

# U.S.-IRANIAN COMPETITION IN THE LEVANT – I

Competing Strategic Interests and the  
Military and Asymmetric Dimensions of  
Regional Instability

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## Executive Summary

The US and its allies compete with Iran in a steadily more unsettled and uncertain Levant and Middle East. The political upheavals in the Middle East, economic and demographic pressures, sectarian struggles and extremism, ethnic and tribal conflicts and tensions all combine to produce complex patterns of competition. The civil war in Syria, the Israeli-Palestinian conflict in Gaza, and the internal upheavals in Egypt, Jordan and Lebanon all interact and all affect the competition between the US and Iran.

This Part I of the report on *US-Iranian Strategic Competition in the Levant* addresses the “Military and Asymmetric Dimensions of Regional Instability.” Part II addresses the socio-economic factors at play, as well as the key areas of competition by country in Egypt, Israel, Jordan, Lebanon, the Palestinian Territories & Syria.

### **The US Role in the Levant and Egypt**

The US has long supported the most powerful states in the area – Israel and Egypt – and it has been an ally of Jordan. It has helped them build up powerful conventional forces and anti-terrorism capabilities, and Israel has developed a major arsenal of long-range missile and nuclear weapons. The US has also strongly encouraged Arab-Israeli peace efforts and the peace settlements between Israel and Egypt and Israel and Jordan.

The US has, however, seen Egypt undergo massive political upheavals during the last two years, and growing instability in Jordan. It also has seen growing divisions between Israel and the Palestinians, a steady drop in the prospects for a near-term peace based on a secure Israel and sovereign Palestine, and growing uncertainty about the prospects for a broad Arab-Israeli peace settlement.

The US cannot count on its past links to Egypt and Jordan, must deal with an ongoing civil war in Syria and an increasingly unstable Lebanon. It also must deal with a growing nuclear confrontation between Israel and Iran, the risk of Israeli preventive strikes on Iran, and major shifts in the very nature of the regional military balance.

### **The Iranian Role in the Levant and Egypt**

Iran’s efforts to expand its influence in the Levant, Egypt, and Jordan are a key aspect of its strategic competition with the US. Nearly twenty years after Israel’s invasion of Lebanon in 1982, and five years after the 2006 Israeli-Hezbollah War, the US and its allies continue to struggle with the realities of Iran’s growing influence in the region and its use of proxy and asymmetric warfare.

The Islamic Republic has developed strong ties with Syria and non-state actors in the region, including the Lebanese Shi’a group Hezbollah and the Palestinian Islamist movement Hamas in what Iranian and Syrian leaders have dubbed the “Resistance Axis.” The end result is a growing power struggle between Iran and several key Arab states as well as growing competition between the US and Iran for influence over both state and non-state actors. At the same time, Iran continues to exploit Arab-Israeli tensions in ways that make it an active barrier to a lasting Arab-Israeli peace, while America must deal with Arab hostility to its strategic partnership with Israel.

### **The Changing Nature of US and Iranian Competition in the Region**

As a result, the US and Iran face an unprecedented level of instability in the Levant, and the rest of the Middle East and North Africa, that affects every aspect of their regional competition. At present, no one can predict the outcome. Even the short-term impact of changes in regimes is not predictable, nor is how those changes will affect the role of non-state actors and the underlying factors driving regional tensions. One form of failed governance may well be replaced by another one, with the prospect of years of further political instability or upheavals.

Moreover, the internal dynamics of the power struggles in each state will largely dominate its future. Iran, the US and their allies, can exert influence but no outside power can dominate the course of events relative to the internal challenges that divide each state. It is possible, however, to analyze the key factors driving the upheavals, look at the emerging patterns and how they affect Iranian competition with the US, and raise key policy issues.

### **Internal Power Struggles and Instability in Egypt, Jordan and Syria**

There seems to be little near term prospect of stability in Egypt or Jordan. Egypt faces a mix of political, economic, demographic, and religious tensions that may keep it divided and unstable for the next 5 to 10 years – although there is real hope that some form of meaningful democracy and effective governance may emerge more quickly. Meanwhile, Jordan faces deep political, economic, demographic, and tribal strains. Its current regime may still survive, but meaningful reform has at best only begun.

In short, important as the roles of Egypt and Jordan in the military balance may be, it is other non-military factors which will do far more in the near term to shape their futures, their alignment with the US, and the stability of their commitments to a peace with Israel.

Syria faces a similar challenge from political, economic, demographic, and religious tensions, as well as sectarian divisions. Assad's mishandling of popular unrest, failure to reform, and ruthless suppression of his own people has led to two years of civil war, is tearing Syria apart, making its economic problems far worse, and may divide the country along sectarian lines.

### **The Impact of Radical Changes in the Regional Military Balance**

The military competition between the US and Iran in the Levant has long been shaped by their respective ties to different regional powers and non-state actors. Both the US and Iran have worked hard to nurture security partnerships and relationships with regional state and non-state actors to promote their regional interests, project power, and shape the broader regional balance of power.

Egypt, Israel, Jordan, and Syria have all built up strong conventional forces, but their relative capacity for asymmetric warfare has become steadily more important as non-state actors have come to play a growing role in the region, and both state and non-state actors have come to rely on asymmetric warfare and threats. Moreover, the civil war in Syria, the overthrow of Mubarak, and increasing tensions in Jordan are all having a major impact on the conventional balance while internal struggles are empowering non-state actors.

US military aid to Israel has insured its preeminence in the regional conventional military balance. Neither Egypt nor Jordan now actively compete militarily with Israel. Syria was forced to abandon efforts to achieve strategic parity with Israel in favor of strategic deterrence in the 1980s, and is now caught up in a civil war that seems certain to leave it a far weaker military power at its end.

This, however, is only part of the story. The dynamics of civil conflicts and popular protests have all but shattered the regional conventional military balance. Nowhere is that more the case than in Syria. After close to two years of protests, violence, and an increasingly sectarian civil war, the Syrian military is no condition to compete directly with any of the other regional militaries.

In contrast to the declining significance of the conventional regional balance, the 2006 Israeli-Hezbollah provided the first major indication of the growing significance of the regional competition in asymmetric forces. While countries such as Syria have focused on building up strategic deterrence against Israel at least since the 1980s, non-state armed groups – such as Iranian and Syrian backed Hezbollah and Hamas – have become key players in the regional asymmetric military balance.

This threat must be kept in proportion. Boasts by Hezbollah and Hamas about defeating Israel in a future conflict are propaganda fantasy, not reality. Israel, the US and key regional allies do not face anything approaching critical or existential threats from today's armed groups. Such non-state actors do, however, pose a risk to US preferences on regional stability and the development of the Arab-Israeli peace track, which in turn informs US concerns about their future development and roles in regional security politics.

### **Asymmetric Offense and Asymmetric Defense: Israel and the “Iron Dome”**

The successful use of the “Iron Dome” short range anti-rocket system in the November 2012 conflict between Israel and Hamas was an important test on determining the future direction and evolution of the regional asymmetric balance and the current state of readiness of Israeli short range anti-rocket systems.

- Much depends on the US and Israeli government of the day, and this has a major impact on Iran's ability to exploit opportunities in the regional balance. US and Israeli perceptions of Iran often differ sharply over the need for progress in the peace process, the best way to achieve it, and how they assess the scope and scale of the regional threat posed by Iran. Both, however, see Iran's role in the region as dangerous and disruptive, and Iran's nuclear and missile programs as a major threat to regional security.
- Israel has and will continue to take costly steps to develop the ability to defeat incoming short, medium, and long-range rocket and missile fire. It has long built up its defenses against longer-range missiles. Now the US and Israel are cooperating to develop the Arrow III wide area theater missile defense system and the David Sling/Magic Wand medium range defense system to further degrade the asymmetric capabilities of Iran and its regional allies.
- The 2006 Israeli-Hezbollah war showed the ability of prolonged rocket fire to shape the optics of the war, public opinion in the Arab world, and morale in Israel. “Iron Dome” seemingly erodes the ability groups opposed to Israel to inflict attacks that could qualify as successes. It also forces these groups in the Palestinian Territories and Hezbollah in Lebanon to reevaluate their tactics and strategies in their battle with Israel.

- Uncertainties remain surrounding reporting that the “Iron Dome” system had an operational success rate in the conflict between 80 and 90 percent. If ratios are based on 573 intercept attempts and 421 successful intercepts that would give the system a success rate of 73.4 percent in the conflict. If the ratios are based on the number of rockets not projected to hit open areas – namely 631 – and 421 successful intercepts, that in turn gives the system a success rate of 66.6 percent.
- Neither the Palestinians nor Hezbollah have the firepower, resources, planning, logistics and general wherewithal to come close to scoring a tactical win, to say nothing of a strategic victory against Israel. Unguided mass rocket fires have never produced mass casualties and their impact remains principally psychological: Palestinians feel they can stand up to the IDF on the one hand and Israelis feel a sense of insecurity despite their overwhelming military edge.
- However, Hezbollah, Hamas and other groups are watching, learning and adapting, just as Israel has adapted to their shifting tactics from conflict to conflict. For example, it is unclear how the “Iron Dome” system or other missile defense systems will perform over longer periods of sustained fire, larger volumes of daily rocket salvos, the deployment of potentially more capable rocket and missile systems, and the prospects of rocket fires from multiple vectors.
- Neither “Iron Dome” nor Israeli air strikes were able to significantly or decisively curtail the Palestinians’ ability to launch relatively large salvos of rockets. With the exception of the first day of hostilities, daily rocket fires never fall below 130 per day with sustained fires on most days between 150 and 250 rockets per day. After a week of targeted air strikes, there were still enough active launchers to fire 221 rockets.
- The Palestinians maintain relatively large stockpiles of relatively inexpensive rocket systems. Meanwhile, Israel’s solution remains relatively high cost with only a limited number of interceptors in inventory. This does not mean the IDF would eventually “run out” of “Tamir” interceptors. Israel has the production and industrial base to rapidly replenish its holdings. However, the current round of fighting underscores Israel’s future need to have enough missiles in inventory and enough productive capacity to keep holdings above the number of future fires. None of this is without cost. Beyond the cost of the “Tamir” from a production standpoint, it is costly to store large holdings of missiles with unstable compounds and propellant that must be carefully monitored and regulated to account for changes in environmental conditions.
- None of the resources brought to bear on either side of the latest round of Israeli-Palestinian fighting do anything to reach a lasting settlement of the Arab-Israeli conflict. Deterrence is important to both Israelis and Palestinians and all of the factions are keen to bolster their capabilities in no small part to bolster any future negotiating position. However, doing so moves the goalposts for a stable and long term peace that much further into the future.
- “Iron Dome,” and the coming David’s Sling and Arrow III, will do much to limit Iran and any non-state actor its arms capability to leverage the asymmetric balance in their favor. However, a lasting peace, supported by both Israelis and Palestinians and backed by the US and other regional players is the only truly low-cost security option in the long term. It would serve to stifle Iran’s efforts to constantly gain advantage in the Levant, leverage its ties to Palestinian militants and foil US interests.

### **The Growing Importance of Weapons of Mass Destruction**

A similar shift has occurred in the role of weapons of mass destruction. While Egypt and Syria have missile forces and chemical weapons, Israel has become a steadily growing nuclear power in the region with missile forces capable of hitting Iran and any other target in the region. The competition in weapons of mass destruction has also shifted from Israel vs. Arab states to an Israel which is also developing steadily more advanced missile defense versus an Iran that now has missiles that can target Israel and is close to the nuclear threshold.

Both the US and Iran now compete directly in regional asymmetric dynamics, critical to the capabilities and development of their regional allies' respective roles in an ever-shifting asymmetric military landscape. They also compete in the nuclear balance in the sense that Iran's nuclear efforts are now triggering a nuclear arms race between Israel and Iran, and the US is assisting Israel in building up its missile defenses.

The Syrian civil war has severely degraded the readiness of the Syrian military. However, some key dynamics and trends remain critical:

- The conventional balance between Israel and Syria largely defined the regional balance in the Levant between the Camp David Accords in 1978 and the beginning of the political upheavals in the region in 2010. That balance is now all but shattered. Close to two years of growing counterinsurgency warfare in Syria – with more than an estimated 40,000 casualties by November 2012 – thousands of military defections and desertions, creeping sectarianism and the broader effects of attrition now mean that the Syrian military is a shadow of its former self.
- Civil conflict has led to an explosion in the number of armed groups and militias in the country. Some are local forces meant to protect neighborhoods. Others were created to fight Assad. The spectrum of groups includes everything from secular nationalists to jihadist fighters with ties to Al-Qaeda. Meanwhile, Kurdish, Alawite and other minority factions fight to protect communal or sectarian interests. Regardless of what happens to Assad and Ba'ath rule, if central control in Syria continues to decay, the region may have to contend with the proliferation of Syrian non-state armed groups in a country flooded with weapons for years to come.
- There is no way to predict when and how Syria's conventional missile, and chemical warfare forces can recover. However, as the following analysis will show, even at full strength prior to protests and the current pattern of violence, the Syrian military was outclassed by Israeli forces in all of the most important areas of the conventional military balance in the region.
- Even older and less capable CBW systems would be extremely dangerous in the wrong hands and nowhere is that of greater concern than in Syria's internal conflict. Syria's CBW infrastructure has been dispersed across the country to preclude or minimize effective Israeli or NATO targeting in any future war and hold out the possibility of retaliatory strikes using airpower or short range ballistic missiles. What was sound during times of internal stability has become a liability in Syria's civil war, and there is some evidence that the Syrian government has concentrated its chemical weapons to prevent them from falling into rebel hands.
- There is a risk the chemical weapons will fall into rebel or extremist hands. In October 2012, the US Department of Defense confirmed earlier unconfirmed reports that the US was working with Jordan and Turkey on contingencies to prevent or minimize the risk of Syria's CBW holdings proliferating if and when safeguards run the risk of being significantly compromised by the conflict.

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## **Introduction**

Iran's efforts to expand its regional influence are a key aspect of its strategic competition with the US. Nearly twenty years after Israel's invasion of Lebanon in 1982, and six years after the 2006 Israeli-Hezbollah War, the US and its allies continue to struggle with the realities of Iran's growing influence in the region and its use of proxy and asymmetric warfare.

The US and Iran now face an unprecedented level of policy instability in the Levant and Egypt. The Islamic Republic has developed strong ties with Syria and non-state actors in the region, including the Lebanese Shi'a group Hezbollah and the Palestinian Hamas Islamist movement in what Iranian and Syrian leaders have dubbed the "Resistance Axis." The civil war in Syria, however, has led to an increasing struggle for influence and control over both Syria and Lebanon between Iran and the Arab states and Turkey, as well as between the US and Iran.

The political upheavals in Egypt have produced a moderate Islamic government that is significantly less openly hostile to Iran than the previous Mubarak regime, but is also strongly Sunni. This create a natural source of tension between Egypt and Iran, has led Egypt to be far more sympathetic to the Palestinians, less tolerant of Israel, and less tied to the United States.

