East, Europe, Asia or elsewhere. Key institutions of world affairs – from ideas such as free trade, development assistance and national sovereignty to organizations such as the European Union, NATO and the United Nations – are being questioned intellectually and confronted politically. This may contribute to the world's instability, which can be expected to persist for years, but it is not necessarily and entirely negative. Within the turmoil, the United States and Israel may find opportunities as well as risks.

Accordingly, Israel has actively been cultivating better relations with various neighbors. It recently concluded a reconciliation agreement with Turkey, improved its ties to Greece and Cyprus, cooperated with Egypt on Hamas and Muslim Brotherhood threats and all-but-formally aligned with Saudi Arabia regarding Iran.

The United States, meanwhile, has effectively downgraded some its longstanding relationships in the region. By announcing its “pivot” to Asia, it caused uncertainty. That policy was widely interpreted as an intention to turn away from the Middle East. Developments in Libya, Syria, Iraq and elsewhere, however, have frustrated American efforts to disengage from the region.

The case can be made that Israel and the United States continue to share strategic interests, but those with contrary views are increasingly vocal, especially in America. Arguments on the subject intensified during the recent debate over the Iran nuclear deal. Given the turbulence of recent Middle Eastern history, it is sensible for Israelis and Americans to reexamine their assumptions about world affairs and how their ties might better serve their interests.

Its strategic partnership with the United States is basic to Israel's military security, to its diplomatic standing and to its identity as a liberal democracy. Inherent in the alliances of sovereign democratic countries, however, is recognition that each is independent and therefore that they may at times differ in defining their common interests and may disagree about particular policies. This is as true among NATO allies as it is between Israel and the United States.

This is the context in which Israeli officials now are exploring areas of possible security cooperation with Russia, despite Israeli-Russian differences and strains

in America's relationship with Russia. Advocates for such cooperation cite past economic sanctions against Iran and efforts to dismantle Syria's chemical weapons as examples of fruitful joint U.S.-Russian work that served common interests of the United States, Russia and Israel. They believe that cooperation of this kind can be win-win, especially in the maritime domain and in connection with Israel's offshore energy resources.

The discovery of large energy reserves within Israel's Mediterranean exclusive economic zone is one of the Eastern Mediterranean's transformative recent developments. The natural gas there can cover Israel's needs for decades and allow exports beyond that. It's copious enough to transform the economy in Israel and perhaps beyond.

Less widely noted have been the indications that there may be large oil reserves below the gas fields.

To develop both its known and possible additional energy resources, one of Israel's key requirements is to attract investment. This is a formidable challenge, for at the same time Israel has to safeguard its environmental and other public interests. The gas developers have yet to clear final regulatory hurdles to bring online Israel's largest offshore gas field, known as Leviathan. Then they have to arrange sales contracts and financing. Meanwhile, energy prices worldwide recently collapsed by more than fifty percent.

Maritime strategy is important for the security and wellbeing of any state with a seacoast. A maritime strategy differs from land strategy in focus, tools and methods. Both the United States and Israel require national security strategies with maritime as well as land components.

Israel is an economic island, with virtually all (approximately 99% by volume) of its foreign trade transported by sea. (One of the Middle East's singular features is that none of its countries trades substantially with any of its neighbors. This is a telling sign of the region's political pathology). It is therefore impossible to overstate Israel's interests in maritime security. Yet, surprisingly, the maritime domain is almost absent from public discourse in Israel, a nation not known for its maritime culture or history.

With its recently discovered offshore gas fields and its emergence as an energy-independent nation and even a potential energy exporter, Israel has an even greater motivation to study the maritime domain and identify its maritime interests. Properly incorporating maritime considerations into Israel's national security strategy is a critical task. Given the lack of attention to this subject in past years, it will require original thinking. Israel can benefit from cooperation with institutions abroad that specialize in the strategic, economic, environmental and other aspects of the maritime domain. This report's purpose is to help lay the foundation for the formulation of Israel's maritime strategy.

Strategy defines the means by which a state works to achieve its national goals. To craft a strategy, the key first step is to define national goals.

Israel's primary goals are: maintaining a Jewish and democratic state, based on the principles laid out in its Declaration of Independence; functioning as an equal member of the international community; and working together or in parallel with other constructive Middle Eastern states to counter Islamic extremism in the region and beyond. These goals should be pursued within the political framework of two states for two peoples. The issues elaborated in this report, including Israel's control of its maritime domain and exclusive economic zone (EEZ) and its relations with its neighbors, including Syria, Lebanon, Egypt, Jordan, the Palestinian Authority and Cyprus, should be addressed in light of these goals.

The primary national goal of the United States is to preserve its constitutional system of democratic self-government to secure life, liberty and the pursuit of happiness. This requires protection of the country's sovereignty, the foundation of self-government. The United States bolsters its security and prosperity through alliances and partnerships with countries sharing our interests. The U.S. doctrine of forward defense, by confronting threats abroad rather than only at the national borders, reflects commitment to keeping American society free and open.

This report's purpose is to address policy makers and the public in Israel and the United States as they review Eastern Mediterranean security and energy. It calls attention to major phenomena and offers strategic-level observations, but not solutions to specific political problems.

University of Haifa-Hudson Institute consortium: Commission on the Eastern Mediterranean

To contribute to this strategic reexamination, the University of Haifa and Hudson Institute are working together on common Israeli and American regional interests. The University of Haifa and Hudson Institute have created their consortium to bring together accomplished Israeli and American military and civilian figures, policy practitioners and scholars, to address the range of issues relating to the Eastern Mediterranean.

The University of Haifa role has already won the leading role in the Mediterranean Sea Research Center of Israel (MERC), a team effort of seven universities, one college and two governmental research institutes in Israel to study an array of scientific, technological, economic, security and environmental challenges and opportunities. Hudson Institute has a long record of distinguished work regarding Turkey, Egypt, Syria, ISIS and other radical Islamist organizations, energy development, Arab-Israeli affairs, maritime strategy and other Eastern Mediterranean-related matters.

The University of Haifa-Hudson Institute consortium's first project enlisted ten senior figures with professionally and politically diverse backgrounds to serve as a Commission on the Eastern Mediterranean.

In meetings in Haifa (on February 2-3, 2016), then in Washington, DC (on April 14-15, 2016), the Commission heard presentations from outside experts and deliberated on major energy and security matters. This report is the result of those deliberations.

The Commission members are:

- **Co-Chair Shaul Chorev**, Head of Research Center for Maritime Strategy, University of Haifa; formerly head of the Israel Atomic Energy Commission and Deputy Chief of Israel's Navy.
- **Co-Chair Mary Landrieu**, Former U.S. Senator from Louisiana and former chair of the Senate Committee on Energy and Natural Resources.

- **Ami Ayalon**, Chair of Executive Committee of University of Haifa; formerly Director of Israel Security Agency (“Shin Bet”) and Commander in Chief of Israel’s Navy.
- **Seth Cropsey**, PhD in Philosophy; Hudson Institute Senior Fellow; former U.S. Deputy Under Secretary of the Navy.
- **Charles Davidson**, former Chairman and CEO, Noble Energy, Inc.
- **Douglas J. Feith**, Hudson Institute Senior Fellow; formerly professor at Georgetown University School of Foreign Service, U.S. Under Secretary of Defense for Policy, and managing attorney of a private law firm.
- **Arthur Herman**, Hudson Institute Senior Fellow; historian and author of eight books including *Douglas MacArthur: American Warrior*; *To Rule the Waves: How the British Navy Shaped the Modern World* and *Freedom’s Forge: How American Business Produced Victory in World War II*, and the forthcoming *America’s New Energy Map: Leveraging the Shale Revolution*.
- **Ron Prozor**, Former Director General of Israel’s Ministry of Foreign Affairs; former Israeli Ambassador to the United Nations and to the United Kingdom.
- **Gary Roughead**, U.S. Navy admiral (retired); former Chief of Naval Operations; Robert and Marion Oster Distinguished Military Fellow, Hoover Institution, Stanford University.
- **Eytan Sheshinski**, Emeritus lecturer in Economics and Sir Isaac Wolfson Emeritus Professor of Public Finance at the Hebrew University of Jerusalem.

