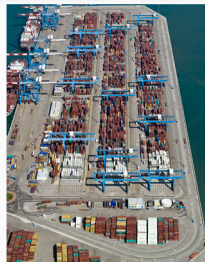


MARITIME STRATEGIC EVALUATION FOR ISRAEL 2019/20

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Summary of the Annual Israeli Maritime Assessment

Shaul Chorev

In 2019, the **Eastern Mediterranean** and the surrounding areas continued to be unstable. The events that followed were: the continued retreat of the US from the region; Russia's entry as a formative power over the region; the strengthening of China's geo-economic impact in the region; the 2011 revolutions known as the "Arab Spring" that led to the collapse of regimes and instability in the region; the collapse of the Islamic State (ISIS) and the significance of this collapse on the continued activities of fundamentalist terrorist organizations; the rise of Iran as a legitimate regional power and the country's impact on the configuration of the Middle East.

Improving the technological capabilities for exploring and producing maritime resources, alongside the expansion of economic waters in the region, has led to struggles and conflicts over their boundaries between some countries, and the reduction of the world's open sea space (High Seas). The Mediterranean has no "High Seas" at all. Two Eastern Mediterranean fleets, the Turkish and Egyptian Navies, are in the midst of a quantitative and qualitative buildup, including increasing their submarine fleet and stocking large surface vessels that bring them to the status of a "green water fleet."¹

Against the backdrop of the unilateral US withdrawal from the nuclear agreement with Iran and the tightening of its sanctions, **Iran has implemented a brinkmanship policy**, which has been manifested in attacking fuel facilities in Saudi Arabia, assaulting and seizing oil tankers in the Straits of Hormuz as a retaliation for Iranian tanker detention off Gibraltar, and through proxy Houthi activities in the Southern Red Sea region.

With Saudi hesitancy regarding a confrontation with Iran (even after the attack on Saudi oil facilities in September 2019), the vision of a **Saudi-led coalition**, designed to curb Iran and fight Islamic terror, has weakened. Such a coalition would seem to find it difficult to meet its goals, not only because of disputes between the other Arab states

1 "Green Water Fleet" is a term used to describe marine power intended to operate in areas adjacent to the coast of its state, but also with capabilities to operate in the open waters and ocean waters bordering this region. This is a relatively new term and was created to better distinguish between "blue water fleet" and "brown water fleet." It originates in the U.S. Navy, which uses it to refer to a part of their fleet that specializes in offensive operations in coastal waters. Usually, green water fleets have amphibious ships, and sometimes even small aircraft carriers, which can be escorted by destroyers and frigates with some logistical support from tankers and auxiliary ships. It should also be noted that "Green Water Fleet" does not indicate that its ships are unable to function away from shore or open sea, but in the absence of marine logistical support these fleets cannot be deployed for long periods at sea, and for that purpose use ports in other countries to operate at high seas and long distances Offshore.

involved and the Saudis, and because some of them cooperate with Iran, but mainly because of the distrust of American policy in the Middle East. This distrust creates an absence of leadership by an outside power that was previously a prerequisite for forming a regional coalition, such as in the First Gulf War of 1991. Concerned coalition countries have been trying to find alternative mechanisms, including tightening relations with Russia and reducing the severity of a conflagration in a conflict with Iran.

In the geopolitical arena, **Iran** has taken advantage of the situation to upgrade its status in the region to the level of **almost a regional power**, where it is about to fulfill an ancient goal, by which it divides the Sunni world in half, and its influence is about to extend to the Mediterranean sea. The Iranians continued their efforts to establish the foundations for an Iran with geopolitical control and influence extending from the Persian Gulf, through the southern Red Sea to the Mediterranean coast. At the end of December 2019, a joint naval exercise of the Iranian Navy with the Russian and Chinese navies took place, which was a further recognition by those two powers of Iran's position in the region.²

In the ongoing conflict between Iran and Israel, Iran has continued to try to maintain bases and influence in Syria, and in several cases has found it appropriate to respond to Israeli assaults by opening fire on the Galilee and the Golan Heights.