Iran continues to exploit Arab-Israeli tensions in ways that make it an active barrier to a lasting Arab-Israeli peace, while the US must deal with the impact of rising tension between Israel and the Palestinians and a new round of fighting in Gaza that has increased Arab hostility to the US strategic partnership with Israel. At the same time, the rising tension between Iran and the Arabs has pushed Arab regimes back towards closer ties with the US, as well a raised regional tension between Sunnis and Shi'ites/Alawites and Arabs and Kurds.

The end result is a growing power struggle between Iran and several key Arab states as well as growing competition between the US and Iran for influence over both state and non-state actors. It is also a struggle that affects Turkey, Iraq, and the Southern Gulf states, as well as Europe, China and Russia.

Every state involved is forced to play the strategic equivalent of three-dimensional chess in a game that has no clear rules and constantly changing boards. It is a game that is almost certain to continue for at least the next five years, and where competition will often have to substitute tactics for strategy on a target of opportunity basis. In fact, there is little chance of regional stability for at least the next decade, and most of today's regimes and power relationships are unlikely to survive.

## **The US and Iran in the Post-World War II Levant and Egypt**

US-Iranian competition in the Levant and Egypt has evolved significantly over the more than 30 years since Iran's 1979 Islamic revolution, and the collapse of the US-Iranian partnership that began in the post-World War II (WWII) period.

Post-war US policy towards the Middle East was largely defined by the need to secure a reliable global energy supply, coupled with the broader US hegemonic contest with the Soviet Union. The Eisenhower Doctrine authorized the US to cooperate with and support economically and militarily any state in the Middle East in an effort to curtail the spread of communism.<sup>1</sup> In addition to Israel and Saudi Arabia, the US sought the support of Turkey and Iran as regional bulwarks against Soviet efforts to make inroads in the Middle East.

In the case of the Levant, Syria underwent coup after counter-coup and remained unstable for the better part of the 1950s and 1960s.<sup>2</sup> Egypt under Gamal Abdel Nasser – initially considered a prospective US ally – fought two wars with Israel in 1967 and 1973,<sup>3</sup> and Egypt's Pan-Arab narrative was perceived by the West and Nasser's regional opponents as a possible route to communist inroads in the region and new wars with Israel.<sup>4</sup>

Lebanon's post-independence sectarian political system was too inequitable and parochial to survive in its initial form and quickly became a source of internal discord, regional instability and open conflict. With the collapse of the Iraqi monarchy and keen to contain potential regional spillover effects, the US elected to intervene militarily in Lebanon's short-lived civil war in 1958.<sup>5</sup>

Iran played only a limited role in the region while it remained under the Shah, focusing on Iraq, the Soviet Union, and the Shah's ambitions in the Gulf following Britain's withdrawal. The rises of Khomeini in 1979, however, brought a new major challenger to the US role in the entire region to power, as well as a revolutionary regime that claimed to be the legitimate leader of Islam, creating new religious challenges to secularism throughout the region, new tensions with the Arab states, and growing divisions between Shi'ites and Sunnis.

## **The Impact of the Shah's Fall**

The collapse of the pro-Western government of Shah Mohammad Reza Pahlavi in 1979, and the rise of the conservative Iranian clerical establishment under Grand Ayatollah Ruhollah Khomeini, soon had impacts far beyond the Gulf. The US lost a critical regional ally. The Shah had been a supporter of US interests in the region, guaranteeing access to Iranian energy resources, garnering close ties to regional Arab monarchies, and maintaining friendly ties with Israel by minimizing its role in the Arab-Israeli conflict.

In stark contrast, the new Islamic Republic of Iran was hostile to US interests in the region, contested Arab states it saw as US clients, sought to forge an alliance with Assad's Syria, opposed the state of Israel and became a fervent supporter of the Palestinian cause.<sup>6</sup> In the decades that have followed – particularly since the end of the Iran-Iraq War in 1988 – Iran's competition with the US has had a growing impact on the regional geopolitical and military balance, particularly on the role played by Syria, Lebanon, and the Palestinians

Western arms transfer and aid had made Iran one of the most capable and technologically advanced militaries in the region at the time the Shah fell. Much of that capability deteriorated after Western advisors left. The US imposed an arms embargo, resulting in turmoil within Iran's forces. This caused major Iranian losses during the Iran-Iraq War,

and has sharply limited Iran's inability to modernize and expand its conventional forces even since the end of that conflict in 1988.

Iran has, however, become a long-range missile power, is seeking the capability to make nuclear weapons, has built up a major asymmetric force in the Gulf, and has created special units like the Al Quds force to build up friendly and proxy forces like Hezbollah and those of the Moqtada Al Sadr.

As a result, Iran increasingly threatens the security of Saudi Arabia, Israel, and other pro-Western regional actors and plays a major role in Iraq, Syria, Lebanon, and Gaza. Iran could selectively use its energy resources and continued membership of OPEC as a source of leverage and influence against the West.

The end result is that the US and Iran now compete in me a proxy war in the Levant that is now centered around the civil war in Syria, Hezbollah in Lebanon, influence on the Palestinian movement, and the Arab-Israeli conflict. This struggle takes place in the larger context of the struggle between Iran and the US and its Arab allies to shape the balance of power in the broader Middle East. Egypt, Jordan, Turkey, and the Southern Gulf states all play a major role in this struggle as well as face their own internal challenges and tensions with Iran.

It is a struggle whose outcome is extremely uncertain because of the broad pattern of instability in the Middle East, the nuclear arms race between Iran and Israel, and the risk of Israeli preventive strikes on Iran. Since the beginning of major popular upheavals in 2011, the dynamics of the Levant have become steadily more complex due to changes in leadership, political contestation, the fragmentation of decaying state and security structure, and socio-economic challenges driven by long-term popular discontent. Key regional states – including Egypt, Syria, Lebanon and Jordan – have all been affected by this trend in ways that affect how the US and Iran compete in the Levant.

## **The Role of Syria**

It is still too early to know how much influence Iran can gain in Iraq and gain or retain in Syria – particularly if the Assad regime does not survive. It is unclear whether Iran can exploit political change in Egypt and in dealing with the Palestinians. Iran faces a considerable Arab backlash over its own steadily growing internal repression, and must deal with growing tensions between Sunnis and Shi'ites, as well as Arab fears that it seeks regional domination or influence at the expense of Arab states.

If political instability and civil war in Syria continue to make Assad's survival partly dependent on Iranian support, this will be a growing factor in US and Iranian strategic competition. It will also affect sectarian alignments. Iran will increasingly rely on its relations with Syria's Alawites as a matter of politics rather than because of any real shared identity between Shi'ite and Alawite religious beliefs. Iran has had to divert increasingly scarce national resources to shore up its beleaguered ally.

Meanwhile, the US and key regional allies have sought to increase pressure on the Assad regime, and provide different levels of support to anti-Assad political and insurgent forces, not the least to weaken Iran's sole major state ally as well as Iran's influence over Iraq, Lebanon, and the Palestinians. This makes Syria the key local prize for both the US and its allies and for Iran.

On the one hand, Iran's regional ambitions have become increasingly dependent upon Syria's future; if Assad and the Alawites fall from power, Syria might become far more closely tied to other Sunni regional powers, alienated from Iran, and willing to work with the US.

On the other hand, the civil war might lead to a Syria where the Islamic Republic could either see an Assad regime that was far more dependent on Iran than ever before, where the outcome put more pressure on Iraq to support Iran, and where Hezbollah became even more powerful in Lebanon.

There is a further third alternative. The proliferation of militias and armed groups in Syria and the erosion of state institute institutions over time may also lead to a country in name alone that could be unstable for years, if not decades. There are preliminary signs that Iran and its allies – chief among them Hezbollah – may already be shifting their positions to deal with an unstable Syria, regardless of whether Assad stays or goes.

## **Iran's Role in Lebanon**

Iran has scored major gains in Lebanon since the Israeli invasion triggered a wave of Shi'ite hostility to Israel in 1982. Here too, however, the scale of Iranian influence will depend on how the overall pattern of unrest in the Middle East plays out over time. Once Iran came under Khomeini's control, it sent Iranian Revolutionary Guard troops to Lebanon to create new ties to the Lebanese Shi'a community. Iran found willing and able allies in an increasingly reactionary and radical Shi'a community angered by the presence of overbearing Palestine Liberation Operation (PLO) commandos followed by a no-less abrasive Israeli military occupation of South Lebanon.

Israel's mishandling of the occupation shifted Lebanese Shi'ite attitudes from one of initial support to one of organized hostility, and Iran took advantage of this situation to create an Iranian sponsored militant group that first began as the "Islamic Amal," an ideological splinter group of Nabih Berri's Shi'a Amal militia, and then emerged as Hezbollah after the Israeli invasion.<sup>7</sup> As later sections will show, the group was very much a Lebanese entity; however, its emergence and consolidation as a leading player in regional security and national sectarian politics would not have been possible without Iranian support.

Syria's civil conflict could impact how the US and Iran compete in Lebanon. The potential loss or destabilization of the Assad regime could weaken Iran's ability to project influence and support to Hezbollah to the potential advantage of factions aligned with the West and regional allies, including Saudi Arabia. The conflict could just as easily trigger a dangerous cycle of Sunni-Shi'ite competition that could spiral out of control and return Lebanon to a pattern of sectarian violence where no one can win in measurable ways.

For now, Hezbollah and its allies in Lebanon continue to support the Assad regime. Meanwhile, the country's Sunnis – which are largely sympathetic to anti-Assad forces – have grown increasingly active in supporting Syrian rebel factions. Neither the US nor Iran have opted to sharply deepen the contest for Lebanon. While sectarian tensions in the country have not yet reached a tipping point, contests between Sunnis and Shi'ites and Sunnis and Alawites in Lebanon have heightened to the point that limited bursts of violence are increasingly common and broader escalation remains possible.

## **Uncertainty in Jordan**

Events in Syria have potential indirect effects on other regional actors. Jordan's King Abdullah was among the first regional leaders to openly call for Assad to step down. However, more than 20 months of Syrian unrest have left Jordan struggling to insulate the kingdom from the corrosive effects of Syria's increasingly divisive civil war.

The Hashemite monarchy, a key US regional ally, is coming under growing pressure from both hardline Islamist and more mainstream opposition groups to do more to intercede in Syria at a time when the Kingdom is struggling to cope with systemic micro and macro-economic challenges, a growing budget deficit, a ballooning Syrian refugee population, and the growing penetration of Salafi and jihadi groups into the broader Levant.

## **The Growing Issue of Egypt, Israel and the Palestinians**

The internal upheavals that have overthrown the Mubarak regime in Egypt have, however, created serious new uncertainties about its ties to the US, Egyptian willingness to put pressure on Iran, support for the peace process and tolerance of Israel's security efforts, and Egypt's ties to the Palestinians and the Southern Gulf states. No one can take Egypt for granted, regardless of the trajectory of politics and governance in Cairo. It may be far more stable than Syria in terms of internal violence, but Egyptian security is relative.

The fighting between Israel and the Palestinians in Gaza is a violent indication of the effective collapse of the Arab-Israeli peace process, the growing instability in the Palestinian movement, the growing role the Arab Gulf states are playing in the internal affairs of Arab states and movements outside the Gulf, and the fact that US ties to Israel present a constant opportunity that both Iran and Islamist extremist movements can exploit. As a worst case, instability in Egypt will lead Cairo to either be far less proactive in keeping its peace with Israel or lead Egypt to reject its peace settlement altogether. It is also impossible to dismiss the prospect that political upheaval in Jordan could have the same result.

There are limits to how much of an advantage such shifts in the Arab-Israeli conflict will be to Iran, given the scale of Sunni Arab polarization against a Shi'ite Iran. However, there is no question that the Arab-Israeli conflict still affects every aspect of Arab public opinion and does impact US ties to even the more friendly Arab states.

While US and Iranian competition plays a role in shaping Palestinian politics, internal Palestinian and broader regional dynamics are similarly critical. Fatah is trying to fight back against the growing preeminence of Hamas in Palestinian politics and the Arab-Israeli conflict. It continues to struggle against a backdrop of corporate interests, internal corruption and the perception the current leadership is too close to the US and too dependent upon Israel. Both patterns are uphill battles for Fatah and both work to Iran's advantage in Arab-Israeli politics.

Despite these gains, Syrian unrest has forced Hamas to choose between its regional credentials as a Sunni Islamist movement and its long-time regional partners Iran and Syria. So far Hamas has managed to recalibrate ties with Tehran and recent military

“non-failures” against Israel have offset the effects of regional unrest and the loss of ties to Damascus. However, none of this changes the fact that Hamas and all Palestinian factions much deal with worsening socio-economic realities, a region that will be unstable for years and continued Israeli responses to efforts by Hamas and Hezbollah to sharpen their asymmetric military capabilities.

Meanwhile, Israel has few viable options in a region undergoing generational change and instability. Siding with opposition forces in Syria could help Iran and its allies link regional developments to accusations of so-called US and Israeli plots to reshape regional politics. In addition, recent advances in missile defense complicate Palestinian and Hezbollah rocket and missile asymmetric capabilities but it is unclear that these solutions can be made cost-effective in the short term, let alone change the reality that both the Israeli and Palestinian political landscapes continue to shift to the right in ways that could permanently scuttle efforts towards a stable two-state solution.

### **Indirect Military Competition**

Both the US and Iran have worked hard to nurture partnerships and relationships in the Levant with regional state and non-state actors to promote their regional interests, project power and shape the broader regional balance of power.

US military aid to Israel has insured the country’s preeminence in the regional military balance. In the wake of peace agreements and deepening ties with the US and the West, neither Egypt nor Jordan is actively competing militarily. Syria, which continued to try to compete with Israel, was forced to abandon efforts to achieve strategic parity in favor of strategic deterrence. As such, the Arab-Israeli remained focused on competition between Israel and Syria.

Popular protests in the Arab world have all but shattered the past structure of the regional conventional military balance. Nowhere is that more the case than in Syria. After two years of protests, violence and an increasingly sectarian civil war, the Syrian military is no condition to compete directly with any of the other regional militaries.

Meanwhile, Egyptian instability has preoccupied that country’s military, and Jordan’s military remains squarely focused on internal security and mitigating spillovers effects from Jordan. Lebanon remains a de facto non-player with the country’s military far more focused on trying to find ways to insulate the country from instability in Syria.

At the same time, the asymmetric warfare capabilities of state and non-state actors have become steadily more important. The 2006 Israeli-Hezbollah war marked a major milestone in the growing significance of regional asymmetric competition. While countries such as Syria have focused on building up strategic deterrence against Israel at least since the 1980s, non-state armed groups – such as Iranian and Syrian backed Hezbollah and Hamas – would prove to be key players in the regional asymmetric military balance.

The US and Iran now compete in shaping the dynamics of regional asymmetric dynamics. Both countries are critical to the capabilities and development of their regional allies’ respective roles in an ever-shifting asymmetric military landscape.