This report represents the Commissioners’ consensus.

Strategic transformations, including the American effort to “pivot”

Throughout much of the 20th century, America’s main interests in the Middle East related to the Cold War and to oil. No more. The Soviet Union is long gone and popular concerns about oil have diminished. Energy efficiency has advanced impressively since the 1973 “oil embargo.” Global energy supplies diversified (more non-petroleum sources and non-Middle Eastern sources) and grew abundant, in part because the United States is projected, thanks to “fracking” and horizontal drilling technology, to eliminate its net imports of energy and perhaps even become a net energy exporter.

After the 9/11 attack, the U.S. focused on the (Greater) Middle East as the locus of radical Islam and the home of state supporters of terrorism. Israel stood out as a sympathetic fellow democracy that many Americans saw as a war-on-terrorism ally. The United States fought major campaigns in Afghanistan and Iraq, both of which proved longer and costlier in blood and treasure – and produced less satisfactory results – than had been anticipated. By the end of the George W. Bush administration, many Americans became eager to end the U.S. military involvement in the Middle East and reduce attention to this region that, Israel aside, appeared hostile, technologically backward, authoritarian, corrupt, violent and resistant to improvement.

The notion that America “no longer needs the Middle East” spread in the United States as isolationism gained popularity. The idea of disengaging from the Middle East won general and official support, appearing feasible as well as desirable. Its appeal grew as Arab Spring political reverberations disturbed country after country.

The region’s upheaval has included revolutions that ousted governments in Tunisia, Egypt, Libya, and Yemen and civil wars that continue in Libya, Syria, Iraq and Yemen. Turkey, which used to boast of no problems with its neighbors, clashed with parties throughout its neighborhood. President Recep Tayyip Erdogan, who just recently survived an attempted military coup, has been transforming domestic politics and Turkey’s constitution in pursuit of incontestable power.

Political instability across the Arab and Muslim worlds challenges not only particular governments, but the very idea of the nation-state. Some Islamist groups, such as ISIS and al Qaeda, actively champion global jihad and highlight the aspiration to establish a universal Muslim Caliphate. Others, such as Egypt's Muslim Brotherhood and Hamas, mainly concentrate on local grievances. The foundational writings common to the various Islamist groups, however, denigrate the international state system as a product of Western imperialism. They oppose liberal democracy, arguing that popular sovereignty is an affront to divine sovereignty. And they reject common Western political principals such as secular government and the equality of men and women. Though Western officials often think of radical Islam as a terrorism problem, it makes more sense to see terrorism as part of the broader threat of radical Islam.

Millions of Middle Easterners are now refugees or migrants fleeing political violence, mainly in Syria and Iraq, or economic hardships. Syria's civil war has forced approximately eleven million people – half the country's population – to leave their homes. Approximately 4.5 million of them are seeking refuge outside Syria. Over a million entered Europe in 2015, mostly by sea.

Recent U.S. policy has signaled the aim to disengage from the Middle East. American officials announced a U.S. "pivot" – turning away from the Middle East – toward East Asia. The United States withdrew its forces from Iraq in 2011. It has withheld substantial aid from the rebel forces in Syria's civil war, even after President Assad crossed President Obama's "red line" regarding chemical weapons use. The number of U.S. forces deployed to fight ISIS in Iraq and Syria has been kept small, and their rules of engagement restrictive. And the United States chose a strategy of diplomatic engagement to deal with Iran's nuclear program. U.S.-supported international economic sanctions against Iran and negotiations with Iran produced a "joint comprehensive plan of action" intended by the Western parties to prevent Iran's nuclear program from advancing. This nuclear deal promises to provide Iran with access to many billions of dollars of cash. The challenge facing the Western parties is how to try to ensure that Iran complies with its obligations under the deal and how to counter Iran's use of the cash to destabilize the region. Meanwhile, Iran is preserving its nuclear infrastructure and continuing to increase its missile forces' range and payload. Iran insisted that the nuclear deal should permit such actions, and the United States and the other parties, over time, consented.

Disengagement has estranged America from traditional partners. Officials from Sunni Arab countries commonly see the Shiite-Sunni divide as the chief strategic reality of the region, indeed the world. Many argue that America is now siding with Iran and the Shiites. For evidence, they cite the U.S. overthrow of Saddam Hussein's Sunni regime in favor of a Shiite-dominated government in Iraq, U.S. unwillingness to support Sunni rebels in Syria, and the U.S. nuclear deal with Iran. An important, if ironic, consequence of these U.S. policies has been open alignment on regional security issues among officials in Saudi Arabia, Egypt and Israel.

The United States is at odds not just with longstanding Middle Eastern partners. Its relations are strained also with Russia over Ukraine, over Russia's assertive military activity in the Baltics and over Putin's support for the Assad regime and Iran. They are likewise strained with China over a number of matters, including its aggressive maritime activities in the East and South China Seas, the area-denial military strategy it has developed against the United States and its cyber intrusions and thefts.

Israel's economic and diplomatic relations with Russia and China, however, are comparatively good. Despite problems with several European countries that have made a point of criticizing it for lack of progress on Palestinian issues, Israel has achieved some notable diplomatic successes in recent years, particularly in the Eastern Mediterranean. As noted, opposition to U.S. policy on Iran's nuclear program put Israel at odds with the U.S. government, but opened avenues for dialogue with Saudi Arabia. Prominent Saudis have lately appeared with high-profile Israelis in public discussions of regional policy. And, as tensions with Turkey's Erdogan government developed, Israel turned the difficulty to advantage by improving its ties to Greece and Cyprus. Israel now conducts military exercises with Greece and is discussing energy cooperation with Greece and Cyprus. Cyprus's consent would likely be required for a pipeline to carry Israeli gas to Turkey. Israel's standing in the world would certainly improve enormously if the conflict with the Palestinians in the West Bank and Gaza could be resolved.

Despite – or perhaps because of – America's disengagement, the Persian Gulf, Red Sea and Mediterranean are growing in political, economic and security significance. Three choke points to and from the Indian Ocean are located there: the Hormuz straits, the Suez Canal, and the Bab el Mandeb straits. Interest in them rises, in part,

because of recognition that maritime transportation of goods and energy can be more secure and less costly than overland options. Iran, China, Russia and India are building capabilities to influence events there. Through its maritime Silk Road strategy and expanded naval presence, for example, China is asserting itself in the Mediterranean and in the approaches to the Red Sea. China is expanding its blue water navy and building infrastructure in the Indian Ocean. Though it long denied interest in creating overseas bases, China is now developing its first overseas facility in Djibouti, at the mouth of the Red Sea, which will provide a base of operations near all the region's choke points.