A series of recent **civil protests** against the regimes in Iran, Iraq and Lebanon has not yet created the critical mass for change, but has forced these regimes (and in Lebanon's case, also Hezbollah)³ to address the issue, including violent repression in Iran.

Turkey has also continued its defiant policy towards EU countries, invaded Syria's Kurdish region, expanded its influence in the Persian Gulf and, in late November 2019, signed an agreement to demarcate its economic waters with Libya in the Mediterranean (Maritime Boundary Delimitation Agreement), which could well create a "change in the rules of the game" vis-à-vis Egypt, Cyprus, Greece and Israel in terms of regional geopolitics regarding the production of energy from the sea.⁴ In January 8th 2020, Russian President Putin participated in the inauguration of the Turkestream natural gas

2 Iran announces joint naval exercise with China, Russia, *The Times of Israel*, December 4, 2019 <https://www.timesofisrael.com/iran-announces-joint-naval-exercise-with-china-russia>

3 The Shia Islamist political party and militant group, closely supported by Iran

4 YeniSafak, Strategic, legal aspects of Turkey-Libya deal, December 14, 2019 <https://www.yenisafak.com/en/news/strategic-legal-aspects-of-turkey-libya-deal-3507390>

pipeline, which, in the first phase, will pipe Russian gas to Turkish consumers, and later will supply natural gas to Europe through Turkey.⁵

Egypt is in the midst of a maritime empowerment process, and many of the country's assets appear to be closely linked to its maritime sphere: the Suez Canal and large Mediterranean deposits of gas, as well as the high potential for discovering additional deposits in the Red Sea.

Israel's entry into a third national election campaign in a one-year period, has paralyzed the work of the Knesset (the Israeli Parliament), delayed the approval of a state budget, almost completely halted the handling of issues related to maritime sphere, such as the Maritime Zone Law, as well as diplomatic steps to demarcate the border with Lebanon, proper implementation of government decisions on shipping tonnage tax, and more.

The two **2019 election campaigns** continued to raise questions about the **Navy submarine and surface combatant procurement deal**. Former senior officials in the Ministry of Defense Procurement (MDP) said that no lessons had been learned from the improper processes that had taken place in the matter, and such irregularities could be repeated. **The ministry of defense must investigate all procurement processes** while emphasizing the control issues and conflicts of interest, to ensure that such malfunctions do not occur again.⁶

In Lebanon, civil protests have arisen in recent months, after the announcement by the Lebanese government in its 2020 budget plans that new taxes on tobacco, fuel and social media platforms would be imposed. The protests prompted Prime Minister Saad al-Hariri to resign. Before his resignation, he proposed a series of economic reforms to calm the atmosphere in the country. At about that time, civil protests also erupted in Iraq, and in both countries there were calls for Iran to stop interfering in their affairs, and in Lebanon, such calls were also made to Hezbollah, although the protest did not appear to have passed the critical mass with regard to its effect on the Lebanese regime. The United States has considered withholding its \$105 million military aid to Lebanon, following the resignation of al-Hariri. It is unclear how these issues will affect the talks between Lebanon and Israel on the demarcation of their maritime border, while

5 Benny Spanier, Hay Eytan Cohen Yanarocak, Shaul Horev, "Storm waves Over East Mediterranean", *Center for Marine Policy and Strategy Research and Dayan Institute*, December 25, 2019. http://hms.haifa.ac.il/images/publications/Storm_waves_Over_East_Mediterranean.pdf.

6 Hagai Amit, "The man responsible for the purchase of ships and submarines from Germany reveals what happened behind the scenes in the deals" *TheMarker* July 16, 2017 <https://www.themarker.com/news/macro/1.4257890>

the U.S. Assistant Secretary of State for Near Eastern Affairs, David M. Satterfield, who had thus far dealt with the issue, was appointed United States Ambassador to Turkey in June 2019.