## **U.S.-Iranian Interests in the Levant, Egypt, and Jordan**

The US and Iran have different geostrategic interests and their reasons for engagement with the region are not easy to compare. The US is a global superpower that has worked hard to shape regional trade, security, socio-economic and political dynamics in the Levant at least since the end of WWII. In contrast, Iran's levels of engagement and its objectives are far more limited; this is due largely to the realities of geography and the real world limitations of Iran's ability to project influence and shape events beyond its immediate Gulf sphere of influence.

### **U.S. Interests**

While the US must make efforts to support the democratic and economic development of the states in the region, Washington must also take account of US strategic and hard power interests. These interests include energy security, sustaining strategic partnerships with key regional allies, and supporting stability and evolutionary change at a time when the alternative can often be civil war, years of turmoil, or a series of unpredictable power struggles. The Arab-Israeli peace process remains a core US strategic interest in the region, in no small part as a result of recent US military involvement in the region and a desire to reshape Arab and Muslim perceptions of the US in the broader Arab and Muslim Middle East.

The US must also be increasingly concerned with the role played by armed non-state Islamist movements – including Palestinian Hamas and Hezbollah in Lebanon – in regional security politics. In short, US interests are predicated on supporting geopolitical forces that favor both long-term stability and the protection of US interests in the Levant.

### ***The US-Israeli Strategic Relationship and Iran***

Much of the current pattern of US and Iranian competition is affected by the fact that Israel is one of the US's most important Middle East allies. Few countries have faced as many "existential" military crises in modern times as Israel. This has helped the expansion of a continuing arms race where Israel has developed and maintained a decisive qualitative military edge (QME) over its Arab neighbors with continued US support.

The US has made it clear to regional states that American support for Arab-Israeli peace efforts rests on the preservation of Israel's security and US commitments to guard Israel against an Iranian nuclear threat remain robust.

The US has sought to secure a political order in the Levant that meets both Israel's needs and that of Arab states and the Palestinians. Israel, meanwhile, has sought a political order that favors Israel's security. The US has pushed Israel to create a viable two-state solution to deal with the Palestinians, and create stable bilateral relations with regional states, rather than rely on the "cold peace" that currently exists between Israel and Egypt and Jordan.

Both the US and Israel favor the emergence of political forces in Beirut with close ties to the US and the West in the hope that threat posed by Iran's leading ally in Lebanon, the Shi'a group Hezbollah, can be degraded, thus undermining Iran's asymmetric edge in the Levant. Both Israel and the US share an interest in seeing the emergence of a Syria –

under the current leadership or otherwise – that takes serious steps to downgrade its ties to Iran, Hezbollah, and Hamas as well its role as a confrontation state against Israel.

Israel and the US have both sought to support the Palestinian Authority under Fatah's leadership as a bulwark against Palestinian groups that have been loosely aligned with Iran and Syria, including Hamas and Palestinian Islamic Jihad. The US has, however, put far more emphasis on real progress toward a two state solution to the Israel-Palestinian conflict and has sought to limit Israel's security actions in Gaza and countries like Lebanon. As a result, the US and Israel often differ over the need for – or the best way of achieving – significant progress in the peace process.

The fact that there has been so little progress towards an Israeli-Palestine peace settlement has aided Iran. While the US has sought to balance its alliance with Israel with its alliances with friendly Arab states, the failure to reach an Israeli-Palestinian peace settlement has still enhanced Iran's ability to exploit Arab resentment over US ties to Israel. They have also increased the risk that Islamist extremists and other anti-US elements in the Arab world will be able to exploit the political upheavals in the region in ways that damage US interests. The US and Israel also differ in their strategic priorities in dealing with Iran. Israel is primarily concerned about the risk Iran poses to its own national security. The US view of the Iranian threat gives equal priority to the threats Iran poses to the Gulf and the world's energy exports, and on the threat it presents to stability and security across the Levant through its regional allies Syria, Hezbollah, and Hamas.<sup>8</sup>

### ***Protecting Energy Security & Regional Infrastructure***

The US has broad strategic interests in the Levant, although the impact of US and Iranian competition on these interests has so far been limited. These interests include the security of regional trade and energy infrastructure and the preservation of bilateral and multilateral energy ties in the region. Egypt has been exporting natural gas to Lebanon, Jordan and Syria via the Arab Gas Pipeline (AGP) since the mid-2000s. Egypt also began supplying natural gas to Israel in 2009 – a move many Egyptians appeared to disapprove of and that remains highly unpopular.<sup>9</sup>

The Suez Canal – which accounts for the passage of some 8 percent of global seaborne trade – and the adjacent Suez-Mediterranean (SUMED) pipeline are an important part of Mediterranean energy infrastructure.<sup>10</sup> The Canal has sufficient capacity to accommodate the movement of some 2.2 million barrels per day (bpd) of oil, while the SUMED pipeline can support a volume of 2.3 million bpd of oil for a combined total capacity of 4.5 million bpd.

While the volume of oil passing through both has been below maximum capacity in recent years – in part due to the broader problems in the global economy – the security of the Suez Canal and the security of the free flow of trade through its waters remains critical to stability in global energy and commodities markets.

**Figure VIII.1 Part I and II** shows the overall importance of the Suez Canal and the SUMED pipeline as global energy chokepoints and their impact on world petroleum supplies. The US Energy Information Administration (EIA) provides additional background data on the Suez Canal and risks associated to its potential closure or disruption:<sup>11</sup>

### **Suez Canal**

The Suez Canal is located in Egypt, and connects the Red Sea and Gulf of Suez with the Mediterranean Sea, spanning 120 miles. In 2011, petroleum (both crude oil and refined products) and liquefied natural gas (LNG) accounted for 15 and 6 percent of Suez cargoes, measured by cargo tonnage, respectively.

In 2011, 17,799 ships transited the Suez Canal from both directions, of which 20 percent were petroleum tankers and 6 percent were LNG tankers. Only 1,000 feet wide at its narrowest point, the Canal is unable to handle Ultra Large Crude Carriers (ULCC) and most fully laden Very Large Crude Carriers (VLCC) class crude oil tankers. The table above shows weight and capacity for the different tanker types. The Suezmax was the largest ship capable of navigating through the Canal until 2010 when the Suez Canal Authority extended the depth to 66 feet to allow over 60 percent of all tankers to use the Canal, including ships that are 220,000 of dead weight tons in size.

### **SUMED Pipeline**

The 200-mile long SUMED Pipeline, or Suez-Mediterranean Pipeline, provides an alternative to the Suez Canal for those cargos too large to transit through the Canal (laden VLCCs and larger). The crude oil flows through two parallel pipelines that are 42-inches in diameter, with a total pipeline capacity of around 2.4 million bbl/d. Oil flows north through Egypt, and is carried from the Ain Sukhna onshore terminal on the Red Sea coast to its end point at the Sidi Kerir terminal on the Mediterranean. The SUMED is owned by Arab Petroleum Pipeline Co., a joint venture between the Egyptian General Petroleum Corporation (EGPC), Saudi Aramco, Abu Dhabi's National Oil Company (ADNOC), and Kuwaiti companies.

The SUMED Pipeline is the only alternative route to transport crude oil from the Red Sea to the Mediterranean if ships were unable to navigate through the Suez Canal. Closure of the Suez Canal and the SUMED Pipeline would divert oil tankers around the southern tip of Africa, the Cape of Good Hope, adding approximately 6,000 miles to transit, increasing both costs and shipping time. According to the International Energy Agency (IEA), shipping around Africa would add 15 days of transit to Europe and 8-10 days to the United States.

Fully laden VLCCs transiting toward the Suez Canal also use the SUMED Pipeline for lightering. Lightering occurs when a vessel needs to reduce its weight and draft by offloading cargo in order to enter a restrictive waterway, such as a canal. The Suez Canal is not deep enough to withstand a fully laden VLCC and, therefore, a portion of the crude is offloaded at the SUMED Pipeline at the Ain Sukhna terminal. The now partially laden VLCC then goes through the Suez Canal and picks up the portion of its crude at the other end of the pipeline, which is the Sidi Kerir terminal.

### **Crude Oil**

The majority of crude oil transiting the Suez Canal travels northbound, towards markets in the Mediterranean and North America. Northbound canal flows averaged approximately 535,000 bbl/d of crude oil in 2011. The SUMED Pipeline accounted for about 1.7 million bbl/d of crude oil flows from the Red Sea to the Mediterranean over that same period. Combined, these two transit points were responsible for nearly 2.2 million bbl/d of crude oil flows into the Mediterranean. Northbound crude transit has declined by almost half since its level in 2008 when 943,000 bbl/d of crude transited northbound through the Canal and an additional 2.1 million bbl/d of crude travelled through the SUMED to the Mediterranean. Contrarily, crude oil shipments travelling southbound through the Canal toward the Red Sea, primarily destined for Asian markets, increased from 2008 through 2010, but fell slightly in 2011.

### **Total Oil and Products**

Total oil flows from the Suez Canal declined steeply by more than one-third in 2009 to about 1.8 million bbl/d, down from 2008 levels of over 2.4 million bbl/d. Crude oil flows through the SUMED experienced a much steeper drop to 1.2 million bbl/d from approximately 2.1 million bbl/d over the same period. The year-over-year difference reflects the collapse in world oil market demand that began in the fourth quarter of 2008, followed by OPEC production cuts (primarily from the Persian Gulf), which caused a sharp fall in regional oil trade starting in January 2009. Drops in transit also illustrate the changing dynamics of international oil markets where Asian demand is increasing at a higher rate than European and U.S. markets, and West African crude production is meeting a greater share of the latter's demand. At the same time, piracy and security concerns around the Horn of Africa have led some exporters to travel the extra distance around South Africa to reach West African markets. Total oil flows through the Suez Canal increased year-over-year to almost 2.2 million bbl/d in 2011, but still remain below previous levels prior to the global economic downturn.

#### Liquefied Natural Gas (LNG)

Unlike oil, LNG transit through the Suez Canal has been on the rise since 2008, with the total number of laden tankers increasing from approximately 210 to over 500, and volumes of LNG traveling northbound (laden tankers) increasing nearly six-fold. Southbound LNG transit originates in Algeria and Egypt, destined for Asian markets while northbound transit is mostly from Qatar and Oman, destined for European and North American markets. The rapid growth in LNG flows over the period represents the startup of five LNG trains in Qatar in 2009-2010. The only alternate route for LNG tankers would be around Africa as there is no pipeline infrastructure to offset any Suez Canal disruptions. Countries such as the United Kingdom, Belgium, and Italy received over 80 percent their total LNG imports via the Suez Canal in 2010, while Turkey, France, and the United States had about a quarter of their LNG imports transited through the Canal.

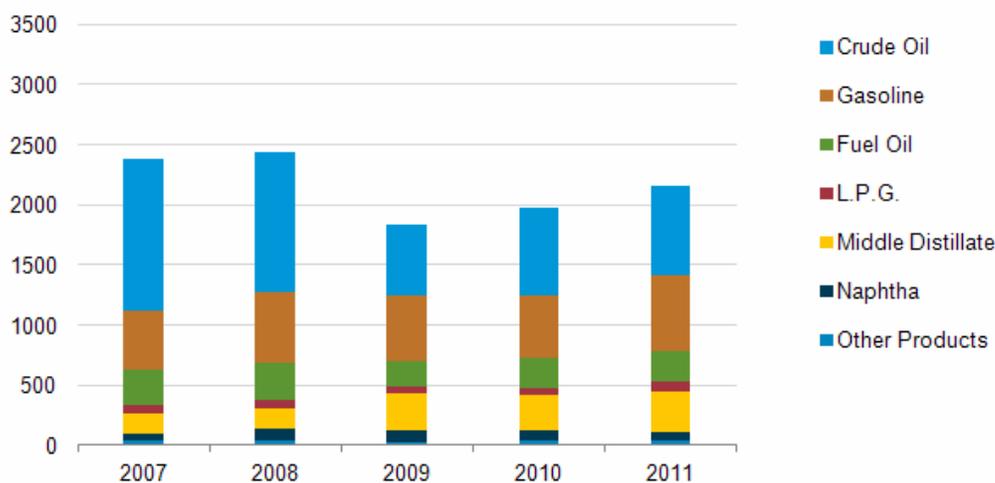
Iran only has an indirect effect on the security of these routes. Its sponsorship of Palestinians militants and Hamas, and tacit if not explicit support of attacks on the US and Israel, may have had some impact on the stability of the Sinai – although this is uncertain. In 2011, lax security in the Sinai Peninsula contributed at least in part to an escalation of attacks to energy infrastructure in Egypt, causing severe disruptions to the flow of natural of natural gas supplies to Israel and Jordan.

There is no evidence – anecdotal or otherwise – that Iran was involved in these attacks. However, changes in internal Egyptian politics, the risk that Egypt may indefinitely suspend energy exports to Israel, regional instability near the Suez, a tenuous Israeli-Egyptian border and changing bilateral energy trade dynamics are all to the disadvantage of a regional order the US has spent decades nurturing. Iran and other regional opponents of the US stand to gain from any regional instability by default.