Nevertheless, U.S. naval power in the Mediterranean, cut substantially after the Cold War ended, remains severely limited. The Sixth Fleet's permanent naval presence is now a single command ship in Italy and four Aegis destroyers equipped for ballistic missile defense, all based in Rota, Spain, just outside the Mediterranean.

Regional security challenges

Iran, the Shiite-Sunni conflict and the Iranian-Russian axis

Iran is competing with its neighbors for regional hegemony as part of a Shiite-Sunni conflict for dominance within the broader Muslim world. That conflict's importance in the eyes of military and civilian officials throughout the Middle East is hard to overstate.

The Iran nuclear deal aims to constrain that country's nuclear weapons infrastructure, and Iran has agreed to delay its development. The deal does not, however, require dismantlement of most elements of its nuclear program. Iran remains a threshold nuclear state. The deal promises to put massive financial resources at the disposal of the Iranian regime, which can be expected to use them to recapitalize its conventional military and Revolutionary Guard forces and to increase operations around the Arabian Peninsula (with or without Russian cooperation). Iran could also increase support for Hezbollah, Hamas and other proxies. On the other hand, the deal may delay Iran's development of nuclear weapons. If so, the time bought might be used to form regional coalitions and examine opportunities to counter dangerous Iranian ambitions, including with forceful action.

Over the past few decades, arms control and peace agreements time and again were violated by non-democratic regimes, such as the North Korean government. Some continue to hope that North Korea will relinquish its nuclear weapons for a suitable set of incentives, but that appears increasingly unlikely. Given that history, no one can take for granted that the United States will act promptly and strongly to uphold the Iranian deal as the Iranian regime either violates it or tests its bounds, as it has done with its recent missile tests. The United States and Israel should coordinate policies to draw serious redlines where a violation would justify the use of force.

Despite a long history of mutual distrust, Iran and Russia are now cooperating on Syria and other matters in ways that threaten interests of the Sunni Arab states, of Israel and of the United States. The implications for security in the Red Sea and Mediterranean are hard to overstate and warrant further study.

Such a study should identify the relevant strategic goals of Russia and the United States. The Russian economy, for example, depends on high world prices for energy, so Middle Eastern instability serves a paramount Russian interest. This is not the case with the United States. Nevertheless, there may be interests shared among the United States, Israel and Russia that could become the basis for cooperation among them. If so, these should be explored. Perhaps shared interests exist on non-proliferation or counter-terrorism. Russia is not necessarily in a zero-sum game with the United States on every issue. Even during the Cold War, the United States and the Soviet Union found common ground, for example, in opposing the spread of nuclear weapons. In recent years, the U.S. and Russia have cooperated on Iran sanctions, the Syrian chemical weapons deal and the creation of the Quartet on Israeli-Palestinian issues.

The study should consider what opportunities might exist for the Iranian-Russian axis to use anti-access and area denial tactics in the Red Sea (Bab el-Mandeb straits), Arabian Gulf, and Mediterranean to restrict the ability of U.S. and allied forces to operate. It could examine how Moscow might use its assets in the Mediterranean to distract NATO in the event of Russian aggression elsewhere – for example, in Ukraine or the Baltics. And it could explore how Russia might exploit long-standing hostility between NATO members Greece and Turkey.

Syria

High on the list of the region's security challenges is Syria's disintegration. Syria is now a failed state; much of it is ungoverned space. The resulting power vacuum has drawn in ISIS, other Sunni extremist groups, Russia, Iran and Hezbollah. The Kurds may aim to break off pieces of Syria for an eventual Kurdish state.

Assad appears to have won the upper hand against his Sunni extremist opponents. This is a victory for Russia and Iran, both of which aided him militarily and diplomatically. Assad's demise, however, if in favor of rebels with allegiance to ISIS or al Qaeda, would hardly serve Western interests.

Terrorist organizations have generally not commanded significant maritime capabilities, but the collapse of Libya and Syria increases the danger that this will occur. Other actors, such as Hamas and Hezbollah, are expanding their arsenals

to enable them to threaten Israel's offshore infrastructure. States in the Eastern Mediterranean face the possibility of attacks against vessels underway or in port, such as the October 2000 bombing of the USS Cole in Yemen and the July 2006 Hezbollah attack on the Israeli Navy corvette INS Hanit with a Chinese C-802 anti-ship missile off the Lebanon coast.

As Russia puts air and naval assets into Syria, otherwise increases its Eastern Mediterranean presence and retains its hold on Crimea's naval ports, the Putin regime will become a key factor in the region's maritime and general security. Russia has been delivering advanced supersonic anti-ship cruise missiles for over five years. Such missiles could find their way into Hezbollah hands, which would further endanger Israeli maritime interests.

Russian officials recently announced a withdrawal of their military forces from Syria following the strengthening of the Assad regime's position in the civil war. Nonetheless, Russia continues to bolster its regional naval presence in the Syrian port of Tartus and its air capabilities at Syria's Khmeimim base, near Latakia.

Proliferation of conventional and non-conventional arms

Prudent military planners will assume (and mitigate the risks) that any weapons system in the region could get into the hands of terrorist organizations. Terrorists could use them against land targets and maritime assets such as naval vessels, commercial ships and energy infrastructure,

Proliferators use maritime means to transport cargos. Recall: Iran's maritime shipment of arms to the Palestinian Authority on the Karine-A, intercepted by Israel in January 2002; North Korea's maritime shipment of Scud missiles to Yemen on the So San, intercepted by Spain and the United States in December 2002 and then released to Yemen; and the A.Q. Khan network's maritime shipment of centrifuges to Libya intercepted by the United States in October 2003. Proliferators can be expected to continue to ship cargos by sea. And interest in weapons of mass destruction can be expected to grow around the world among state and non-state actors.

Risks of WMD proliferation in the Middle East are increasing. In reaction to Iran's nuclear program and for other reasons, Turkey, Egypt, Saudi Arabia and others in

the region may use civil nuclear programs and dual-use technology to produce fissile materials for nuclear weapons or try to acquire nuclear or other mass-destruction weapons by other means.

Dissuasion was long recognized as important to non-proliferation policy, but recent history tends to encourage proliferation. It highlights the advantages rather than disadvantages of pursuing WMD. Would-be proliferators undoubtedly contrast the overthrow of the Taliban, Saddam Hussein and Qadafi regimes with the survival of the North Korean and Iranian regimes. They can easily conclude that the key to survival for rogue regimes is having – or reaching the threshold of – WMD.

Options available to the United States, Israel and others to counter the risks of WMD proliferation include supplier controls, interdiction of shipments of WMD-related material and equipment, and overt or covert means of attack or sabotage. In addition to dissuasion and deterrence measures, plans are required also for defense. Coordinated U.S. and Israeli policies should include intelligence cooperation, maritime and air interdiction activity, generating options for military strike, and efforts to establish international cooperation. As noted, the U.S. and Russia share an interest in preventing WMD proliferation and worked together even in the Cold War for that purpose.

Submarines have unique operational capabilities and their proliferation undermines regional stability. Since the end of the Cold War, the number of active submarines in the world has fallen, largely because of large-scale decommissioning of former Soviet vessels, but the number of countries operating submarines has increased. Regional tensions in the Middle East have been a principal driver of submarine procurement. The spread of advanced submarine technology in the region could gravely damage interests of the United States and Israel.

Cyber security

Cyber risk applies to every element of society, civilian and military. In the maritime domain, it threatens all participants from oil and gas companies, mining companies and port terminal facilities to every type of shipping firm for every type of cargo or passenger across the globe. This risk grows as marine commerce increasingly depends on advanced data equipment known as Information Communication

and Technology. Within the maritime sector, awareness of cyber security needs is generally low to non-existent.