In the context of the **Persian Gulf countries**, the process of normalizing relations between them and Israel has continued over the past year, even if these have not yet been fully diplomatic. **Qatar's** monarchy continued to transfer funds to the Gaza Strip, and in total estimates allocated more than \$ 1.1 billion in 2018-2012 with the approval of the Israeli government. In 2018 alone, Qatar handed Gaza \$200 million in humanitarian aid, and to pay for fuel and salaries to officials. Qatar also pledged to transfer hundreds of millions of dollars more through UN assistance mechanisms.⁷ The new Israeli Foreign Minister **Israel Katz** said in his statement to the Knesset Foreign Affairs and Defense Committee in August 2019 that he is "working on advancing the relationships with the Gulf states up to full normalization and signing agreements with them". He said he had visited Abu Dhabi in recent months, and had met with a senior officials in the UAE, at a pre-arranged meeting⁸. However, it should be noted that the focus has been on domestic and regional struggles that many of the Gulf states currently face in close and distant arenas. The problem is compounded by struggles for prestige and conflicts of interest between the states, preventing the formulation of an agreed policy on their relationship with Israel. Katz's announcement of **Israel's participation in the Free Persian Gulf Coalition**, which is a dramatic change in the Israeli government's policy and which has serious security implications- requires an evaluation of the situation by officials, including those from the Israeli navy and the defense apparatus, which, as far as we know, has not yet been carried out.

By contrast, **the south of the Red Sea**, through which about a third of Israel's seaborne trade passes, continues to be a dangerous area for shipping. This is due, on the one hand, to the expansion of the civil war in Yemen and the struggle between Iranian-backed Houthi rebels and Saudi forces, and, on the other, to retaliatory actions such as the attack on the Iranian tanker *Sabiti* that occurred on October 11, 2019 west of Jeddah in Saudi Arabia⁹. This struggle has surfaced in the form of a number of

7 Yaniv Kubovich "in Israel's Approval: Qatar has transferred more than \$ 1 billion to Gaza since 2012", *Haaretz*, February 10, 2019. <https://www.haaretz.co.il/news/politics/premium-1.6917729>

8 Gabi Schneider, "Foreign Minister Katz: 'Israel Participates in Coalition for Secure Free Cruise in the Persian Gulf'", *hidabroot.org*, August 6, 2019. <https://www.hidabroot.org/article/1127909>

9 Golnar Motevalli, Arsalan Shahla, and Yasna Haghdoost, "Iranian Oil Tanker Attacked as Middle East Tensions Remain High", *Bloomberg*, October 11, 2019. <https://www.bloomberg.com/news/articles/2019-10-11/iran-oil-tanker-catches-fire-after-red-sea-explosion-irna>

incidents involving the Houthis, and Iran's statements supporting them, regarding its ability to strategically block the Bab Al-Mandab Strait.

The Russian navy continued its presence during 2019 in **the maritime arena near Israel**, and its presence in the ports of Syria also strengthened. The Russian Navy in the Middle East is based primarily on the Black Sea Fleet, and in November 2019, the Russian Defense Ministry released a video showing a joint maneuver of the Russian Naval and Air forces in the eastern Mediterranean, west of the Syrian coast¹⁰. It should be noted that the Russians renewed their lease in the Tartus Port (Syria) for another 49 years in 2017 and continued to build infrastructure in the Russian part of the port. Thus, during the summer of 2019, the Israeli navy located a Russian submarine sailing inside Israel's territorial waters and within 8 miles of shore¹¹. This event also reflects the increase in Russian naval activity in the Middle East, and the need for Israel to use the joint coordination mechanisms to prevent a conflict between the IDF and the Russian armed forces.