**Figure VIII.1, Part One: Volume of Crude Oil and Petroleum Products Transported Through World Chokepoints and the Suez Canal, 2007-2011**

Location	2007	2008	2009	2010	2011
<b>Bab el_Mandab</b>	<b>4.6</b>	<b>4.5</b>	<b>2.9</b>	<b>2.7</b>	<b>3.4</b>
<b>Turkish Straits</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>	<b>2.9</b>	<b>N/A</b>
<b>Danish Straits</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>3.0</b>	<b>N/A</b>
<b>Strait of Hormuz</b>	<b>16.7</b>	<b>17.5</b>	<b>15.7</b>	<b>15.9</b>	<b>17.0</b>
<b>Panama Canal</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>
Crude Oil	0.1	0.2	0.2	0.1	0.1
Petroleum Products	0.6	0.6	0.6	0.6	0.6
<b>Suez Canal and SUMED Pipeline</b>	<b>4.7</b>	<b>4.6</b>	<b>3.0</b>	<b>3.1</b>	<b>3.8</b>
Suez Crude Oil	1.3	1.2	0.6	0.7	0.8
Suez Petroleum Products	1.1	1.3	1.3	1.3	1.4
SUMED Crude Oil	2.4	2.1	1.2	1.1	1.7

thousand barrels per day

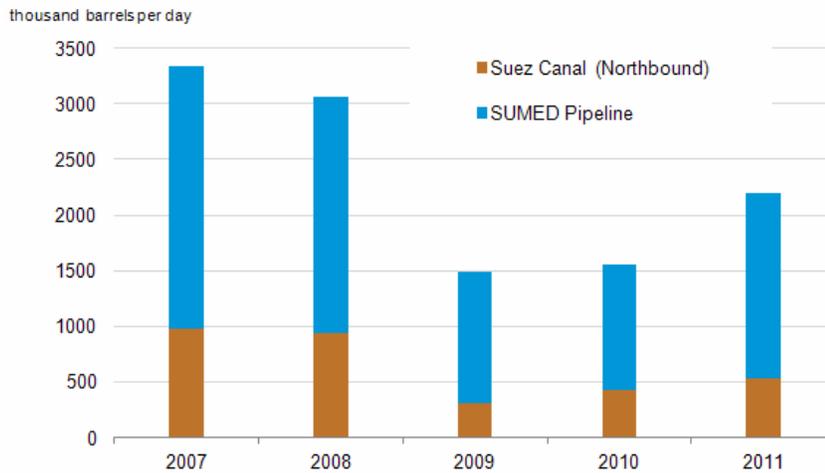
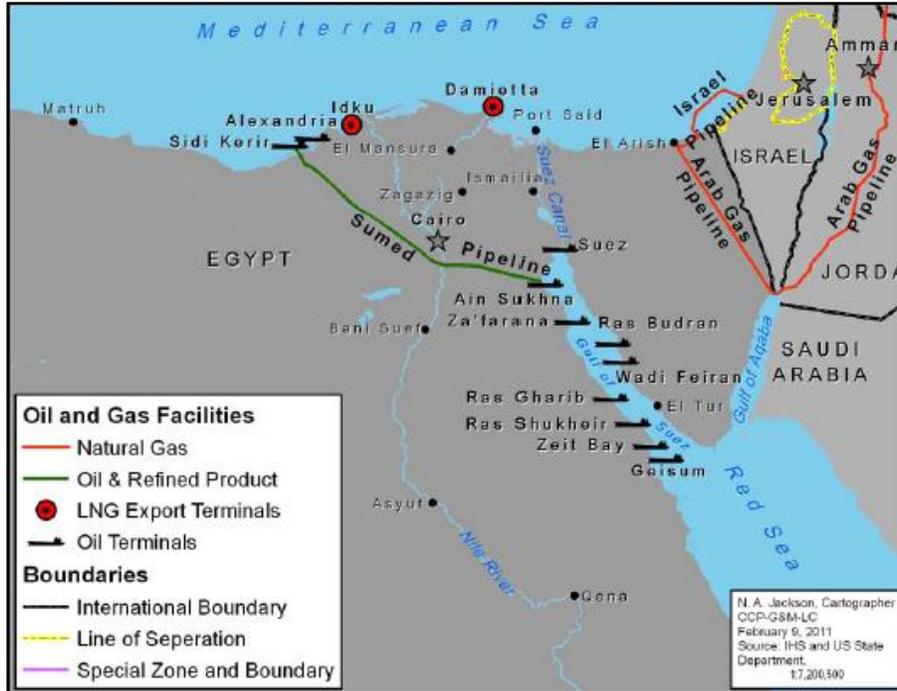


Source: Suez Canal Authority, *Traffic Statistics (with EIA conversion factors)*

Notes: All estimates presented in the table above are in million barrels per day. "N/A" is not available. The table does not include a breakout of crude oil and petroleum products for most chokepoints because only the Panama Canal and Suez Canal have official data to confirm breakout numbers. Adding crude oil and petroleum products may be different than the total because of rounding. Data for Panama Canal is by fiscal years.

Source: "World Oil Transit Checkpoints," August 2012, the Energy Information Administration, available at <http://www.eia.gov/countries/regions-topics.cfm?fips=WOTC&trk=p3>. EIA estimates based on APEX Tanker Data (Lloyd's Maritime Intelligence Unit). Panama Canal Authority and Suez Canal Authority, converted with EIA conversion factors.

**Figure VIII.1, Part Two: Volume of Crude Oil & Petroleum Products Transported Through the Suez Canal, the SUMED Pipeline and the Vulnerability of Mediterranean Energy Infrastructure 2007-2011**



Source: Suez Canal Authority (with EIA conversion factors) and APEX Tanker Data (Lloyd's Maritime Intelligence Unit)  
 \*Note: Suez Canal (Northbound) includes crude oil moving in one direction from the Red Sea to the Mediterranean. It does not include southbound shipments.



Source: Adapted by Aram Nerguizian from “World Oil Transit Checkpoints,” August 2012, the Energy Information Administration, available at <http://www.eia.gov/countries/regions-topics.cfm?fips=WOTC&trk=p3>, “World Oil Transit Checkpoints,” February 2011, the Energy Information Administration, available at [http://www.eia.gov/cabs/world\\_oil\\_transit\\_chokepoints/Full.html](http://www.eia.gov/cabs/world_oil_transit_chokepoints/Full.html), other EIA data & Congressional Research Services cartographic data.

### *Countering the Threat of Non-State Armed Groups*

Iran competes with the US, most Arab states, and Israel in its dealings with Hezbollah and Hamas, and in cooperating with Syria. The threat from non-state or subnational actors is not a new one. The Palestine Liberation Organization (PLO) played a destabilizing political and security role in Jordan and Lebanon. US military forces witnessed firsthand what non-state armed groups can do in the wake of the 1983 Marine barracks bombing in Beirut by elements that would later go on to become Hezbollah.

Hamas and other Palestinian groups do not have the resources, or the levels of external aid from Iran and Syria, to pose a critical threat to Israel, especially given US-backed Israeli efforts to create effective countermeasures to militant rocket fire. Hezbollah, however, is a growing threat. It has the support of the majority of Lebanon's most populous community, the Shi'a, and enjoys quasi-autonomy in its area of operations in South Lebanon. It has growing rocket and missile capabilities (discussed later), and the organizational wherewithal and training to present a far more decisive organized threat, not only to Israel but US regional hegemonic aspirations.

At the same time, this threat must be kept in proportion. Hezbollah's boasts about defeating Israel in a future conflict are propaganda fantasy, not reality. Israel, the US and key regional allies do not face anything approaching critical or existential threats from today's armed groups. Such non-state actors do, however, pose a risk to US preferences on regional stability and the development of the Arab-Israeli peace track, which in turn informs US concerns about their future development and roles in regional security politics.

The number of armed groups is also rising. The predominantly Sunni northern Akkar governorate in Lebanon has struggled with a legacy of socio-economic neglect by successive governments in Beirut, high levels of illiteracy and extreme poverty, a limited state security and military presence, and growing popular frustration with the perceived growth of Shi'a influence in the north and Lebanon more broadly. These factors have facilitated the recruitment of northern Lebanese Sunni groups eager to battle Assad and contest Hezbollah's power in Lebanon by emerging militant and Islamist groups.<sup>12</sup>

In Syria, civil conflict has led to an explosion in the number of armed groups and militias in the country. Some are local forces meant to protect neighborhoods. Others were created to fight Assad. The spectrum of groups includes everything from secular nationalists to jihadist fighters with ties to Al-Qaeda. Meanwhile, Kurdish, Alawite and other minority factions fight to protect communal or sectarian interests. Regardless of what happens to Assad and Ba'ath rule, if central rule in Syria continues to decay, the region may have to contend with the proliferation of Syrian non-state armed groups in a country flooded with weapons for years to come.

Lastly, political unrest and instability in Egypt have led to greater militancy and armed activity in the Sinai Peninsula with implications not only for security there but also for the future stability of Egyptian-Israeli bilateral ties. Post-Mubarak Egypt has seen escalating violence between the Egyptian security forces and militants, smugglers and Bedouin tribes. Whether or not the Egyptian authorities can impose order there could also impact stability and non-state armed activity in neighboring Gaza as well.<sup>13</sup>

### ***The Impact of US Military Assistance to Egypt, Israel Jordan and Lebanon***

The US has sought to make military aid and arms transfers an important tool in competing with Iran, building up and sustaining US influence in the Arab states in the Levant and supporting Arab-Israeli peace treaties. The US has used military aid to support key Arab allies, such as Egypt and Jordan, while working to build support in regional “battleground” states and arenas, including Lebanon and the Palestinian Territories. US military aid to the Levant during 1971-2001 totaled some \$82.5 billion, with aid to Israel and Egypt accounting for 61.2% and 33.4% of total loans and grants.<sup>14</sup>

**Figure VIII.2** shows the overall pattern of more recent US foreign military assistance to Egypt, Israel Jordan and Lebanon. **Figure VIII.3** shows major US FMF-funded Congressional arms sales notifications for Egypt, Israel and Jordan over the 2005 to 2013 period. It is important to remember that such notifications only offer an approximate and potential picture of future arms sales 3-10 years on the horizon.

The US has used foreign military aid to Egypt and Jordan as key tools in securing both each country and the Arab-Israeli peace treaties, while also seeking to strengthen US ties with other states in the region that policymakers consider moderate.<sup>15</sup> Building up strong military partnerships and aid ties are also tools the US has used to try to keep international and regional players hostile to the US from undermining US interests and the stability of US regional allies.

Egypt, Israel and Jordan have been allies of the US and had access to priority delivery of US excess defense articles (EDA), the ability to purchase depleted uranium (DU) anti-tank shells, are eligible for no-cost loans of materials in support of cooperative research and development programs with the US, and other benefits.<sup>16</sup> Syria is the only regional country that does not have security or military aid ties with the US.

This use of military aid and arms sales has its critics. Some see such aid as supporting oppressive regimes and regional critics charge that US aid to Israel could be indirectly contributing to Palestinian fatalities in ongoing clashes between the IDF and Palestinians. Others point to the impact of foreign military aid in bolstering conservative authoritarian regimes or undermining democracy and human rights in the region.

More analysts feel, however, that US military aid significantly boosted Israeli security, ensured Egyptian stability, consolidated ties of friendship between America and Jordan, and are helping Lebanon mitigate the impact of Syrian instability. The promise of Foreign Military Financing (FMF) dollars helped move Egypt and Jordan to sign peace deals with Israel.<sup>17</sup>

As for Iran, it has not been able to compete directly with the US in using aid and arms transfers to build up military partnerships in the region. The Islamic Republic has had to resort to supporting armed Palestinian and Lebanese non-state factions as a means of undermining US allies in the Levant.

#### **Transfers and Aid to Israel**

Israel has been the top recipient of US military aid since 1976, and the largest cumulative recipient since WWII.<sup>18</sup> Israel has also had access to a number of other benefits that other

countries in the region do not have access to, such as the ability to use US military aid dollars for research and development in the US or use 26.3% of annual aid funds towards military purchases from Israeli industry. The US delivers all assistance earmarked for Israel in the first 30 days of a given fiscal year, unlike other countries that receive staggered installments of aid at varying times.<sup>19</sup>

The end result is that Israel is heavily dependent on US FMF, which represents 21 to 22 percent of Israeli defense spending. In 2007, the Bush Administration announced that US military aid to Israel would increase by \$6 billion over the coming decade, reaching an annual aid level of \$3.1 billion by FY2018. In addition to offsetting the end of US economic support funds in FY2007, it is expected that increased levels of FMF will allow Israel to fund sophisticated US purchases, such as a possible sale of F-35 Joint Strike Fighter (JSF) aircraft.<sup>20</sup>

### **Transfers and Aid to Egypt**

Egypt has also benefited from major US aid and arms sales since 1979. The promise of US military (and economic) aid was critical to bringing post-Nasr Egypt closer to the US and helped the ruling establishment under President Hosni Mubarak consolidate peace with Israel. Egyptian military aid has settled into a relatively consistent pattern, with FY2013 requests for \$1.3 billion in FMF holding at similar levels of funds provided or estimated for Egypt in FY2011 and FY2012.

US FMF aid has allowed the acquisition of new systems, upgrades for existing military systems, and follow-on support and maintenance. Egypt generally seeks to allocate 30% of annual FMF to new systems acquisition in order to gradually replace what remain of aging Soviet holdings with US equipment.

Egypt receives additional “as is, where is” aid worth hundreds of millions of dollars through the excess defense articles (EDA) program. The Egyptian military also participates in US international military education and training (IMET) programs. In recent years Egypt has lobbied the US to increase US FMF dollars in a bid to offset the rising costs associated with contract support and maintenance.<sup>21</sup>

So far, the flow of US military aid has not been significantly disrupted by the recent upheavals in Egypt and the ousting of long-time US ally President Hosni Mubarak. One anecdotal indicator that the military-to-military relationship between the US and Egypt continues to be robust is a July 5, 2011 notification to Congress for the potential sale and co-production of 125 M1A1 Abrams tank kits, supporting weapons systems, equipment and maintenance worth some \$1.3 billion.<sup>22</sup>

### **Transfers and Aid to Jordan**

Jordan, another key regional ally, has been a recipient of US military aid since 1951. US aid dollars are in recognition of Jordan’s position as a key moderate state, an important regional ally and as a means of sustaining some two decades of formal peace with Israel. US FMF allocations to Jordan increased significantly in the wake of the 1994 peace agreement, jumping from \$7.3 million in FY1995 to \$200 million FY1996, with elevated levels since then.

US aid has helped Jordan modernize its air forces through recent purchases and upgrades of F-16 fighters, air-to-air missile systems and radar equipment. FMF also allowed Jordan

to modernize its logistics and transport helicopter fleet. This facilitates Jordanian border management operations and supports Jordanian contributions to UN peacekeeping operations.<sup>23</sup> While patterns of aid are generally stable, **Figure VIII.2** shows that aid levels have gradually increased over the 2006 to 2013 period.

### **Transfers and Aid to Lebanon**

Lebanon received some \$268 million in FMF over the 1946 to 2005 period. While the bulk of those funds were allocated in 1983 at a time of heightened US interest in Lebanon, this was followed by very limited aid during 1985 to 2005, mainly IMET. The US has provided significantly higher levels to Lebanon, however, in the wake of Syria's withdrawal from the country in 2005. Lebanon received in excess of \$775 million in US military assistance over the FY2006 to FY2011 period, driven by FMF and "Section 1206" counter-terrorism funds.<sup>24</sup>

This was a significant increase given Lebanon's tenuous regional position, the presence of Hezbollah and a continued technical state of war between Lebanon and Israel. Unlike Egypt, Israel and Jordan, it is still uncertain as to whether Lebanon may enter into a stable pattern of assistance from the US. While aid levels were reduced to some \$75 million in FMF for FY2011, that level appears to be holding from FY2012 through FY2014. The challenges to long-term military assistance to Lebanon will be discussed in greater detail later in Part II of this report.