Cyber operations – to collect confidential information or to disrupt, deceive or destroy – are not the province of only a small number of highly skilled experts in a handful of technologically advanced countries. They are universal. They are part of ISIS's war in Iraq and the civil wars in Syria and Yemen, as well as the activities of the Chinese, Russian and Iranian military and intelligence services.

Cyber operations enormously favor offense over defense. It is difficult to prevent or even detect intrusions. And it is hard to locate or identify the perpetrator.

Israel has become a world leader in the technical aspects of cyber defense. But the cyber domain is, by and large, strategically and legally uncharted territory. There is no general agreement on what constitutes aggression or what would be a proper response to various types of intrusions.

Refugees and migrants

Large numbers of Middle Eastern and African refugees and migrants are trying to enter Europe, many through Turkey and Greece. Some are traveling overland. Many are taking boats across the Eastern Mediterranean. Throughout the continent, many view the refugees sympathetically. Many also, however, view them as a time bomb of social instability and political violence.

Over 600,000 Syrian refugees are now in Jordan, 1.2 million in Lebanon and 1.8 million in Turkey.

If refugees and migrants found homes in Persian Gulf countries, they could assimilate more easily than in Germany, the United States or another Western country. They would speak the local language and share the predominant religion and culture. Their professional licenses would be respected; doctors could work as doctors and engineers as engineers. The Gulf states are wealthy and sparsely populated, but they have tended not to open their doors.

As Western countries debate their own obligations to provide aid and refuge, their officials have done little to urge the Gulf states to alleviate the problem. An

international conference could be convened to deal with this problem globally and to focus attention on the particular moral obligation of wealthy Gulf states to provide homes to their fellow Muslims and fellow Arabic-speakers.

In the meantime, democratic countries should anticipate even larger refugee flows, not only from countries that border the Mediterranean but also from those in the African heartland.

In March 2016, the European Union made a deal with Turkey on the Middle Eastern refugee crisis. In exchange for funds, easier entry of Turks into European Union states and a promise to “reenergize” talks to admit Turkey into the European Union, Turkey promised to help the European Union stem the refugee influx.

Turkey-Israel relations

When Erdogan became Turkey’s prime minister in 2003, he reframed his country’s place in the world. He literally re-oriented it – that is, focused attention on its Muslim identity and its ties to the East. His diplomacy initially gave priority to the Arab and Muslim worlds. In the diplomatic struggles over United Nations sanctions against Iran’s nuclear programs in 2010, his actions tended to help Iran against the West. He embraced Hamas, the Palestinian branch of the Muslim Brotherhood, and downgraded diplomatic ties with Israel bitterly after the 2010 Turkish flotilla to Gaza. He welcomed the Muslim Brotherhood’s accession to power in Egypt in 2012. Erdogan liberalized Turkey’s economy but has made the country’s political system more authoritarian.

After the failure of the July 15, 2016 coup attempt against Erdogan, his government moved quickly to purge tens of thousands of civil servants, military officials and others whom it deems enemies of the state. The attempted coup has increased the power and popularity of Erdogan, who used it to galvanize his constituency, composed mainly of the country’s religious masses. It is too early to know how the coup attempt will affect Turkey’s foreign and defense policies.

Turkey’s once-proud boast of “no problems with neighbors” is now a bygone. It is fighting a revived domestic Kurdish insurgency and has suffered attacks from ISIS, in Syria and at home. Its armed forces have also lately clashed with Syrian government

forces and with the Russian military. Turkey has been quarreling with European Union officials about what it sees as purposeful delays in processing Turkey's application for membership. Disputes with the United States and Russia over their Syria policies have increased Turkey's sense of isolation.

To mitigate these problems, Turkish officials have been working to break out of this isolation and improve their ties abroad, including with Israel. It was on June 27, 2016 that Turkey and Israel announced their new political reconciliation agreement. Turkish officials had said better relations would hinge on Israeli concessions to the Palestinians. Turkey can now send humanitarian supplies to Gaza through an Israeli seaport, though that was arguably the case even before the 2010 Mavi Marmara incident. The agreement is not likely to restore the close strategic Israeli-Turkish partnership of the 1990s, but it may open the way to mutually valuable intelligence cooperation to fight terror. The possibility of an offshore gas pipeline from Israel to Turkey featured in public statements by both Israeli and Turkish leaders, but it remains unclear whether Turkey will actually buy Israeli gas in the future.

Maritime terrorism

In recent years, piracy grew into a substantial problem in the Indian Ocean-Red Sea region. In the 19th century and before, it afflicted shipping in the Mediterranean. It is unclear whether it will revive in the Mediterranean, motivated perhaps by political goals as well as revenue.

With Iran now released from sanctions, it could increase terrorism at sea. The threat of maritime terrorism also grows as ISIS fights for territory on the Mediterranean, in Syria and Libya. There are centuries of history in which naval forces of Muslim powers were active in the Mediterranean, from before Lepanto, through America's Barbary Wars and World War I. If radical Islamists gain naval power, they may look to that history for inspiration. This warrants study.

Global terrorist organizations such as ISIS and al Qaeda may target sea lanes for attack as elements and symbols of the state system and of globalization.

Other security challenges

Weak governance in Yemen, the Sinai, and Sudan allows the growth of radical Muslim terrorist organizations that threaten the movement of world trade and transportation – for example, the recent downing of the Russian commercial jet over the Sinai.

In Libya, the dangers of a failed state on the Mediterranean littoral arise, as in Syria.

In Lebanon, Hezbollah has been weakened by losses in the Syrian civil war, but may be strengthened by the new funds Iran will obtain through the nuclear deal. Hezbollah's rocket threat to Israel is growing. According to press reports, Hezbollah's arsenal now exceeds 150,000 rockets. Israel also faces the potential for conflict with Lebanon relating to their maritime (exclusive economic zone) boundaries.

Within Egypt, Salafist terrorists affiliated with ISIS continue to operate in the Sinai, despite Egyptian military operations to eliminate them. Egypt and Israel share interests in containing threats from Hamas in Gaza, but their Gaza policies are sometimes at odds. The two countries also share interests in safeguarding their respective energy facilities.

Maritime matters are among Israel's principal concerns. Controlling the sea lines of communication is vital to Israel's security and economy. Coastal security has been a priority since Israel's birth. New maritime security challenges have arisen as Israel's offshore gas facilities have grown and as the Red Sea becomes contested space among regional and global powers.

The Eastern Mediterranean is a national security as well as economic asset. It gives Israel strategic depth, more area from which to operate militarily than is afforded by Israel's landmass. Strategic depth is important because Israel is geographically small and narrow with only three major metropolitan areas. It has high population density (more than ten times that of the United States). These factors may tempt an enemy to use weapons of mass destruction in the expectation that they would have strategic effect. As WMD proliferation risks increase, so does the importance of Israel's strategic depth. A proper strategic view of Israel encompasses the maritime domain – its territorial waters, exclusive economic zones and other usable waters –

as well as its land. Use of the sea for ships, submarines and other equipment helps Israel to deter and defend against WMD, ballistic missiles and heavy rockets.

The maritime blockade of the Gaza Strip has implications for Israeli security, for Israel's international relations generally (especially with Turkey), and for Israel's relations with the Palestinians.