Along with the increase in Russian naval activity in the region, **the US involvement** continued to decline, due to prioritizing the operation of naval forces in other arenas, thus weakening its position in the region. **The deep structural crisis in the EU** also affects the EU's global status, including that in the eastern Mediterranean.

Some of the strategic changes taking place in the region are **fraught with risks for Israel**, notably the strengthening of the Iranian-Turkish-Syrian axis, regarding Israeli concerns about the presence of Iranian naval vessels in the region, a component of power that cannot be ignored. However, new opportunities have arisen that were not open to it in the past. The developing relationship with Egypt, Saudi Arabia and the Gulf states is one of these opportunities, although some argue that these countries are continuing to develop such relations primarily in an effort to solve the Palestinian problem¹². However, it should be emphasized that Israel's military situation in the region remains robust, and no significant military threat is likely to endanger its existence in the near future, including in the maritime arena.

10 Ruptly, "Mediterranean Sea: Russian Navy and Air Force perform joint drills", November 4, 2019. <https://www.youtube.com/watch?v=>

11 Ron Ben-Yishai, "This is not a mistake, it is an intelligence surveillance: What did a Russian submarine do to the shores of Israel?" *Ynet*, November 12, 2019. <https://www.ynet.co.il/articles/0.7340.L-5623429.00.html>

12 Egyptian President's speech, Abd al-Fateh a-Sisi Basiot, "If we could resolve the issue of our Palestinian brethren, peace would be warmer... I have asked Israeli leaders to allow this speech once or twice because it is a real opportunity", *Walla! News* May 17, 2016. <http://news.walla.co.il/item/2962078>

This assessment is a **Policy Oriented Document**, as opposed to an academic document, and accordingly, we have found it appropriate to summarize it in ten recommendations that are mainly addressed to the political echelon and to the various government ministry. All recommendations relate to matters of Maritime Policy. The order of presentation does not necessarily represent the importance or degree of urgency required to deal with them.

The following insights can be drawn from the current year's report:

- **East Mediterranean, Persian Gulf and Southern Red Sea** - are in a state of instability.
- **US** - has reduced its presence and maritime influence in the Eastern Mediterranean region.
- **Russia** - has strengthened its presence and influence in the entire Mediterranean region and throughout the Middle East.
- **China** - runs a geo-economic and Soft Power strategy,¹³ to position itself as an influential power in the region.
- **Iran** - has strengthened its status and influence in the region and is ready to uphold a policy of brinkmanship in its campaign against the US.
- There is a process of integration of **Russia, Turkey and Iran axis, and in a sense also China**.
- **Cyprus** - it appears that a zone of tension and conflict is developing around Turkey, the Mediterranean countries, Greece, with the possible involvement of the United States and the European Union, in light of the controversy over economic waters, exploitation of energy sources and Turkish regional influence extending as far as the Libyan coast.
- **The weakening of the pragmatic Sunni bloc (led by Egypt and Saudi Arabia)** is in evidence, as a result of the weakening of the US position in the region, Egypt's economic and domestic problems, and the decline of Saudi Arabia status.
- **Turkey's defiant policy** towards NATO is evident as she attempts to establish new facts within its maritime borders, in particular with regard to an agreement with Libya that attempts to drive a wedge into relations among Egypt, Israel, Greece and Cyprus.
- In recent Israeli election campaigns, the **Ministry of Defense's and Navy's procurement policy** has emerged as a leading issue in public discourse in the context of irregularities in the process..

13 Soft Power - the ability to attract and co-opt, rather than coerce.

- Issues in the **marine environment** have begun to become central to Israeli public discourse, including opposition to establishing the *LIVAYATHAN* production rig in its currently proposed location.

Here are the ten recommendations of the report:

First Recommendation - Formulating Improved Marine Policy and Strategy for Israel

Since the previous report, no progress has been made on this issue, and even in the election campaigns, this issue has not found a place in the platform of even a single party.