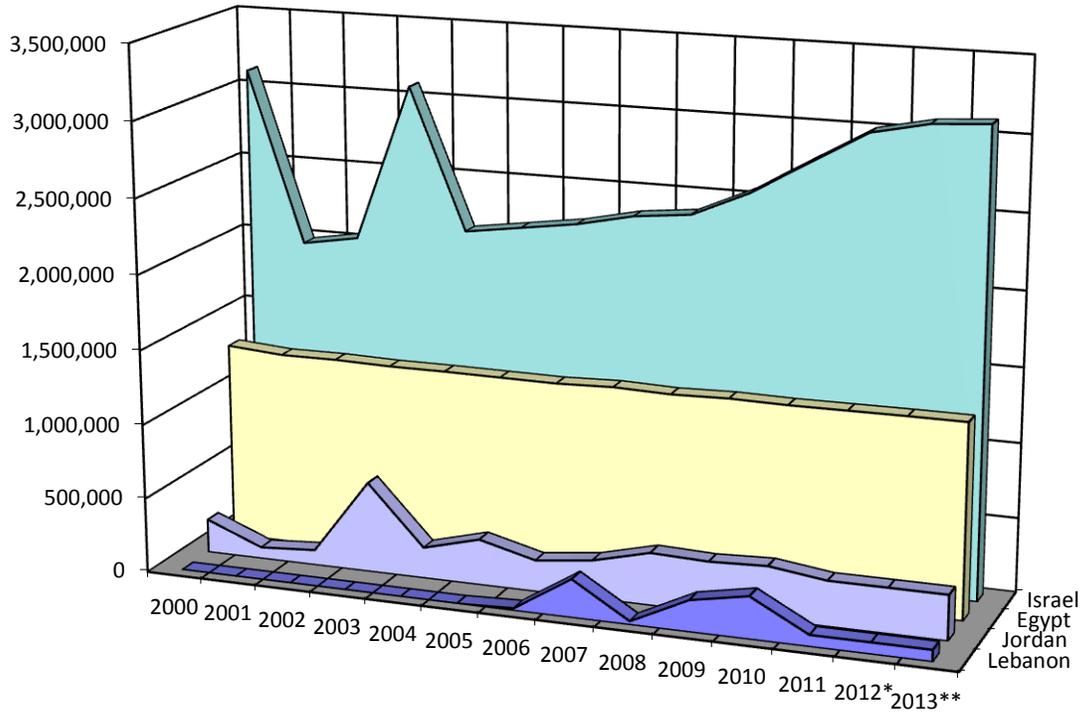
### **Security Aid to the Palestinians**

**Figure VIII.2** does not show US security assistance to the Palestinians, as aid dollars are not provided from FMF funds. Security aid to the Palestinian Authority (PA) is driven by funds from the International Narcotics Control and Law Enforcement (INCLE) account, which has earmarked some \$545.4 million to the PA over the FY2007 to FY2011 period with an addition \$113 million requested for FY2012. INCLE funding, training and equipment were intended to assist security forces loyal to President Abbas (mainly in the West Bank) in their efforts to counter militants belonging to groups the US labels as terrorist organizations, such as Hamas and Palestinian Islamic Jihad.

Security assistance to the PA was also intended to strengthen rule of law and the criminal justice sector for a future Palestinian state.<sup>25</sup> The US effort to train and equip Palestinian security forces has not been an easy task and has been hobbled by the inherent challenges of building up domestic legitimacy, the perception of the US and Israel as sponsors of the PA, and the disconnect between US aid prerogatives and local security realities.<sup>26</sup> This too will be touched upon in greater detail later in this chapter.

**Figure VIII.4** puts this US aid in perspective by showing the overall patterns of military orders in the Levant by country of origin over the 2000 to 2011 period. The US remains the most important source of military sales to the region, with Israel and Egypt as its top clients. Military sales to Jordan and Lebanon are similarly dominated by imports from the US. Syria, which continues to have a mutually confrontational relationship with the US, has traditionally relied on Russia for its arms acquisition and modernization needs. China has also played a growing role when it comes to Syrian arms imports.

**Figure VIII.2: Actual and Projected US Military Assistance to Arab-Israeli States from 2000 to 2013**  
(In thousands of current US dollars)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013**
Lebanon	582	546	560	700	700	0	15,097	256,30	23,540	210,83	283,30	77,326	77,375	77,250
Jordan	226,39	76,535	102,01	606,40	208,01	307,41	210,92	255,82	351,20	338,10	353,80	303,16	303,70	303,80
Egypt	1,326,	1,298,	1,301,	1,292,	1,293,	1,290,	1,288,	1,301,	1,290,	1,301,	1,295,	1,298,	1,301,	1,301,
Israel	3,120,	1,975,	2,040,	3,086,	2,147,	2,202,	2,257,	2,340,	2,380,	2,550,	2,775,	2,994,	3,075,	3,100,

\* Data for 2012 reflect estimated amounts.

\*\* Data for 2013 reflect requested amounts.

Note: Includes supplemental funding and FMF/IMET funds tied to the Wye River Agreement. Data shown include FMF, IMET and Department of Defense Section 1206 funding for Lebanon. “FMF” is Foreign Military Financing, “IMET” is International Military Education and Training and Section 1206 is “Title 10” funding.

Source: Adapted by Aram Nerguizian from *Congressional Budget Justification for Foreign Operations*, various fiscal years.

**Figure VIII.3: Select U.S. Foreign Military Sales Congressional Notifications for Egypt, Jordan and Israel 2005-2012**  
(In current US dollars)

<b>Country Recipient</b>	<b>Date</b>	<b>Weapon System/ Equipment</b>	<b>Cost</b>
Egypt	July 29, 2005	200 M109A5 155 mm SP howitzers with equipment and services	\$181 million
Egypt	June 27, 2005	25 AVENGER Fire Units with equipment and services	\$126 million
Egypt	June 27, 2005	50 CH-47D, T55-GA-714A turbine engines for CHINOOK Helicopters with equipment and services	\$73 million
Israel	April 29, 2005	100 GBU-28 with equipment and services	\$30 million
Israel	July 14, 2006	JP-8 aviation fuel	\$210 million
Jordan	July 28, 2006	M113A1 to M113A2 APC upgrade and sustainment with equipment and services	\$156 million
Jordan	September 26, 2006	C4ISR System with equipment and services	\$450 million
Jordan	September 28, 2006	UH-60L Black Hawk helicopters with equipment and services	\$60 million
Israel	August 3, 2007	JDAM, PAVEWAY II tail kits, MK-83 bombs, MK-84 bombs, GBU-28, BLU-109, components, equipment and services	\$465 million
Israel	August 24, 2007	200 AIM-120C-7 AMRAAM air-to-air missiles with equipment and services	\$171 million
Israel	August 24, 2007	30 RGM-84 BkII HARPOON SSMs, 500 AIM-9M SIDEWINDER air-to-air missiles with equipment and services	\$163 million
Egypt	September 18, 2007	125 M1A1 Abrams tank kits with equipment and services	\$899 million
Egypt	October 4, 2007	164 STINGER Bk1 missiles with equipment and services	\$83 million
Egypt	September 28, 2007	139 RIM-116B Bk1A Rolling Air Frame with equipment and services	\$125 million
Egypt	October 19, 2007	2 E-2C AEW C2 aircraft with equipment and services	\$75 million
Israel	October 29, 2007	TOW-IIA, AGM-114 MSLS, PATRIOT GEM+ , HEDP, HE rounds, various munitions with equipment and services	\$1.329 billion
Egypt	October 29, 2007	2,000 TOW-IIA ATGMs	\$99 million
Israel	June 9, 2008	25 T-6A Texan aircraft, equipment and	\$190 million

		services	
Israel	July 15, 2008	4 Littoral Combat Ships (LCS-I), weapons, systems equipment and services	\$1.9 billion
Israel	July 15, 2008	JP-8 aviation fuel	\$1.3 billion
Israel	July 30, 2008	9 C-130J-30, engines, systems, equipment and services	\$1.9 billion
Israel	September 9, 2008	1,000 GBU-39, mounting carriages, simulators, trainers, systems, equipment and services	\$77 million
Israel	September 9, 2008	28,000 M72A& LAAW, 68,000 training rockets, equipment and services	\$89 million
Israel	September 9, 2008	3 PATRIOT System Configuration 3 fire unit upgrades, equipment and services	\$164 million
Jordan	September 9, 2008	Increment 2 Requirements for Border Security Program, equipment and services	\$390 million
Egypt	September 9, 2008	6,900 TOW-IIA ATGMs	\$319 million
Egypt	September 9, 2008	15,500 120 mm HE-T rounds, other systems, equipment and services	\$69 million
Egypt	September 9, 2008	4 UH-60M BLACK HAWK helicopters, engines, parts, systems, equipment and services	\$176 million
Israel	September 29, 2008	25 F-35 CTOL JSF, 50 F-35 CTOL, engines, C4/CNI, other systems, equipment with services	\$15.2 billion
Egypt	May 26, 2009	12 AH-64D Bk II APACHE Longbow helicopters, engines, systems, equipment with services	\$820 million
Jordan	August 3, 2009	85 AIM-120C-7 AMRAAM air-to-air missiles, equipment and services	\$131 million
Egypt	August 6, 2009	6 CH-47D CHINOOK helicopters, engines, systems, equipment and services	\$308 million
Jordan	September 9, 2009	12 M142 High Mobility Artillery Rocket Systems, systems, equipment and services	\$220 million
Jordan	November 30, 2009	1,808 JAVELIN ATGMs, systems, equipment and services	\$388 million
Jordan	December 8, 2009	61 F100-PW-220E engines with equipment and services	\$75 million
Egypt	December 14, 2009	450 AGM-114K3A HELLFIRE II	\$51 million

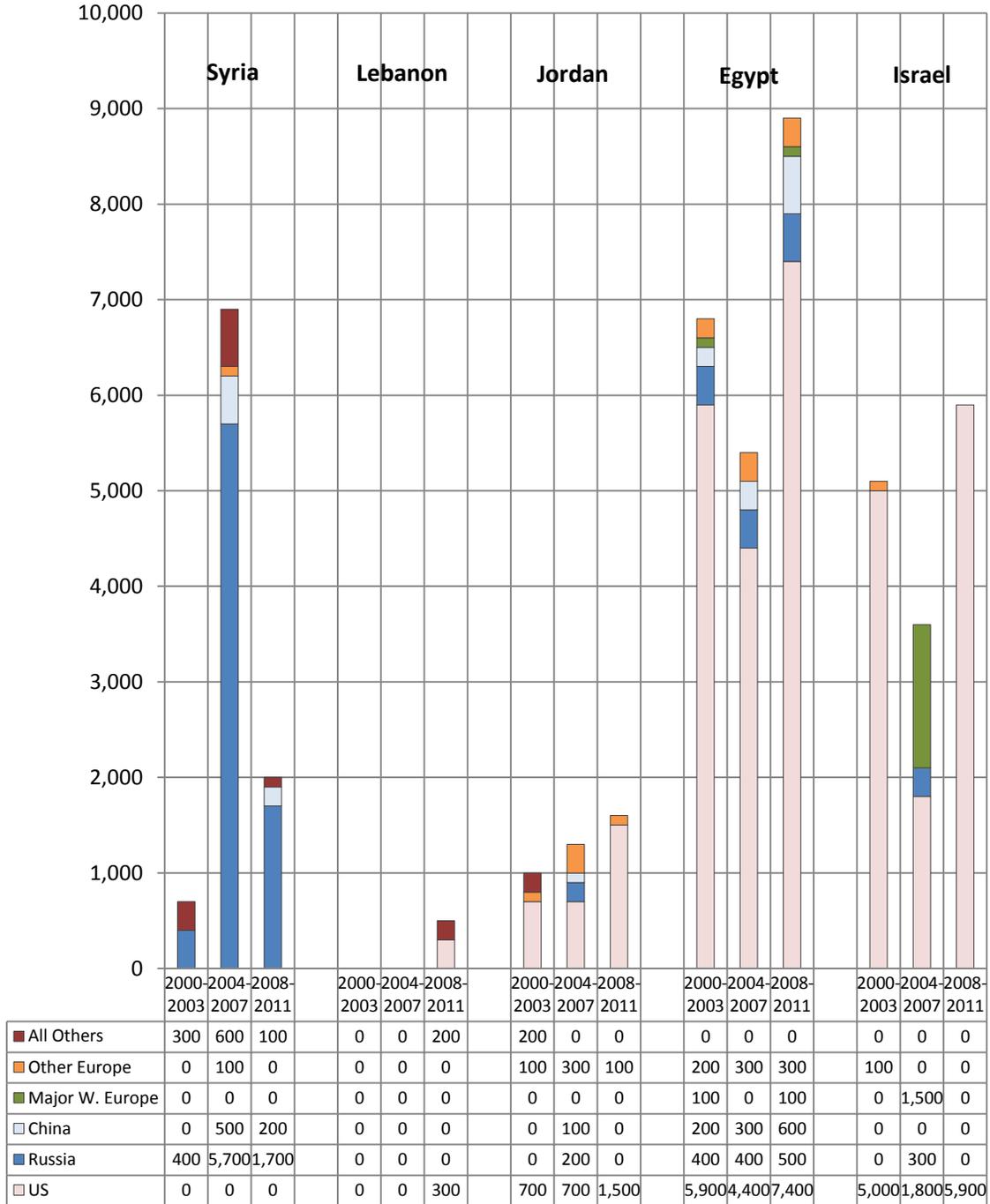
		missiles with equipment and services	
Egypt	December 18, 2009	156 F-110-GE-100 engine modification and upgrade kits with equipment and services	\$750 million
Egypt	December 18, 2009	4 Fast Missile Craft (FMC) with systems, equipment and services	\$240 million
Egypt	December 18, 2009	20 RGM-84L/3 HARPOON Bk II SSMs with equipment and services	\$145 million
Egypt	July 2, 2010	40 Skyguard AMOON Solid-State Transmitters for upgrade of Skyguard-SPARROW Launcher/Illuminator with equipment, training and services	\$77 million
Egypt	July 5, 2011	125 M1A1 Abrams Tank kits for co-production, 125 M256 Armament Systems and other military equipment, training and services	\$1.3 billion
Lebanon	July 20, 2012	Six Huey II helicopters with equipment, parts, training and logistical support	\$63 million

Note: Costs are letter of offer and acceptance (LOA) estimates that are subject to change and re-costing.

Source: Adapted by Anthony H. Cordesman and Aram Nerguizian from DSCA data on 36(b) Congressional arms sales notifications.

**Figure VIII.4: Arab-Israeli Arms Orders by Supplier Country: 2000-2011**

(Arms Agreements in \$U.S. Current Millions)



Note: 0 = less than \$50 million or nil, and all data rounded to the nearest \$100 million.

Source: Adapted by Anthony H. Cordesman and Aram Nerguizian from Richard F. Grimmett, Conventional Arms Transfers to the Developing Nations, Congressional Research Service, various editions.

### ***Competition and US Support of the Arab-Israeli Peace Process***

Successive US administrations have held the position that a lasting Arab-Israeli peace would be in the best interest of the US and the broader Middle East.<sup>27</sup> Views have differed over time as to whether the peace process was a US policy “want” rather than a “need.” What is clear is that despite regional protests in 2011 across the Arab and Muslim world, the lack of Palestinian statehood remains a core issue for people across the region and an enduring lens through which US intentions and resolve are perceived.<sup>28</sup>

A number of interest groups have a stake in shaping how the US deals with the Arab-Israeli peace process, but the US military’s position and views on the issue have become critical to the debate. This is in no small part thanks to the military’s experience in Iraq dealing with the local and regional factors that drive and sustain conflict instability.