Regional security opportunities

Commonly viewing the region as split by a Sunni-Shiite conflict, officials in mostly Sunni countries like Saudi Arabia and Egypt see Israel as a useful partner against the combination of Iran, the Assad regime and Russia. How should Israel capitalize on new possibilities of cooperation with Arab states using overt and covert means? Areas of common concern include terrorism threats, radical Islamist ideology, missile defense and Iran's nuclear capabilities. Diplomatic progress with the Palestinians could make it easier for Israel to cooperate with Saudi Arabia, Egypt and other states in the region. Lack of such progress in recent years, however, has not altogether precluded such cooperation.

Though their Gaza policies are sometimes divergent, Egypt and Israel share interests in containing threats from Hamas. They also share interests in protecting their respective energy facilities and in combating Islamist extremist groups engaged in terrorism in the Sinai Peninsula. A combined military front is required against the Salafi-jihadi groups in the Sinai. A different combined strategy is required for dealing with Hamas, which is functioning as the government in Gaza.

Erdogan remains ideologically hostile to Israel, but has practical reasons to improve bilateral ties. It was after Turkey's downing of a Russian military plane over Syria in November 2015 that Turkish officials renewed their efforts to reconcile diplomatically with Israel. Turkish officials may want to buy Israeli natural gas to reduce Turkey's dependence on Russian gas. Turkey also appears interested in increasing its diplomatic influence in the region and specifically in playing a role in Israeli-Palestinian affairs. Israeli officials are considering whether to pursue a long-term cooperative arrangement with Turkey on gas, possibly including a pipeline. How such an arrangement might give Turkey influence over Israeli policy or Israel influence over Turkey's policy requires further study. Such cooperation might promote better bilateral relations and might encourage the revival of bilateral security ties. It might allow Israel to influence Turkey's relations with Cyprus, Greece or other neighbors. On the other hand, the Turkish government could revert to a policy of active hostility toward Israel – including challenges to Israel's blockade of Gaza.

Turkey has maintained a complex mix of policies toward terrorist groups. It has for decades fought an on-again, off-again battle against the Kurdish Worker's Party, known as the PKK, a terrorist, separatist organization. Turkey under Erdogan, however, has also warmly supported the terrorist leadership of Hamas in Gaza. If Turkey is now willing to cooperate with Israel and Egypt in opposition to global jihadist groups such as ISIS and al Qaeda, it would be worthwhile exploring the possibilities for a regional coalition.

In assessing the Syrian civil war, it is important to identify the principal strategic danger. Is it a victory by ISIS (and other Sunni extremists) or a victory by Assad and his Iranian patrons? It is also important to ask whether the current cease-fire is tantamount to a victory by Assad.

The civil war in Syria eliminates for the time being any conventional threat to Israel from that quarter. The civil war has also weakened Hezbollah, whose losses in Syria may have exceeded all of its losses against Israel since the early 1980's. Hezbollah may now be more cautious about initiating provocations across the Lebanon border. How might Israel capitalize on this? How might it further damage Hezbollah and disrupt weapons-supply routes from Iran?

ISIS, al Qaeda and other Islamist groups reject the very idea of the nation-state. Hamas shares ideological principles with such groups. This can alter Palestinian education and politics. How is it affecting rivalries among Palestinian nationalists and Islamists?

The period after the Iran nuclear deal and after the changes of U.S. congressional and executive branch leadership following the 2016 elections is an opportunity for re-examining US policy in the region. Of special importance is how to deal with Iran in the post-sanctions period. On the assumption that the nuclear deal will be preserved, the questions are how can it be properly enforced and what should be the approach to Iran's changing activity in the region and beyond? This warrants study, which should address how the United States and Israel can cooperate to respond to threats from Iran.

Grand scale of Israeli energy finds – and possibility of large additional find

Since Israel's rebirth in 1948, the state's policy makers have worried about securing energy supplies. The discovery of large offshore gas fields has given Israel the means to put that worry to rest. Together, those fields could supply domestic natural gas needs for thirty years and still allow for substantial exports.

Over that period, the gas could produce more than \$270 billion in revenues, over half of which would go to the Israeli public through royalties and taxes. It would allow Israel to reduce oil imports and cut its use of relatively high-polluting coal. Government policy limits exports to 40% of gas reserves. Even so, Israel could become an important energy-exporting country. Building a domestic energy industry would create jobs and business opportunities for Israelis. It could also stimulate Israelis to promote innovation in an important global industry that would be new to them.

Geological studies say that Israel may have additional large oil or gas deposits underneath the Tamar and Leviathan fields. Whether there will be investor interest in those additional resources will depend on whether the known resources can be brought promptly into production and whether Israel's business environment is seen as hospitable and stable.

Tamar is on line, Leviathan may soon be developed

The two largest Israeli gas fields are Tamar, found in 2009, and Leviathan, found in 2010. The firms that discovered and developed them were Noble Energy, a U.S. corporation, and several Israeli corporations, the largest of which was Delek.

Arrangements between the Israeli government and the gas developers were crafted and revised repeatedly since 1999, when Israel's Petroleum Commissioner first granted exploratory licenses for the offshore area where the Tamar field was found.

The size of these large fields' gas reserves cannot be determined definitively. Israeli Energy Ministry consultants have estimated smaller reserves than have the developers' consultants. According to press reports, at least some estimates from the government's consultants have not been publicly released.

Tamar, estimated to have between 246 and 280 billion cubic meters of gas, is in production. It supplies more than half the needs of Israel's electric company (to provide power to Israel and to the Palestinian Authority). It also supplies other Israeli industries – and Jordan has contracted to buy Tamar gas in 2017.

Leviathan is estimated to have between 470 and 620 billion cubic meters of gas. Before it can start producing, the developers need finalization of their agreement with the government.

A framework agreement dated December 17, 2015 between the Israeli government and the gas developers gave a green light for production of Leviathan gas, which had been discovered five years earlier. The agreement built on compromises that the parties had reached over those years resolving tax, antitrust, environmental and export law matters. Challenged in the Israeli Supreme Court, the framework agreement was struck down by a March 27, 2016 ruling that the government lacked authority to commit to ten years of regulation stability.

The Israeli Energy Ministry and the developers then renegotiated. On May 18, they announced new framework agreement terms intended to satisfy the Supreme Court's ruling. The government has approved the new terms, but it is unclear whether it intends to submit the revised agreement for Knesset approval. It is also

unclear whether the revised agreement will be challenged in court. Meanwhile, Israel's Energy Minister has approved the Leviathan plan of development.

Before the developers can obtain financing, they need legal finality for the framework agreement. They also need to conclude sales agreements. The current world energy glut, which has depressed oil and gas prices globally, adds to the developers' difficulties in arranging financing.

Strategic approach to developing an Israeli natural gas policy

Not all countries with large resources manage to benefit from them. The key is being able to attract investment continually. Where laws and policies make resource development too hard, the resources, however valuable, remain undeveloped.

Norway, Britain, Australia and the United States have successfully stewarded their energy resources. Israel should comprehensively study their best practices, which take account of economic, environmental, tax, and other interests.

How energy revenues should serve the citizens' wellbeing is a key question. But only if its resources are found, developed and marketed will a country face the welcome challenge of deciding how to spend such revenues.

Israel's energy laws were developed largely in an era in which Israeli officials thought of their country as energy-poor and therefore an importer of energy. A new frame of mind is needed for Israel's new circumstances. Israel's overarching goal regarding offshore gas is ensuring that the country's energy reserves are safely, prudently and promptly developed.