In addition to developments in the Mediterranean region, which require the formulation of a new naval strategy, the **Red Sea and the Gulf of Eden** have recently undergone some major changes, also mentioned in this report, which we believe require a redefinition of Israeli interests in the region and their inclusion in the process of formulating Israel's maritime policy and strategy.

We continue dissemination of position papers and analysis work of the HMS, to assist decision makers and public leaders on strategic issues in the maritime sphere, such as three key issues that have come to the fore in the past year:

1. **Operation of the new private port being developed in Haifa Bay by the Chinese company SIPG¹⁴** (with American pressure): the issue finally found expression in a diplomatic security cabinet decision (on foreign investment).
2. The research work carried out by the HMS on the demarcation of the maritime border with Lebanon and the recommendations on the best way to conduct the negotiations.
3. The HMS's research work for Zikhron Ya'akov council, examining the location of the *LIVAYATHAN* field production rig and the type of production platform.

Second Recommendation - Security of Essential Shipping to and From Israel under Routine and Emergency situations

Israel's geo-strategic situation requires the existence of merchant ships and seafarers' infrastructure for civil and security needs. The Israeli shipping industry is in constant economic competition against merchant fleets of countries with maritime traditions,

14 Avi Bar-Eli "Chinese Company to Run New Haifa Port", *Ha'aretz*, 24/3/2015. <https://www.haaretz.com/israel-news/business/premium-chinese-group-to-run-haifa-port-1.5341712>

on the one hand, and countries that allow shipping under flags of convenience, on the other.

This competition has caused the Israeli shipping sector to be in difficulties, and it has even deteriorated over the past year, both in terms of the number of Israeli ships (only six ships) and in crews (110 seamen).

It is important to maintain a minimum size of an Israeli merchant fleet capable of emergency shipping to and from Israel, and, accordingly, to implement Government Resolution No. 1107 of December 30, 2013, designed to improve the competitiveness of Israeli shipping, to preserve professional expertise in the field, and continue to maintain a vital maritime infrastructure and Israeli maritime transport system.

1. Policies must be formulated to operate a vital merchant fleet and ports operating in emergencies under precision rocket and missile threats.
2. The Turkish demand for ownership of the economic water zone south of Cyprus, an area with vital shipping lanes for Israel, requires a situation assessment.
3. With the rise in cyber threat in general, and Israeli shipping and ports in particular, a plan to protect the IT and the OT of the Israeli merchant fleet, ports and infrastructure against cyber-attacks must be formulated.

Third Recommendation – continuing The Israeli Navy Power Building process in order to Meet Challenges in the Naval Arena

The naval power building program, designed to address two major challenges that have arisen in the last two decades, must continue:

1. Israel's lack of terrestrial strategic depth and the increase in the threat of the Ground-to-Ground missiles and Rocket Artillery¹⁵ (quantity, range and accuracy) over the entire territory of the State of Israel, including strategic assets and facilities with potential for environmental risk in the event of a strike.
2. Finding gas in the economic waters of the State of Israel and relying on that gas as a key component of the Israeli energy economy.

Due to changes in the character of naval warfare, changes in the balance of power in the Mediterranean (and in particular the turbulence transferred by Turkey to Israel), and the increasing threats in the Red Sea to Israeli shipping needs, it is important to

15 A surface-to-surface missile (SSM) or ground-to-ground missile (GGM) is a missile designed to be launched from the ground or the sea and strike targets on land or at sea. They may be fired from hand-held or vehicle mounted devices, from fixed installations, or from a ship. Rocket artillery is artillery that uses rockets as the projectile.

examine whether the current navy and its concepts of operation meet the needs of the State.

In the past decade, deficiencies and irregularities in the Ministry of Defense procurement and procurement processes have been identified. On March 3, 2019, the State Comptroller of Israel asked the Attorney General of Israel to refrain from conducting an investigation of the case, because the findings at the time were available to the state attorney office to decide whether to file charges against those involved. In December 2019, bill of indictment was filed, including against former senior Navy officials.