Many senior US military officers have made it clear that they consider US interests in the Middle East to be at risk so long as there is no lasting Middle East peace.<sup>29</sup> In January, 2010, General David Petraeus – then head of USCENTCOM – reportedly underscored in a report to the Chairman of the Joint Chiefs of Staff Admiral Michael Mullen the military’s concern that Israeli “foot-dragging” on peace efforts was detrimental to the US. It went on to underscore that the conflict was a core source of regional instability, that lack of movement on the peace track was harming US standing in the Arab and Muslim worlds, and that lasting Arab-Israeli peace was a critical American national security and strategic interest.<sup>30</sup>

Such criticism should be kept in perspective. American officers and officials fully understand that that Israel alone is not responsible for the lack of successes in the peace process. Other regional state and non-state actors, including the Palestinian Authority, Syria, Hezbollah, and Hamas have contributed at least as much to these failures over the years. What should also be obvious, however, is that the roadblocks to peace have been exploited and aggravated by Iran for close to three decades.

Nevertheless, the failure to reach an Israeli-Palestinian peace – and a broader peace settlement between Israel and the Arab League states – has allowed Iran to exploit the Palestinian issue. As a result, Iran has had some success playing the role of the Palestinian’s leading defender through its support of groups like Hamas, Palestinian Islamic Jihad and Hezbollah.

### ***The Broader Quest for Regional Stability***

The Levant has proven to be a repeated epicenter of regional instability. This has been due in large part to multiple Arab-Israeli wars, continued paralysis in the Israeli-Palestinian track, the repeated mobilization of political ideologies (including pan-Arab nationalism and Islamist politics), and continued crises of legitimacy and governance in fragile often-contested post-Ottoman states.

During the Cold War, the US sought to shore up pro-Western governments, such as Israel, Lebanon and Jordan while opposing or containing states with strong ties to the Soviet Union, such as Egypt and Syria. The US has also repeatedly interceded in the Levant in the post-WWII period to try to preserve regional stability, although sometimes

with caution and reluctance. In 1956, the US supported a resolution to the Suez War that favored Egyptian and broader Arab concerns over those of Israel, the United Kingdom, and France. The US also authorized troop deployments to Lebanon in 1958 during the country's short-lived civil war, and again in 1982-1984.<sup>31</sup>

As was discussed earlier, US military assistance has been a critical foreign policy tool in US efforts to build ties with regional states and preserving stability. Economic aid, however, has also been crucial to such efforts. While the US provided only limited aid during the 1950-1971 period, economic assistance to the Levant during 1971-2001 totaled some \$62.4 billion, with aid to Israel and Egypt accounting for 45.4% and 40.2% of total loans and grants.<sup>32</sup>

However, economic aid levels to most of the countries in the region did undergo significant reductions during 2002 to 2011. Economic support funding levels for the period total some \$13.3 billion with annual aid to Egypt, Israel, Lebanon and Jordan declining from some \$2.2 billion in 2002 to \$696.5 million by 2011. In a departure from previous patterns Jordan was also a major aid recipient in addition to Egypt and Israel; the three country recipients accounted for 35.2%, 37% and 22.2%.<sup>33</sup>

The wave of popular unrest in the Middle East & North Africa that started in early 2011 presents very different challenges at time when the US faces major fiscal problems and there is limited support for either economic or military aid. Egypt is a key case in point. The Mubarak regime in Egypt has been overthrown and the transition from authoritarian and military rule to civilian rule is anything but certain. Moreover, the Egyptian economy has suffered two years of significant setbacks in the wake of popular unrest.

Syria is now two years into a divisive civil war that has had even more political and economic impact. The Alawite-dominated Ba'athist government of President Bashar Al-Assad repressed popular unrest and largely peaceful protests movements in ways that have led to a nation-wide insurgency and calls for an end to the Assad regime.

Syrian instability has helped exacerbate growing internal socio-economic and political unrest in neighboring states like Jordan, Lebanon and Iraq. It has also presented significant challenges to non-Arab states in the region such as Israel and Turkey as they have sought to mitigate the conflict's spillover effects.

This shifting environment also presents the US with challenges to shaping coherent US policy responses to regional events. The US – like most other nations – is still coming to grips with the reality that the “Arab Spring” is more of an Arab decade of popular discontent. Washington continues to weigh the benefits and potential costs of pursuing as-yet uncertain reform-driven policy responses to events in the Levant against a long-term US interest in regional stability. It is unclear what this will require by way of US aid and assistance, but the US must be ready to deal with years of continued regime change, internal conflicts, and other tensions, and be ready to use every tool it can to help the states involved move towards some new form of governance, economy, and stability.

## **Iranian Interests in the Levant and Egypt**

Post-revolutionary Iran has gone from being a status quo player to one actively seeking to expand its influence. The Iranian regime has contested the legitimacy of some of the region's Arab states, enhanced the Islamic Republic's geopolitical position, and gained

access to arenas that were closed to Iran under the Shah.<sup>34</sup> While the ideological dimension is significant – given Iran’s support for Shi’a groups in Lebanon and Iraq – ideology is often subordinate to more traditional or pragmatic state interests.<sup>35</sup>

### *The Broader Quest for Geopolitical Advantage*

Iran has sought to deepen its alliance with Syria while building on the increasing politicization of Lebanon’s Shi’a community. Exploiting the Arab-Israeli conflict serves as a means for Tehran to gain greater traction in the Arab Middle East. This first meant exploiting the Israeli-Syrian standoff in Lebanon during the 1980s, and second, focusing on Arab and Palestinian grievances against Israel.

Iran has come a long way from the Israeli-Iranian alliance under the Shah.<sup>36</sup> Some 30 years after the Islamic Revolution, Iran has consolidated its ties to Syria, Lebanon’s Shi’a community, and Palestinian Islamist group, and is likely to continue to leverage its regional spoiler role so long as that continues to secure Tehran’s efforts to grow its regional geopolitical advantage.

### *Israel, Iran, and the Arab-Israeli Conflict*

During the time of the Shah, Iran and Israel were allies that shared common interests and threats, as well as a mutually beneficial trade partnership shaped by Israel’s need for non-Arab energy resources and mutual enmity with Iraq and Egypt during the 1960s and 1970s. Both countries were also stalwart supporters of the US and the West.<sup>37</sup>

Iranian policy towards Israel reversed drastically after the 1979 Iranian revolution both because of ideological dogma and pragmatic state interests.<sup>38</sup> Iran has sought a leadership role in opposing Israel in order to advance the Islamic Republic’s credentials. While it has done so, Iran’s efforts have had to deal with major limitations. This includes the fact that Iran and its regional allies have little real-world ability to either challenge Israel’s existence or aid the Palestinians decisively.

These Iranian policies have also not been totally consistent. As David Menashri has observed, “some Iranians doubted the advisability of being more Palestinian than the Palestinians.”<sup>39</sup> Iran’s views concerning Israel seemed to soften during the Khatami presidency, with officials indicating publicly that Iran may need to come to terms with Palestinian aspirations for peace with Israel.<sup>40</sup>

Since the end of Khatami’s presidency, however, President Ahmadinejad has refocused Iran’s foreign policy on a clearly anti-Israeli narrative, and has defined Iran’s role in the Arab-Israeli conflict in terms of a broader confrontation with the West. Iran’s continued pursuit of a nuclear capability – peaceful or otherwise – has further served to deepen the perception that Iran’s struggle with Israel and opposition to Israeli interests remains deeply entrenched.<sup>41</sup> While there have been very public tensions and disagreements between President Ahmadinejad and Supreme Leader Khamenei, opposition to Israel seems to have been an area where Iran’s current leaders were in broad agreement.

What is not clear is how much of Iran’s current policy represents real ideological opposition to Israel’s existence versus acting as a means to advancing Tehran’s regional ambitions by winning popular Arab support and deflecting opposition by Arab regimes. What is clear is that Iran has made good use of its contest with Israel to bolster its

position. The mainly Sunni Arab Middle East remains broadly opposed to Israel, no thanks to the lack of momentum on the peace process and the perception that the US cannot be a neutral arbiter of the conflict. Iranian support for Hamas and Hezbollah, especially the latter in the context of the group's "non-defeat" in an open military contest with the IDF in 2006, has been a source of legitimacy and influence.

It is also unclear how much Iran can exploit the situation in the future, especially during a period of upheaval in the Arab world. The possible resurgence of "dormant" or "absent" Arab regional forces with strong national credentials and regional legitimacy, such as Egypt, could downgrade Iran's ability to leverage its antagonistic policy towards Israel. This also applies to any headway Turkey may make in its regional role, and if there is any true international and Israeli-Palestinian movement towards a lasting resolution of regional Arab-Israeli grievances.

### *Iran's "Partnership" with Syria*

Iran's current ties to Syria go back to the early days of the revolution. Syria met the US embassy in Tehran's takeover by Khomeini loyalists with a declaration of support for the move, which went on to call for greater Arab support for the new Iran.<sup>42</sup> Then Syrian Foreign Minister Abdul Halim Khaddam went on to add that "the Iranian revolution gave appreciable help to the Palestinian cause" and that it was "normal that [Iran] should be backed by the [Arab states]."<sup>43</sup> Today, the Syrian-Iranian axis remains a key part of Iran's regional efforts to thwart US, Western and Israeli interests in the Levant.

### **Shaping the Relationship**

The Syrian-Iranian axis was shaped by both countries' regional isolation and common interests. One of the pillars of the early alliance was the common threat posed by Saddam Hussein's Iraq. This led to significant intelligence cooperation and the execution of covert operations by both countries in Iraq in an effort to destabilize the Hussein regime.<sup>44</sup> In addition to their mutual hatred of Iraq, Syria also sought to strengthen its ties with Iran in order to play a larger role in Gulf Arab security politics, given the poor state of Iran-Gulf relations during the 1980s. Syria also remained keen to scuttle any Saudi-led effort to promote a settlement in the Arab-Israeli conflict based on UN Security Council Resolutions 242 and 338 – a settlement that would have been at the expense of Damascus's position and interests.<sup>45</sup>

The Al-Assad regime considered a strong Syria-Iran axis as a means of exerting leverage in dealing with Iraq, Saudi Arabia, and Israel from positions of relative strength. The partnership in Syria in turn provided Iran with the geographic and political means through which to increase its influence in the Levant and its role in the Arab-Israeli conflict.

The relationship has not been without its problems, chiefly rooted in both players' efforts to exploit the strategic partnership to their own advantage. The 1985 to 1988 period proved the most challenging to the Iran-Syria relationship, largely due to increasingly divergent foreign policy interests and priorities. Syria and Iran had effectively curtailed US and Israeli efforts to relocate Lebanon into the pro-Western camp by spring 1985.

However, both countries pursued conflicting foreign policy goals. Syria wanted to stabilize Lebanon by bringing into its own uncontested sphere of influence and to pursue

a more prominent role in regional Arab politics. Meanwhile, by virtue of its own role in thwarting US and Israeli ambitions in the Levant, Iran had hoped not only to spread its revolutionary model, but also to provide it with the ability to harass and strike at Israel in the name of Palestine.<sup>46</sup> Eventually, competing Lebanese Shi'a factions, Amal loyal to Syria and the then-newly formed pro-Iranian Hezbollah, came to blows.<sup>47</sup>

In the mid-1980s both the Soviet Union and the Arab states that Syria hoped to mend ties with encouraged Syria to distance itself from Iran. While the prospects of remaining part of the Arab political mainstream, reducing the risk of confrontation with Israel, and greater access to economic and financial resources held promise, the Syria-Iran relationship proved far more resilient. This was due to both countries' shared long-term strategic interests grounded in security politics, distinct yet complimentary ideological worldviews, and a desire to abide by foreign policy orientations that did not rely upon (or were subject to) great power politics.<sup>48</sup>

### **A Current Climate of Uncertainty**

The strategic partnership between Iran and Syria still remains a cornerstone of Iran's policy in the Levant in spite of the Syrian civil war and Assad's more uncertain ability to stay in power. Iran has sought to preserve the alliance even at significant cost. Most recently in 2011, Iranian Revolutionary Guards were reported to be supporting the security forces of President Bashar Al-Assad in suppressing a months-long cycle of popular protests and civil disobedience.<sup>49</sup> There was also broad evidence of Iran continuing its active support through 2012.<sup>50</sup>

The loss of Syria as a strategic partner and asset in the Levant would signal a significant downgrading of Iranian interests and strategic posture in the broader Levant. Accordingly, Iranian support for the Al-Assad regime is likely to continue as long as Tehran sees any opportunity to maintain its ailing ally in power.

Assessing the true pattern of Iranian support to Syria is difficult and uncertain. However, enough open source data exist to show that Iran is shoring up its only major regional ally in the Middle East. The following chronology illustrates some key Iranian actions and is based in part on data compiled by the American Enterprise Institute's Iran Tracker program.

- March 15, 2011 – The Israeli Navy captured a ship carrying weapons including shore-to-ship Chinese-made C-704 missiles. Reports speculated that the missiles were intended for Palestinian militants. However, Israeli Prime Minister Benjamin Netanyahu commented that the weapons came from Iran and were meant to be delivered, at least in part, to Syria.<sup>51</sup>
- March 23, 2011 – Turkey seized an Iranian cargo meant for Syria. While details remained limited, it was reported that the shipment included 60 AK-47 assault rifles, 14 BKC/Bixi machine guns, 8,000 rounds of 7.62 mm ammunition, 560 60 mm mortar shells and 1,288 120 mm mortar shells. If the shipment's intended destination was the Assad regime and its security forces, that would constitute a violation of UN sanctions banning Iranian arms exports.<sup>52</sup>
- June 23, 2011 – Members of the UN Security Council's Panel of Exports monitoring sanctions against Iran showed concern that Iran was violating arms embargoes with three new examples of illegal arms transfers that included Syria.<sup>53</sup> It was not immediately clear what the exact violations were, or whether or not Syria was a benefactor of actual arms transfers from Iran.