Aspects of Israel's offshore energy development have been topics of intense public debate: How should anti-monopoly laws be applied? What portion of gas revenues should the government demand? Should a percentage of the gas be barred from export? How do environmental concerns apply? Can the government satisfy the developers' desire for regulatory stability in the coming years? We've noted that on all of these matters compromises were achieved between the government and the developers. Another controversial matter is how should the government manage and spend the gas revenues.

Each of these issues has public importance; each has multiple interest groups with divergent opinions about the best ways to proceed. None can be handled properly as a stand-alone policy question. Each issue involves trade-offs that affect other issues. The strategic approach is to address them all collectively in light of the government's responsibilities as steward of Israel's national energy resources. Optimal stewardship itself aims to balance a number of goals: making use of known energy supplies, laying the foundation for finding more, safeguarding the country's reputation as a

fair and reliable place for foreign investment, protecting environmental interests, capitalizing on diplomatic openings, taking advantage of domestic job and business opportunities, collecting taxes and using the revenues in society's best interest.

Good decision-making in this field requires the balancing of concerns. Some are in tension with others. Pursuing higher taxes, for example, could discourage investment. And excessive accommodation of developers could compromise national fiscal or environmental interests. No single consideration is paramount, though each interest group tends to insist that its particular interest deserves priority over the others.

Israel is part of a world market for energy and for energy development in which no company or country completely controls its own fate. It can benefit from its resources only if private parties at home and abroad choose to invest. Israel's energy challenge is to make the country attractive for capable and reliable firms willing to risk billions of dollars to find, develop and market these resources.

Offshore oil and gas resources require private-sector funding and development. Only private sources can efficiently cover the costs, manage the risks and supply the necessary technical expertise. The alternative model is that of Russia and Venezuela, notorious for mismanagement, corruption, and failure.

Regarding the natural environment, Israel has much to do to understand and manage all the relevant considerations. It would benefit from further research into the Eastern Mediterranean maritime and coastal ecosystems. It has yet to finish crafting environmental regulations covering both onshore and offshore activity. The regulations should comprehend environmental effects of offshore gas development and of other economic activities along the littoral, noting that these can extend beyond Israel into neighboring countries.

Natural gas development can be good for the environment in countries, like Israel, where gas replaces high-polluting coal or gasoline. Though damage to an offshore gas rig caused by accident or attack could do substantial harm, offshore gas production is less environmentally risky than offshore production of oil. Governments around the world have ensured environmentally sound development of their offshore gas. It would be useful to study their experience.

Opportunities for Israel and for the United States

What are the opportunities and what are the risks and challenges relating to development of Leviathan and possible later development of other Israeli offshore energy resources?

First, the upside.

Israel could sustain years of economic growth with secure energy supplies. The gas sale revenues would produce billions of dollars worth of tax and royalty revenues for the Israeli public. Israel could create a sovereign wealth fund to serve national economic goals. There is potential to create jobs and help ease social tensions in Israel.

Developing the known resources would help attract investment to find more Israeli offshore oil and gas fields. As noted, there are indications that large new resources (also belonging to Israel) may exist underneath the known gas fields.

Israeli companies may also have opportunities to participate in developing energy resources belonging to others in the Mediterranean region (and beyond). This could produce diplomatic as well as financial dividends.

Energy cooperation with Israel could improve Jordan's economy, bolstering the kingdom's political stability. Current plans to buy Israeli gas, however, have aroused fierce domestic opposition.

Given its interest in securing non-Russian natural gas supplies, Turkey may someday want to buy Israeli natural gas. Israel's diplomatic relations with Turkey over the last dozen years have swung wildly from close cooperation to bitter recrimination. Israel and Turkey recently made a reconciliation agreement. Part of the motivation seems to have been that Turkey and Russia are at odds over Syria. Turkey and Israel also share particular counter-terrorism concerns.

Problems with each of Israel's neighbors are deep and cannot necessarily be remedied through gas sales or increased trade. But energy linkages could create incentives for greater cooperation. Such incentives might also operate for other regional gas producers such as Egypt, Cyprus and perhaps, down the road, Lebanon and Gaza.

Egypt's offshore Zohr field, discovered by an Italian company in 2015, is estimated to have between 450 and 800 billion cubic meters of gas. Cyprus's offshore Aphrodite field, discovered in 2011 by Noble Energy and Delek, is estimated to have 125 billion cubic meters.

Israel may be able to market its gas in Europe, allowing states there to reduce their dependence on Russian natural gas. It's not clear how Israeli-Russian relations will affect the possibility of Israel's exporting gas to Europe.

Israeli gas could be used as feedstock for the currently idle liquefied-natural-gas (LNG) plants in Egypt, which could export the product to Europe. A recent large Egyptian offshore gas find competes with Israeli interests, but may in some ways complement them. When combined, the Egyptian and Israeli gas reserves may make exports to Europe and export-related infrastructure more economical.

The United States has opportunities to help shape the Eastern Mediterranean's future by facilitating investment and providing technical support for Israel's energy sector. U.S. companies could help foster a stronger indigenous Israeli oil and gas sector that combines professional training, systematic support from Israeli educational and academic institutions in areas of specialized knowledge, and a growing experience in energy exploration, development, and production – all capitalizing on Israel's "Start Up Nation" innovation skills.

Risks and challenges of offshore gas resources

Israel's offshore gas creates risks and challenges for military and civilian officials.

Gas facilities, whether offshore or onshore, are subject to attack by terrorists or military forces. Securing energy facilities in the Mediterranean and along the Israeli coast requires the Israeli Navy to stretch its operations. On the other hand, improvements in Israeli and American intelligence, naval and cyber security capabilities in the Eastern Mediterranean could mitigate these risks.

Maritime boundary differences could give rise to conflicts with Lebanon, Gaza and others; supply problems could disturb relations with Jordan, Egypt or European states; or competition could strain relations with Russia.

Israel may be unsuccessful in negotiations to establish networks for gas distribution, whether by pipeline or transport of liquefied natural gas.

The environmental advantages to increasing use of gas and decreasing use of coal and oil have been noted, but gas production also entails dangers. Accidents causing ecological damage, possibly large-scale, could occur in Israel.

Israel suffers from land scarcity, and its coastline is densely populated. This limits gas development options. Israel would benefit from some redundancy in its gas delivery infrastructure. Currently, most of its gas supply is provided through a single pipeline from the gas field to the shore in the south. The government has developed a plan for a northern pipeline. Its aim is to minimize statutory burdens for offshore developments in the north. The plan allocates land, sea and landfall areas for gas facilities for multiple operators.

Government decisions on how to spend or invest gas revenues will affect, for good and ill, public attitudes toward current and future energy development.

Way ahead on Leviathan and possible future Israeli energy finds

The parties have revised the Leviathan framework agreement to remedy the problem highlighted by the Supreme Court. The government has approved the revised agreement but it still may face challenges in either the Knesset or the courts. If Leviathan moves forward promptly and financing and sales are secured, it will increase the chances that Israel can attract developers to search for additional energy reserves.

Meanwhile, Israel should have its eye on future energy projects. Its officials should comprehensively review the country's relevant laws and regulations. They should identify lessons learned, improve government processes and aim to improve Israel's business environment, while safeguarding its interests in the natural environment.

A key lesson of recent history is that Israel should make its oil and gas development and marketing regulations transparent and apply them consistently. Changing the rules in the middle of the game hurts Israel's reputation as a country that respects business contracts. It discourages investment and risks leaving Israel with valuable resources that companies are reluctant or unwilling to develop.