The Navy and Israeli security forces must investigate these matters and learn lessons from malfunctions exposed by the bills of indictment presently submitted in relation to the acquisition processes of the naval branch.

Fourth Recommendation – Development and Utilization of Energy Resources at Sea and Environmental Protection

Given the expected market conditions in Europe and the world in the coming years, the government and gas companies in Israel should concentrate most of their efforts on developing the domestic and regional gas economy over distant export markets. The signing of gas export contracts between Egypt with the Tamar and Leviathan gas partnerships is certainly a step in this direction¹⁶.

Gas penetration into new sectors of the economy (agriculture, transport, housing) should be encouraged through the provision of incentives, and especially by facilitating existing sectors to use natural gas through the reduction of cumbersome and burdensome regulations.

The decisions to move the *LIVAYATHAN* production rig and its construction to a location in close proximity to the coast, while leaving the *KARISH* and *TANIN* production rigs near the border with Lebanon and located a long distance from the coast (70-80 km), indicate that they are largely detached from current realities. Competent mechanisms capable of **examining alternatives** and **presenting logical arguments** for each are essential.

Maritime Policy & Strategy Research Center has carried out an applied research project examining the vulnerability of the various alternatives for marine energy infrastructures, regarding the treatment and resilience of natural gas and oil fields,

¹⁶ Lior Gutman, New Contract with Egypt: Whale doubles gas exports to neighboring country, *Calcalist*, October 2, 2019 <https://www.calcalist.co.il/local/articles/0,7340,L-3771282,00.html>

following security incidents¹⁷. HMS has recommended (and still maintains its opinion) that in examining the various alternatives, the position of a rig in the range of 35-40 km offshore and based on a floating production platform (FPSO) capable of disengaging after completion of the reservoir life, is the optimal solution for the problem.

Because the location of the rig is probably already an established fact, and platforms like it depend on information technology and on operational computing of strategic and environmental damage potential, a properly constituted state-level authority should be established with responsibility for planning responses to and defenses against cyber threats/incidents and accidents/acts of aggression on the drilling platforms and production facilities, The facility management should be held criminally responsible in the event of a failure occurring due to cyber-attack/malfunction or accident.

Thus, since further gas discoveries are expected in the Israeli marine space in the future, it is appropriate to **decide on a body that will coordinate this type of work from time to time, and to formulate tools that will allow analysis and balance between the various components affecting the facility's vulnerability.**

Environmental policy should be formulated to protect the ecosystem through a program that identifies the environmental components that must be considered in relation to marine natural gas, including preparedness for hazardous events. Appropriate measures should be taken to avoid/deal with such events, and the relevant bodies should cooperate in necessary oversight.

Fifth Recommendation – Moving infrastructure from Land to Sea

Israel's coastal strip is home to many infrastructures that take up valuable space, and some are dangerous. A government decision of June 7, 2012 approved the establishment of an inter-ministerial steering committee to consider the technological feasibility of establishing artificial islands off the Israeli coast for infrastructure purposes.

The first cluster to be selected for the operation included a gas production facility, a gas-powered power plant, a desalination plant and a hazardous materials facility. At a later date, it would also be required to consider the construction of an airport on an artificial island at sea.

As of the date of the decisions **swift technological changes have occurred** (such as using FPSO – floating devices for producing gas), which free users from the need to

17 Nir Zarchi, Vulnerability Analysis for Alternatives to Natural Gas Marine Treatment Systems The Case of Security Threats to the 'Generation' Array, July 2018, *Center for Marine Policy and Strategy Research on the Internet* http://hms.haifa.ac.il/images/publications/Nir_Zarchi/nir.pdf

use sand as a base substance, or devices on poles limited to the continental shelf, and on completing their task or long-term preparations for emergencies these can be transferred from their location.