- July 15, 2011 – Iran’s Supreme Leader Ayatollah Khamenei was reported to support a proposed transfer of \$5.8 billion in aid to Syria. *Reuters* reported that the funds were meant to bolster Syria’s economy and that the aid package included \$1.5 billion in immediate cash assistance. It was also reported that Iran could have provided Syria with as much as 290,000 barrels of oil per day to Syria during the month of August. Neither report could be decisively verified.<sup>54</sup>
- July 25, 2011 – Iran, Iraq and Syria signed a natural gas agreement worth an estimated \$10 billion. The deal would see the three countries building a pipeline from Iran’s natural gas fields to Syria and potentially terminating on the Mediterranean via Lebanon. According to the deal, Iraq would initially receive 20 million cubic meters of gas per day, and Syria would receive 20 to 25 million cubic meters of gas per day.<sup>55</sup>
- August 2, 2011 – Iranian Foreign Ministry spokesman Ramin Mehmanparast cautioned Western states not to interfere in Syria’s domestic affairs, adding that “the West [should] learn [its] lesson from its previous mistakes and interference in different countries and not to enter new issues to complicate the problems in the region.”<sup>56</sup>
- August 12, 2011 – Iran agreed to provide Syria with \$23 million to build a military facility at the Mediterranean coastal city of Latakia. The agreement was the result of a June 2011 meeting between Syria Deputy Vic-President Muhammad Nasif Kheirbek and Islamic Revolutionary Guard Corps Quds Force commander Qassem Suleimani in Tehran. The base is intended to be built by the end of 2012 and is reportedly intended to house IRGC officers and personnel to coordinate weapons transfers from Iran to Syria. Given increasing difficulty in transferring Iranian arms to Syria via Turkey, the construction of the new facility would reportedly provide Latakia with more of the infrastructure necessary to receive larger volumes of arms and equipment by air.<sup>57</sup>
- September 9, 2011 – Iranian President Mahmoud Ahmadinejad proposed to host a meeting of Islamic states to help Syria to resolve its political crisis. While the Islamic Republic continued to provide both material and rhetorical support to its ally, it was reported that the Iranian president called on Syria to find a “solution” with opposition forces “through dialogue and not violence.”<sup>58</sup>
- January 26, 2012 – Arab media and opposition sources reported the capture of members of the Iranian Revolutionary Guards.<sup>59</sup> Iran has repeatedly denied reports that it is covertly sending troops and military aid to Syria.<sup>60</sup> However, reports citing Iranian government sources claim that while Iran has yet to interfere directly in Syria, the Islamic Republic was ready provide aid should its ally come under external attack or military intervention.<sup>61</sup> Despite these reports, there is little reliable open source data on the quality and scope of Iranian support to the Assad regime.
- February 6, 2012 – The Syrian National Council, a mainly expatriate-led Syrian opposition umbrella group reported that General Qassem Suleimani, the commander of the Iranian Revolutionary Guard’s Quds Force, was in Syria to provide the Assad regime with aid and support in suppressing popular unrest and a growing insurgency.<sup>62</sup> There is little reliable data or confirmation with regards to the role and scope of Suleimani’s presence in Syria.
- March 23, 2012 – U.S. and EU security officials claimed that Iran was providing the Assad regime with technical assistance to help it quell anti-government protests, including surveillance equipment, guns, ammunition and drones to monitor opposition forces.<sup>63</sup>
- May 28, 2012 – Iran’s semi-official Iranian Students’ News Agency (INSA) took down an interview with IRGC Quds Force deputy commander Brigadier General Ismail Ghaani quoting him as saying that “thanks to Iran’s presence in Syria – physically and nonphysically – big massacres were prevented,” adding that the Quds Force had an “effective” presence in the country.<sup>64</sup>

- August 7, 2012 – Saeed Jalili, the head of Iran’s Supreme National Security Council, meets with Assad to reaffirm Tehran’s support the Ba’ath regime, adding that Syria was vital to the “axis of resistance” linking Iran, Syria and Lebanese Hezbollah. The public show of support came a day after the defection to the opposition of Syrian Prime Minister Riad Hijab.<sup>65</sup>
- August 15, 2012 – U.S. Secretary of Defense Leon Panetta and Chairman of the US Joint Chiefs of Staff General Martin Dempsey accused Iran of helping to train and equip the so-called “Jaysh al-Sha’b” militia. Made up mainly of recruits from the Syrian Shi’ite and Alawite communities, the force was reported to benefit from training from Iran’s elite Quds Force in a bid to take pressure off of strained Syrian military forces.<sup>66</sup>
- September 16, 2012 – The commander of the Iranian Revolutionary Guard Corps, General Mohammad Ali Jafari, admitted that members of the Corps’ elite Quds Force were advising the Assad regime. Jafari was careful to stress that his forces were providing “intellectual and advisory help” and that whether Iran would expand military aid to Syria would “depend on the circumstances.”<sup>67</sup>
- October 9, 2012 – U.S. officials claimed Iran was providing hardware and technical expertise to assist the Assad regime in its efforts to disrupt and compromise opposition communications and access to the Internet. This was reported to include Iranian “lessons learned” on tracking dissident groups, surveillance/counter-surveillance, computer network penetration, hacking opposition web forums and disseminating false information.<sup>68</sup>
- October 31, 2012 – Brigadier General Muhammad Reza Naghdi, the commander of Iran’s Basij paramilitary force, commented that pro-Assad Shabiha irregulars were very similar to the Islamic Republic’s Basij. Naghdi’s comments come after growing accusations that Iran was actively aiding the Assad regime against its opponents in Syria.<sup>69</sup>

### *Hezbollah and Lebanon’s Shi’a Community*

Iran has also benefited from the fact that the continued marginalization of the Shi’a by Maronite-Sunni coalitions in post-independence Lebanon has served to entrench sectarian identities and a Shi’ite lack of confidence in state structures. This left the Shi’ite community – the largest single faction in the Lebanese population – searching for political, sectarian, and security vehicles that could advance Shi’a communal interests – even if these platforms were ideological, if not radical, in nature.<sup>70</sup>

Iran maintained close relations with Lebanon’s Shi’a community even during the reign of the Shah. The new Islamic Republic of Iran, however, saw a war-torn Lebanon and the country’s increasingly radicalized Shi’a community as ideal terrain for exporting the revolution. In particular, Israel’s 1982 invasion of South Lebanon facilitated a more prominent Iranian role in Lebanon, and broadened Tehran’s influence among the country’s Shi’a. The invasion and de facto occupation of the south that followed created growing hostility towards Israel and the Maronite-dominated government. It also gave Iran added leverage over Syria and helped reverse the damaging effects of Iraq’s invasion of Iran and the strengthening position of Damascus vis-à-vis Tehran.<sup>71</sup>

While Syria had reservations about Iranian operations and ties to Shi’ite groups in the Bekaa, Syria’s defeats at the hands of the IDF left Damascus with little alternative but to allow Tehran to gain greater influence. With Syria’s tacit consent, Iran maintained some 1,500 Revolutionary Guards in the Bekaa Valley in 1982. The force worked closely with

local Shi'a groups, including Hussein al-Musawi's Islamic Amal and Hezbollah, led at the time by Abbas al-Musawi and Sheikh Subhi al-Tufayli.<sup>72</sup>

In addition to moral and ideological support, Iran provided Hezbollah with political, economic, and military support as a means of maintaining a foothold on Israel's northern flank and to maintain its role in Levantine security politics. Hezbollah's arsenal (described in greater detail in a section describing the regional asymmetric balance) is in large part the byproduct of more than 25 years of consistent and unyielding support for the group. The closest regional analogy to Iranian "security assistance" to Hezbollah is US military support for Israel: no other two players in the region have received such consistent support over so long a period.

Hezbollah has since grown and evolved into one of the most formidable political and military forces in the country. Despite Hezbollah's political orientation and stated ideological narrative of support for the Iranian political model, there has been no overt effort to establish theocratic rule in Lebanon. This is in no small part thanks to the fact that Lebanon's Shi'a community has more to gain by systematically mobilizing sectarian politics than trying to steer Lebanon away from an overtly sectarian power structure.<sup>73</sup>

Iran increasingly seeks to use Hezbollah to influence the Levant, particularly as the civil war in Syria diminishes that country's value. It is important to note, however, that Hezbollah's decision to work within the current system of Lebanese politics limits Iran's influence. Hezbollah is not simply a proxy of Iran or Syria, and has become far more autonomous, and far more rooted in its local Lebanese environment than many seem to realize.<sup>74</sup> This limits Iran and Syria's ability to deploy the Shi'a community in their efforts to influence regional security politics.

Moreover, Iran's ability to rely on Hezbollah is increasingly uncertain due to other factors. The Persian-Arab and the Sunni-Shi'a divides are increasingly relevant in a region rocked by instability. Hezbollah's military prowess during the 2006 war has also done little to entrench a long-term pattern of Sunni Arab support.<sup>75</sup> Hezbollah's willingness to support popular protests and regime change in Arab states with close ties to the US – such as Tunisia, Egypt and Bahrain has seemed opportunistic at a time when Iran has supported the Assad regime's crackdown on Syria's predominantly Sunni population. It has alienated support from the region's largely Sunni population for both Iran and Hezbollah, and some observers feel Sunnis will grow increasingly hostile towards a Shi'ite Iran over time.<sup>76</sup>

That said, Iran clearly feels it obtains benefits from its ties to Hezbollah, and support for Hezbollah is likely to remain a core Iranian foreign policy interest.

## **The Conventional Military Balance in the Levant**

The US and Iran may not deploy forces in the area, but the competition between US and Iran does have some effect on the military balance in the Levant and affects a range of capabilities from low-level terrorism through asymmetric and conventional combat to missile warfare. The US seeks to preserve the qualitative edge and the support of its regional allies, including Egypt, Jordan, and especially Israel. Iran in turn continues to try

to find means to erode Israel's military supremacy in all aspects of the conventional military balance.

While the Levant is part of CENTCOM's area of responsibility (AOR), the US maintains few ground forces in regional countries, with the exception of Incirlik Air Force Base in Turkey. In contrast to Army and Air Force deployments, US naval forces account for the bulk of American forces in the broader Levant. In addition, the US relies on regional alliances and partnership with states, such as Israel and Egypt, to maintain stability in the region.

In contrast, Iran has few regional allies and none that can project conventional power and deter the US and Israel. As a result, Iran's role in the conventional balance in the Levant is shaped by the military capabilities of its regional ally Syria. The conventional balance between Israel and Syria largely defined the regional balance in the Levant between the Camp David Accords in 1978 and the beginning of the political upheavals in the region in 2010. That balance is now all but shattered. Close to two years of growing counterinsurgency warfare in Syria – with more than an estimated 40,000 casualties by November 2012<sup>77</sup> – thousands of military defections and desertions, creeping sectarianism and the broader effects of attrition now mean that the Syrian military is a shadow of its former self.

There is no way to predict when and how Syria's conventional forces can recover. However, as the following analysis will show, even at full strength prior to protests and the current pattern of violence, the Syrian military was outclassed by Israeli forces in all of the most important areas of the conventional military balance in the region.

At the same time, conventional military power has steadily lost importance as non-state actors have come to play a growing role in the region, and both state and non-state actors have come to rely on asymmetric warfare and threats. Moreover, the civil war in Syria, the overthrow of Mubarak, and increasing tensions in Jordan are all having a major impact.

## **Ground Forces**

US aid and Israeli military industries – along with Israel's military professionalism – ensure Israel is superior to any regional threat. In contrast, Iran cannot help Syria to present a meaningful conventional ground forces threat to either Israel or US interests in the region.

### ***Military Manpower***

Israel's active manpower strength has not changed radically over time, but has fluctuated according to fiscal and security pressures. Israel also remains dependent on reserve versus active manpower. Israel still has a small active force, although it has halted a recent trend toward force cuts and is rebuilding the training and readiness of both its active manpower and reserves.

As a result, the combination of Israel's high-quality reserves and its active manpower strength make it far more competitive with its Arab neighbors than a comparison of active manpower would indicate. Syria also had manning problems even before its civil war. Syria maintained extremely high manpower levels after the 1982 war with Israel, but

had to cut back in the late 1990s, partly because of their cost and partly because it could not properly equip, train, and support such forces.

Manpower numbers have also only been part of the story as human factors have long been as important. Training, experience, and personnel management and development are critical "intangibles" that are hard to compare and quantify, and which can differ radically between countries and units. But, virtually all experts agree that Israel has long had a major advantage over Syria.

Israel set much higher training standards than Syria, although it did reduce many aspects of its training activity between 2003 and 2005. The Israeli-Hezbollah War of 2006 made the Israeli Defense Force (IDF) aware of the need to rebuild its manpower quality as soon as possible, to carry out large-scale exercises of its conscripts and reserves, and to expand and improve the training of its experienced, combat-ready cadres.

Differences in the quality of each country's full-time active manpower are compounded by more serious quality gaps in the case of most reserve forces. Israel does have modern and relatively well-trained reserves, many of which have had extensive practical experience in asymmetric warfare since 2000.

In general, Syria's reserve military forces have long been little more than "paper" forces with no real refresher or modern training, poor equipment and readiness support, and little or no experience in mobility and sustainability. In addition these forces have often been given cadres of low-grade or failed officers and NCOs. They do little more than pointlessly consume military resources that would be better spent on active forces.

The quality of Syria's active manpower is mixed. While poorly trained conscripts constitute the majority of Syria's active land forces, its special forces and elite units have benefited from higher levels of training. In addition, while the Syrian army is slow to adapt in combat and emphasizes static defense and garrison operations, units such as the Republic Guard and the 4<sup>th</sup> Mechanized Division have been trained to deal with both conventional and asymmetric combat environments.<sup>78</sup> As such, these units have seen the most action against the armed opposition in Syria, but with commensurate implications on overall unit readiness and limited opportunities to rotate out of theater for rest and additional training.

### *Armor and Equipment*

Equipment numbers are another major indicator of conventional strength, although quality again is as important as numbers, sustainability, maintenance, and specialized training. Israel dominates Syria in terms of, the quality of its artillery, both fixed and mobile, and its ability to deal with battle damage in the field, and the ability to make use of anti-tank guided missile (ATGM) holdings and other light and medium arms.

Israel's greatest conventional advantage, however, is in joint warfare, combined arms, and especially armored warfare and maneuver. **Figure VIII.5** compares total armored forces and equipment. **Figure VIII.6** shows the trends in main battle tanks (MBT). This includes both modern high quality armor and aging systems.

Israel has a distinct lead in tank quality. The export versions of Syria's T-72s have competent armor and drive trains, but poor ergonomics and inferior fire control,

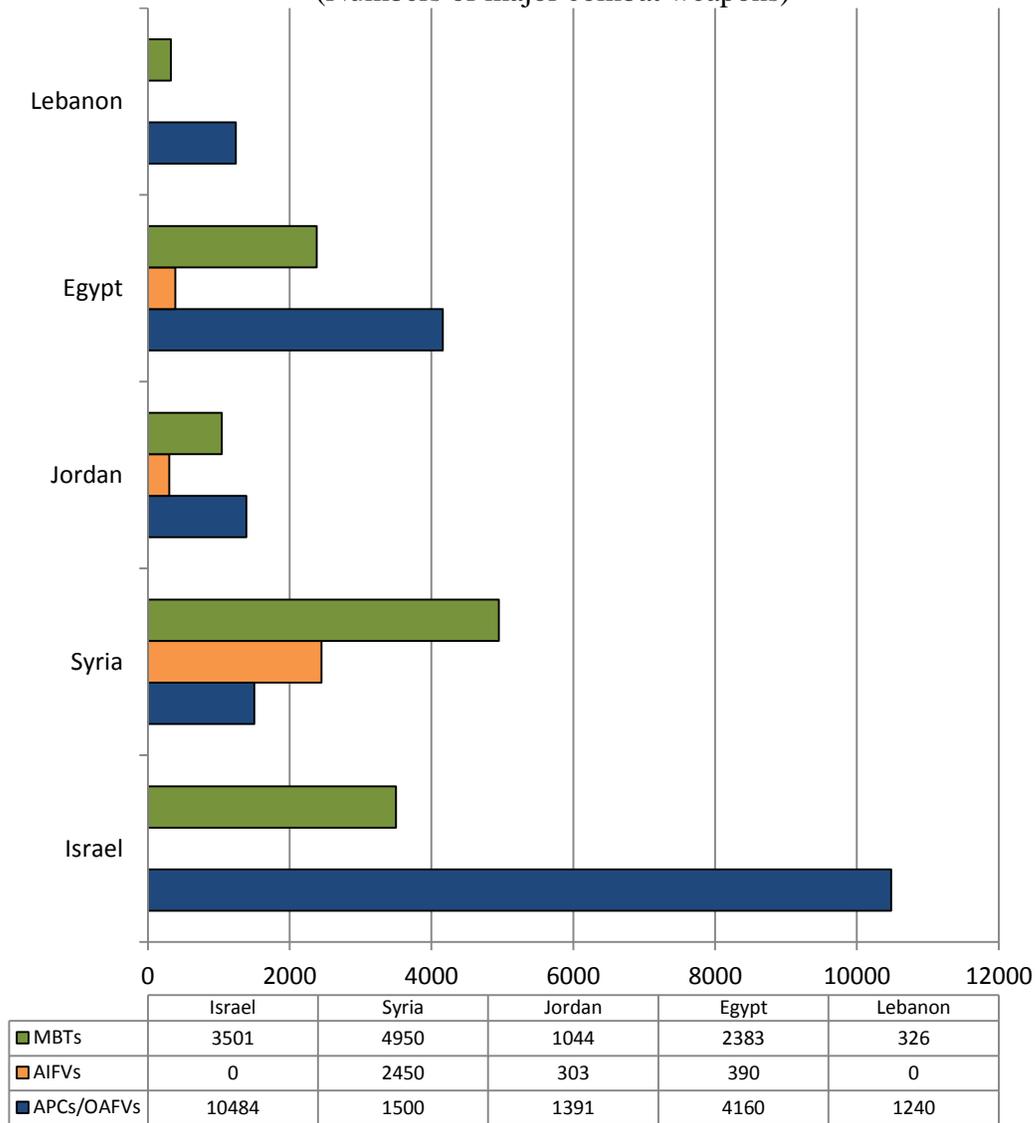
targeting, and night-vision systems. The armor, night-fighting and long-range engagement capabilities of export versions of such T-72s also proved to be significantly more limited than many unclassified estimates had predicted.