The development of Israel's offshore gas resources has been a long process, protracted by administrative problems and political debates. However justified the administrative and political concerns, the delay spawned higher project costs and risks.

The risks grew for various reasons, including the discovery of a large offshore gas field in Egyptian territory and falling global energy prices. The lower prices have made alternatives to Israel's offshore gas more attractive. The gas producers' financial strength has diminished. Those producers will have more difficulty selling the two small offshore fields that Israeli regulators have required them to sell. Lower world natural gas prices have made export projects less attractive for investment. Access to project financing for energy projects has been substantially reduced and has become more costly as a result of the significant deterioration of the energy lending markets.

With the newly revised framework agreed to by the Israeli government and the developers, the way may now be clear for Leviathan's development. Further delay could endanger the project fatally. Past project delays complicated efforts to secure financing. The longer it takes Leviathan to start producing, the greater the danger that key export markets could be captured by other large gas suppliers – possibly Australia, Egypt, Mozambique, Iran (with sanctions now lifted), or the United States (with shale gas exports).

Discovery of energy resources in a region is not a one-time activity. Historically, energy resources have been found and exploited through multiple phases of exploration and development. This has been true for offshore resources in the North Sea, the Gulf of Mexico and elsewhere. It has also been true for inland resources in the United States, Russia, the Arabian Peninsula and elsewhere. No one finds everything all at once. As new companies and new ideas emerge and new technologies are tried, new discoveries are made and new ways are found to make resources usable economically.

Israel may have additional energy resources, perhaps even larger than Leviathan. There have been indications to this effect. The existence of energy resources is providential, of course. But whether any now-hidden Israeli energy resources can be found and used is a question that hinges on Israeli policies.

Follow-on research and training

A key purpose of the Commission was to identify high-priority topics for follow-on research. Some were touched on in the report above. Those that combine special urgency and importance are listed here:

- **U.S. Sixth Fleet**

How have post-Cold War reductions in the presence, capabilities and influence of the U.S. Sixth Fleet and of NATO states collectively affected regional and specifically U.S. and Israeli interests? It would be valuable to assess the current security picture – including the relative importance to the United States of the Mediterranean and other Middle Eastern maritime theaters – and offer recommendations for improvement.

Of particular interest are options for U.S. forward deployment in the Mediterranean, including in Israel. What would be the net contribution to American security and to Israel? Benefits from U.S. ships homeported in Haifa, for example, could include increased (and stabilizing) presence, deterrence of Benghazi-style attacks, assistance with non-combatant evacuations, and security for drilling rigs, liquefaction plants, and pipeline terminals.

How could U.S. and Israeli forces improve their interoperability? Consider bilateral and multilateral fleet drills, better intelligence sharing and more extensive military-to-military cooperation.

- **Maritime domain awareness**

Americans and Israelis can cooperate in developing technical and procedural means to ensure Israel's maritime domain awareness, examining security, economic, meteorological, environmental, legal and societal aspects. Bilateral cooperation could be governmental (civilian and military), commercial and academic.

- **National maritime strategy**

What methodology should Israel use to create a national maritime strategy? Among the challenges to address are conventional threats, terrorism, Gaza

maritime security issues, border security and protection of offshore and coastal infrastructure.

How can Israel ensure that it has the capabilities, force structure and organization needed to implement the strategy? Draw on expertise at America's Naval War College and Naval Postgraduate School.

Strategy in democratic countries can require public support for success. How should views of the public be ascertained and addressed?

How can Israel devise doctrine to secure its interests against threats along its shoreline, in its territorial waters and exclusive economic zone?

How should Israel craft a legal regime for defense of offshore installations?

How should it update its plans for operating marine transport to and from Israeli harbors during conflicts or emergencies?

- **Eastern Mediterranean as Israel's strategic depth**

How can Israel develop the concept of the sea as its strategic depth?

- **Russia**

What is the history and likely future of Russian naval and air deployments and operations in the Eastern Mediterranean? What are the possible U.S. and Israeli responses?

Given that Russia sometimes conflicts and sometimes cooperates with Israel, can areas be identified for possible Russian-Israeli cooperation – and could there also be a role for the United States?

Contrast the regional strategic goals of Russia and the United States. For example, Russian economy depends on high world prices for energy, so general Middle Eastern instability serves a key Russian interest; this is not the case with the United States.

Consider current and historical use of economic, military and other levers by Russia and the United States.

- **Turkey**

Analyze the future of the Israeli-Turkish relationship and the U.S. role relating to it. Examine the long-term geopolitical interests of Israel and Turkey.

How might Israeli-Turkish reconciliation affect prospects for diplomacy to reunify Cyprus?

- **China**

What interests are motivating Chinese activities in the Mediterranean and the approaches to the Red Sea, as manifested in China's Maritime Silk Road strategy and the growing Chinese naval presence? How should the United States and Israel respond?

Address Chinese involvement in the building and operation of critical regional and particularly Israeli maritime infrastructure – for example, the Ashdod and Haifa ports.

- **Islamist maritime power**

What security challenges are posed by current or potential Islamist (Hamas, Hezbollah, ISIS) maritime capabilities? How might Muslim naval history in the Mediterranean inspire or influence ISIS action, if ISIS controls littoral in Syria, Lebanon, Libya or elsewhere? What are the implications for WMD, terrorism and piracy?

- **Syria**

What is the significance of the Syrian civil war as an ideological challenge to the very idea of (Arab) nation-states?

What is the potential for a Kurdish breakaway state and how would it affect regional security?

What are the implications of Iran's expanded role in Syria?

- **Lebanon**

How have recent regional events transformed Lebanon?

What would be the significance of an Iranian naval facility or Iranian advanced weaponry in Lebanon?

- **Egypt**

Analyze the future of the Israeli-Egyptian relationship and America's role relating to it.

- **Sunni states generally**

How might Israel improve its relations with Sunni states in light of Iran's growing assertiveness?

- **Conflict resolution**

What are the models for maritime dispute resolution, in and out of the Law of the Sea Treaty?

- **Regional maritime operational agreements**

Are there lessons that can be drawn from other regions, such as the Baltic or the Caribbean?

Could one provide a de-confliction mechanism with Russian forces in the region?

- **Cyber threats in the maritime domain**

What are the likely characteristics and possible effects of cyber-attacks on shipping and commerce and on the maritime domain generally? Examine the possibility of developing a comprehensive risk assessment, including current and anticipated cyber risks relating to all maritime-sector information communication and technology (ICT) systems and all maritime-sector critical assets.

- **Energy development best practices**

What are the laws, practices and circumstances that allow democratic states to steward their energy resources successfully? Contrast with those of states that fail.

- **Strategic implications of Israel's natural gas**

The revenues from gas sales contribute to Israel's economic strength and therefore its security. Beyond that, however, the gas affects Israel's strategic interests. How so?

What are the opportunities and challenges for Israeli regional cooperation on energy with Turkey, Greece, Cyprus, Egypt and Jordan?

What co-development opportunities exist with Cyprus?

What are the implications for Israel's relations with Palestinians?

- **Palestinian natural gas.**

What are the policy implications of development of the Gaza Marine natural gas field? What role might Jordan or Qatar play in such development?

It would be useful to analyze the broader issue of the interests involved in establishing a Gaza port. Some Palestinian Authority officials worry that development of that port would strengthen their political enemies in Hamas, which now controls Gaza.

- **Gas transportation options.**

What economic and political considerations should guide decisions on pipelines, liquefaction plants and ports?

Are there opportunities for Israel to sell gas to South Asia and East Asia?