Because the planning work for an airport at sea would take many years, it is necessary to start pre-feasibility studies as soon as possible.

Sixth Recommendation – Development of a professional human infrastructure to address Israel's new challenges in the maritime field

The public resources required for investment in social systems in Israel (education and higher education) must be determined, in order to build an economic, social and human-professional infrastructure that can meet the challenges and opportunities inherent in the maritime sector, including energy production, energy development, marine law, ecosystem protection, including the industries needed to address these issues, as well as the establishment of an Maritime Stakeholders Cluster which will serve as a platform for public discourse.

The importance of the marine sphere to the State of Israel finds no expression in the various research and development programs of the Ministry of Science. It is appropriate that at least one of the eight regional research and development centers should have a center on marine space, and it is also true that the Israel Space Agency (ISA) should allocate resources for the development and research of the Israeli maritime arena from outer space.

Stopping / reducing the budget of the Council for Higher Education (CHE) / Planning and Budgeting Committee (PBC) allocated to the Mediterranean Sea Research Center of Israel (MERC I) is a serious error, even if the conduct of the MERCI itself and its other stakeholders needs improvement.

Against the background of the existing manpower crisis in the Israeli merchant fleet, it is necessary to increase the number of Israeli cadets and officers at **The Israel Nautical College - Akko**, which in practice does not occur.

Seventh Recommendation – Formation of Israel's Foreign Policy in the Middle East and the Red Sea

Israel's interests in the Middle East must be re-examined, to determine the best policy for realizing the interests of Israel and its closest ally, the United States. To do so, we must identify common allies and examine the opportunities and risks presented by the increasing Russian presence in the Middle East. The areas in which cooperation

between Israel and Russia can be continued should be identified, as should any cases in which the United States may also have common interests.

Recent events in the **southern Red Sea** have made this area unstable, and to some extent have also raised the level of risk to shipping. The State of Israel, a large part of whose exports and imports are with Asian countries, must establish appropriate security policies that will translate into the Israeli navy missions, in order to protect these vital shipping lanes. In this context, joining multinational forces operating in the region should also be considered.

Israel has no interest in **securing tanker lanes in the Hormuz Strait**, since it has not been importing fuel from Iran since the fall of the Shah's regime. It is unnecessary to open another front with Iran through open declarations of Israel joining this mission.

The reconciliation agreement with Turkey, signed between Jerusalem and Ankara in 2016, did not produce the expected results, and Turkey has become Israel's **adversary** in the international arena. Recent declarations by Turkey's leaders on the expansion of the Turkish economic waters, especially with regard to the Cyprus region, could lead to incidents between the navies of both countries. It is necessary to examine the long-term geopolitical interests of Israel and Turkey, including the field of gas trading, and to formulate an overall policy on the issue, including the nature of the response at sea.

Against the backdrop of the **regional challenges faced by the State of Israel in the Middle East**, including the strengthening of Iranian influence in the Syrian region, relations with Turkey under the Erdoğan regime warrant an assessment of **Israel's regional alliance with Greece and Cyprus as counterweight**.

The Security Cabinet of Israel decision 732 of October 7, 2019 on **foreign investment in Israel** was due, among other things, to the implications, raised in previous reports by the HMS and the Hudson Institute of political studies in the United States, of the contract signed by Israel with the Chinese company SIPG to operate the Haifa Bay Port for 25 years. There is a fundamental problem in a foreign player operating an infrastructure essential to the State of Israel, but at least, a mechanism and process for addressing similar issues in the future has been created.

Eighth recommendation - dealing with rogue states and terrorist organizations in the maritime space

Recent events in the southern Red Sea and the Persian Gulf must be studied closely where proxies and militias such as the Iranian Revolutionary Guards have deployed asymmetrical and hybrid naval methods of warfare, require the formulation of

appropriate operational responses to deal with them and such responses should be studied.

1. One has to ask what the consequences may be of such actions by organizations such as those in the coastal waters of the Gaza Strip, Syria, Lebanon and Libya in the Mediterranean, or in the waters of the southern Red Sea.
2. It is important for the **intelligence community** to understand the implications of a possible link between international terrorism and the proliferation of weapons of mass destruction and advanced weaponry.
3. Israel must operate internationally, especially with Russia, to prevent the further development of Iran's naval outposts in Syria's ports.
4. We must consider how the recent events in the region affect Lebanon, and what the consequences of the presence of advanced Iranian naval forces and army weaponry in Lebanon may be.
5. Cooperation with the Egyptian Navy in dealing with maritime terrorism, especially in the Red Sea, should be tightened.

Ninth Recommendation – Promotion and Regulation of Law and Maritime Law

When a new government is established in Israel, it will be important to complete the legislation as soon as possible with regard to the **Exclusive Economic Zone Law - 2017** (hereinafter: the "bill"), as approved by the Ministerial Committee for Regulation, approved by a Cabinet decision, approved by the Ministerial Committee on Legislation and by The Knesset's first and second readings¹⁸. It is important to regulate the application of Israeli law to the maritime areas at this time, as failure to promote the bill may expose the state to international legal proceedings, that will be needed to develop the gas fields beyond territorial waters. It is also important to regulate the National Planning and Building Law 1965 - which in its present form does not meet deep sea activity requirements.

The bill, as approved by the ministerial committees, should be promoted, while attempting to reach as broad a consensus as possible among the professional bodies, until its final legislation in the Knesset as soon as possible. Political agreement must be sought at the points of overlap of the exclusive economic zones with neighboring countries, and preparations must also be made for the absence of political agreement, according to the rules of international law.

18 This is the first and second stage of proposing a bill in the Knesset.

Concerning **the demarcation of the Israeli-Lebanese border** on the basis of the work of Dr. Benny Spanier conducted in the first half of 2019 and presented to the Israeli government officials responsible for the issue¹⁹, We recommend separating the maritime and continental conflicts, that is, separating the border issue at Rosh HaNikra (Head of the Grotto) from the other land points in dispute. We recommend a first priority—assuming that no direct negotiations can take place—to reach a compromise by way of arbitration, the benefits of which are several: the parties can set their own discussion framework, both procedurally and in the scope of the solution options; in this context, various proposals can be made that do not have to be according to the Law of the Sea treaty (UNCLOS); the methodology of setting the boundary can also be debated; the parties will hopefully be able to agree on the mediators, thus preventing the intrusion of non-party foreign parties in the proceeding; it will not be possible to impose a solution on Israel; the arguments regarding the proposed boundary line can be raised, even if seemingly unacceptable in terms of the law of the sea; the mediation can be a way of compromise between the parties.

Tenth Recommendation – Incorporating the Maritime Policy & Strategy Research Center (HMS)

Engaging in strategic and policy issues in the Maritime Domain requires unique interdisciplinary knowledge that is not currently available in Israel.

The Maritime Policy & Strategy Research Center (HMS) acts, among other things, as a focal point for interdisciplinary, independent research in the field of marine strategy, in the broad sense of the term, with an emphasis on Israel and its marine environment in the Mediterranean and the Red Sea.

Over the years, the HMS has developed a strong relationship with centers and institutes in the US, India, France, Germany, Singapore and with experts in the field, with the ability to contribute greatly to the international maritime strategic discourse in which Israel takes part.

This situation has long allowed the State of Israel to rely on the professional and scientific knowledge that already exists at the HMS, and to invest the resources needed to enable researchers working there to carry out future applied research in the most relevant areas, thereby continuing to contribute to strengthening Israel's maritime position.

19 Benny Spanier, *Peacefully - Examining the Israel-Lebanon Maritime Conflict according to the Law of the Sea treaty* Chaikin Cathedral and the Center for Maritime Policy and Strategy at the University of Haifa, July 2019.