- **Environmental policy and the ecosystem.**

What are the main environmental considerations relating to Israel's natural gas? Analyze differences between using coal and using gas, the value of diversifying energy sources, use of gas for desalination of water, means to minimize the environmental effects of gas development, and the possible role of offshore facilities and artificial islands?

What options exist for conversion of Israeli gas into plastics and other products?

Can Israel improve anti-flaring technology and reduce methane emissions?

What kinds of environmental preparedness and response initiatives should Israel undertake nationally or in collaboration with neighbors?

Another key purpose of the Commission was to identify training projects for Israeli and American military and civilian professionals regarding maritime strategy and law. Those of especially high value are here:

- **Strategic thinking.** Develop a curriculum for instructing military and civilian security professionals in strategic thinking with particular emphasis on maritime strategy.
- **Modeling and simulation.** Develop table top and more extensive gaming exercises to train for decision-making.

- **International organizations.** Develop training for interacting with international organizations – including the United Nations, the International Seabed Authority, and the International Criminal Court – with a focus on maritime aspects of their work.
- **International law.** Develop training regarding international law relating to the Eastern Mediterranean, including freedom of navigation, littoral rights, exclusive economic zone and other Law of the Sea Treaty issues.
- **Professional military education.** Convene a conference on best practices in U.S. and Israeli professional military education.
- **Scholarship and fellowships.** Opportunities for Israeli military personnel in University of Haifa programs, or other Israeli students, to study in the United States and for American counterparts to study in Israel.

Conclusion

The Eastern Mediterranean is in extraordinary flux. Many of the strategic transformations underway appear negative. Iran's policy of nuclear hedging and other recent events may be giving impetus to the spread of nuclear weapons to multiple countries. ISIS achieved substantial economic and political power in Iraq and Syria and it retains much of this, though at the moment it is losing ground in Iraq. Various Islamist extremist groups are fighting across the Middle East to upend political institutions, challenging the nation-state as such. The Syrian refugee crisis is aggravating the region's epidemic of Arab political instability and straining European immigration policies. U.S. policy has aimed to disengage from the region and even the next U.S. administration may try to reduce U.S. involvement there further.

The desire to disengage from the Middle East and the Eastern Mediterranean is an especially strong element of the general American isolationist impulse. After decades of leading the democratic world in the Cold War and more than a decade of multiple wars since 9/11, many Americans would like relief from world affairs. They would prefer to have nothing to do with foreign wars, with lands that breed jihadists or stagnate in corruption, or have populations that reject modernity or hate the United States. The preference is easy to understand, but it's not realistic. The issue is not whether isolationism is desirable; it is whether it's possible.

To put the question more precisely: Can Americans preserve their security, prosperity and civil liberties without maintaining an active role in the world – and specifically in the Middle East and its environs? The answer is no. Americans can intend to “pivot” or turn away from the region's problems. But history teaches that those problems will follow after them and likely worsen. The questions then are, what should be America's strategic vision of the region and what are the organizing principles to increase security, stability and prosperity in the Eastern Mediterranean.

Isolation is not an option. The region's wealth will necessarily influence interests around the world; and so will its pathologies. The West cannot be indifferent to the conquest of a country with large oil reserves (and therefore large revenues), which helps explain why George H.W. Bush organized a war to free Kuwait from Iraqi forces in 1991. Imagine if ISIS or al Qaeda were to take power in Saudi Arabia and control its

bank accounts; no amount of “homeland security” could then neutralize the resulting terrorist danger. Similarly, even though America and other Western countries tried to stay out of Syria’s civil war, the conflict’s ill effects reached them in the form of terrorist murders and millions of refugees.

Neither the Middle East (nor any other large region) can be quarantined. Nuclear or biological weapons developed there could strike anywhere and cyber attacks launched from there can infect computers anywhere. Isolation is impossible in the world of internet, easy travel and miniature means of mass destruction. High technology aside, there’s the question of who will protect freedom of navigation on the seas? Since the sun set on the British Empire, the United States has been instrumental in keeping the world’s seas open to commerce. No other country or alliance is ready and able to substitute. Without open sea lines of communication, much of the world’s trade would cease to flow. If, in hopes of disengaging from the Middle East or cutting its defense budget, the United States were to relinquish this essential role, the harm to the global economy, including America’s economy, would be catastrophic.

In other words, disengagement from the Middle East and the Eastern Mediterranean does not actually isolate the United States; it simply forfeits America’s ability to shape events. This is not an argument for any particular kind of engagement – it does not, for example, militate for U.S. intervention now in Syria. But it is an argument against believing that non-intervention will spare America from paying a price for what happens in the region.

Bad as are the problems of proliferation, terrorism, political instability and war, they sometimes create useful diplomatic or strategic opportunities. Regional and global powers that generally do not cooperate may have common interests in confronting new dangers. Such opportunities can also arise from new economic circumstances.

The key traditional U.S. interests in the region have been touched on above: Upholding freedom of navigation on the seas; preventing WMD proliferation; countering radical Islamist ideology; preserving the international state system and the principle of national sovereignty; promoting international commerce; and protecting (from terrorists and others) the free and open nature of its society. Founded on liberal democratic ideas similar to those that America embodies, Israel has shared those

interests wholeheartedly. No other country in the region has greater capability or willingness to contribute to their advancement through “hard” means, such as military, intelligence and cyber, and “soft” means, such as technology, culture and alliance-building.

With particular emphasis on maritime considerations, Israel’s key interests in the Eastern Mediterranean are: developing a maritime strategy; training military and civilian officials for the tasks needed to implement that strategy; maintaining open sea lines of communication and identifying vital marine transportation concerns in emergency situations; developing the concept of the Eastern Mediterranean as Israel’s strategic depth; analyzing the strategic implications of Israel’s offshore natural gas; studying the best practices regarding energy development and use of energy revenues by other democratic countries, including environmental policies.

Development of Israel’s energy resources could bolster Israel’s finances, secure its energy supplies, empower its diplomacy and recapitalize its military. With its revised framework agreement, the Leviathan project may now be able to move forward. It has run a bumpy regulatory gamut, protracted and costly, during which world energy prices plunged by nearly two-thirds. The project’s history is hardly a story to attract investors for future development of Israeli offshore resources. In any event, there is little prospect of a quick rebound of energy prices.

Israeli officials have laws to uphold, environmental interests to safeguard and social considerations to address. At the same time, they want to secure Israel’s long-term economic interests and ensure development of its resources. This requires balancing numerous concerns and making difficult trade-offs.

At stake is Israel’s ability to develop additional resources in years to come. The country, as noted, may have large oil reserves below its offshore gas fields. To confirm those reserves and develop them, Israel will have to attract large investment from skilled firms. If the Leviathan project had folded, Israel would not soon have found a firm willing to risk billions of dollars on any offshore venture.

This is an unusually yeasty period in the history of the Eastern Mediterranean. It’s a time to reexamine strategic assumptions. Have the key respective interests of the United States and Israel changed? What is the current value of their relationship?

Do shared principles actually correlate to shared strategic interests? What is the role of the sea as an economic and strategic asset? What practical steps can be taken to protect the countries' common interests in the region?

It is timely that the University of Haifa and Hudson Institute have created their consortium on the Eastern Mediterranean. Consortium research teams, led by senior-level civilian and military figures experienced in strategic decision-making, with academic and practical knowledge, and committed to American-Israeli partnership, will tackle such questions with the aim of providing useful insight to policymakers, scholars and the public in the United States and Israel.

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