While Syria has large holdings of other MBTs, these include some 2,000 obsolete T-54/55s, half of which have been relegated to static positions or storage. This use of tanks can at best only diminish the Israeli edge in terms of mobility, maneuver battle, superior logistics and network centric warfare and then only where they are used in relatively static defenses.<sup>79</sup>

It is also important to note that preparations for conventional warfighting have not prepared Syrian armored units to deal effectively with an asymmetric internal threat. **Figures VIII.5** and **VIII.6** do not reflect the degradation of Syrian armor holdings in the wake of close to two years of counter-insurgency and internal security operations against an increasingly significant anti-armor and improvised explosive device (IED) threat posed by the Assad regime's armed opponents.

Years of emphasis on long-range conventional engagements with little training in maneuver warfare also add to the vulnerability of Syrian armor, leading to the increased dependence on artillery, other forms of indirect fire and the heavy use of fixed and rotary wing airpower.

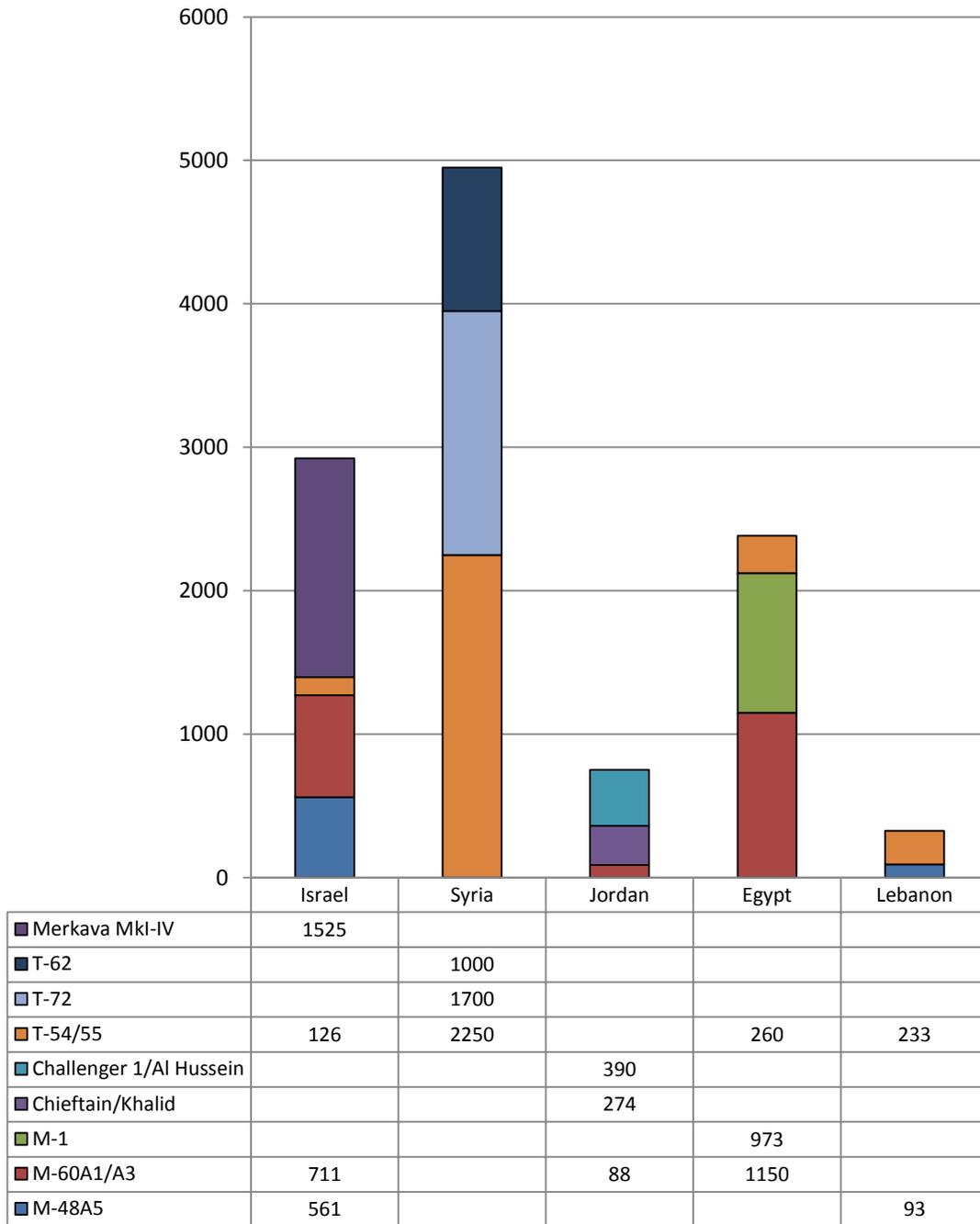
**Figure VIII.5: Arab-Israeli Armored Forces in 2012**  
(Numbers of major combat weapons)



Note: Does not include old half-tracks and some combat engineering and support equipment. Lebanese holdings do not include 10 M60A3s transferred from Jordan in 2009.

Source: Adapted from the IISS, *The Military Balance*, various editions. Other data based upon discussions with US experts.

**Figure VIII.6: Israel versus Egypt, Jordan, Lebanon and Syria: Tanks by Type 2012**



Note: Numbers do not include equipment in storage. Some equipment categorizations include modified versions (e.g. Egypt Ramses II is modified T-54/55)

Source: Adapted from the IISS, *The Military Balance*, various editions. Some data adjusted or estimated by the author. Data differ significantly from estimated by US experts.

## Air Forces

US aid to Israel decisively shapes the air aspects of the regional balance in ways that neither Syria or Iran can directly counter – although Iranian and Syrian transfers of longer range rockets and missiles to Hezbollah have had an important indirect impact.

While Syria maintains a large number of combat aircraft, it does not present a viable air threat to Israel. If one looks only at the total aircraft numbers, Syrian forces would have a lead in aircraft. However, this is only because there are so many obsolete and obsolescent aircraft in the Syrian forces.

### *Fixed Wing Combat Assets*

**Figure VIII.7** shows the number of high-quality aircraft in the region. While the number of total combat aircraft is not irrelevant, in war-fighting terms, high quality air assets are the ones that really count. **Figure VIII.7** shows that Israel maintains major air superiority over Syria, whose export versions of the MiG-29s and Su-24s now have obsolescent avionics and cannot compete with Israeli types on a one-on-one basis. Syria has failed to effectively sustain its ageing mix of combat aircraft, and it is believed that many of Syria's current holdings are no longer combat capable.

Syria is trying to maintain, arm, sustain and train for far too many different types of aircraft, and the size and scale of Syrian holdings puts a major – and costly – burden on the air force. The burden of maintaining and fielding a mix of aging fixed and rotary aircraft dilutes manpower quality. This burden is compounded by a lack of spare parts, airframe fatigue, general wear and tear, field and base repair, and logistics associated with the current high tempo of Syrian air force operations against anti-Assad insurgent groups.

The civil war and Syria's financial problems also ensure that this Israeli lead can only grow in the near term. Israel has much better real-world access to aircraft improvement programs, and to next-generation aircraft such as the F-35. Israel has access to many next-generation upgrades in US systems with “stealth,” “supercruise,” advanced avionics, and advanced guidance packages.

### *Rotary Wing Combat Assets*

**Figure VIII.8** shows Israel and Syria's total air force and army strength in rotary-wing combat aircraft, less naval assets. Israel has truly advanced attack helicopters such as the AH-64 Apache, and it is also now in the process of taking delivery of 18 AH-64D Apache *Longbow* helicopters with extremely advanced avionics and “fire and forget” capabilities that do not require the aircraft to wait and track the missile to its target. Syrian attack helicopter units are elite units, but Syria has not been able to modernize its rotary-wing combat forces, and its training and tactics have not been fully updated over the last decade.

Syria's ageing mix of rotary wing aircraft has been sharply degraded by its civil war due to structural and airframe damage due to continued use against rebel forces and increasing incidents wherein insurgents successful target, damage, and/or destroy Syrian helicopters. The first shoot-down by rebels is believed to have taken-place in August 2012. Un-armored transport platforms like the Mil Mi-8/17 “Hip” have proven especially

vulnerable to fire – especially in the wake of rebel units acquiring truck-mounted 23 mm ZU-23-2 anti-aircraft guns.<sup>80</sup>

By the end of August 2012, members of the Ahrar al-Sham Islamist militant group claimed to have destroyed as many as 10 helicopters at the Taftanaz airbase in Idlib province. Meanwhile late November 2012, the first major report emerged of a rebel surface-to-air missile hitting and down a Syrian military transport helicopter near Aleppo. Despite a growing number of downed transport helicopters, there have not been any confirmed losses of Syrian combat helicopters such as the Mi-24 “Hind.” In 2012, Syria was reported to have as many as 36 “Hinds,” however their operation readiness levels are increasingly uncertain.<sup>81</sup>

### ***Munitions and Sustainability***

It is difficult to make comparisons of air-to-air and air-to-ground munitions, but the disparity is increased by the fact that Israel can modify imports and has a wide range of its own systems, some of which are classified. It is clear, however, that Israel has extensive stocks of state of the art systems and ready access to US weapons and technology.

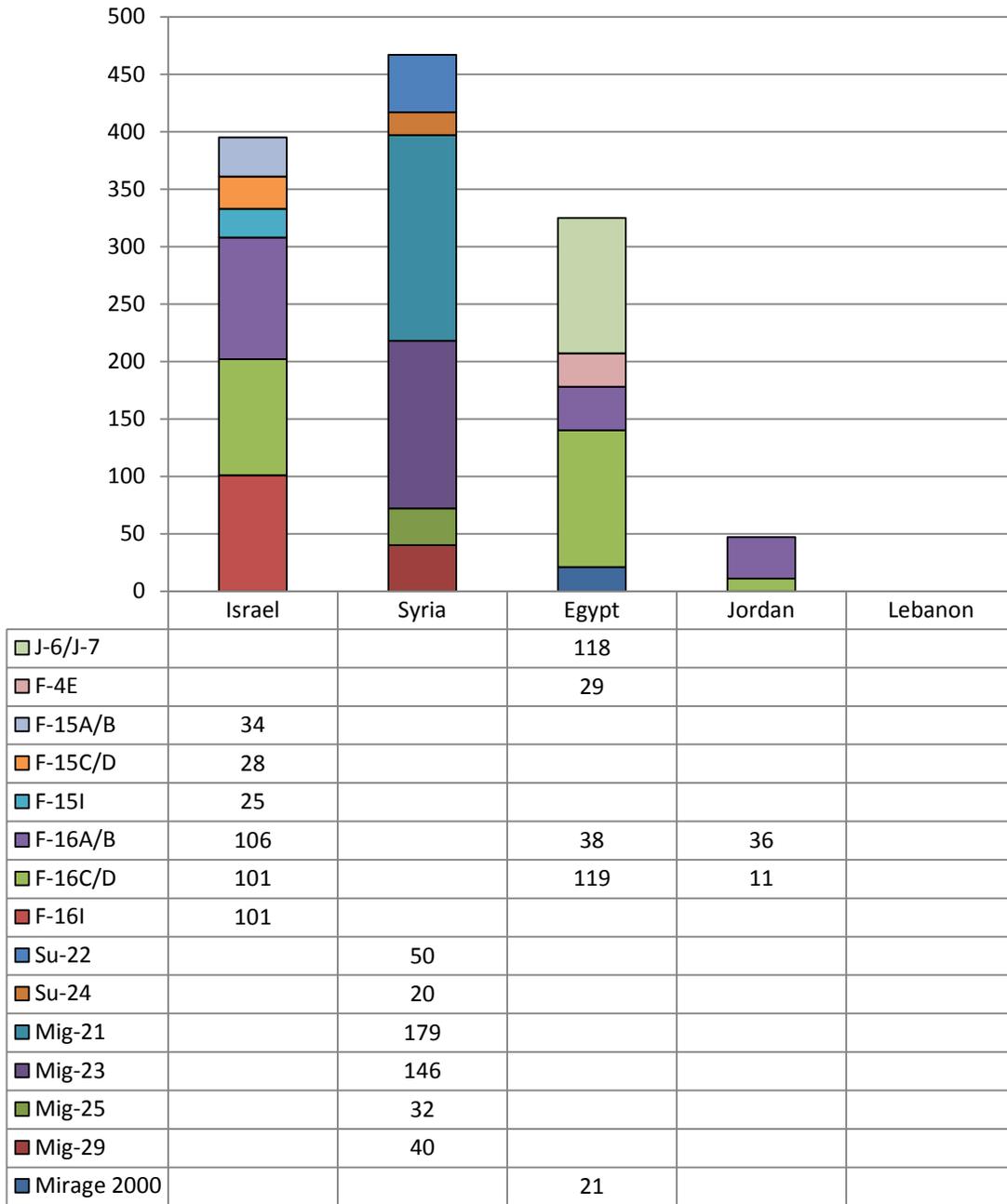
Syria’s stocks were often badly dated before its civil war began, and Syria faces particularly serious limits in terms of comparative precision strike and long-range air-to-air missiles that have high terminal energy of maneuver and effective counter-countermeasures. The IAF also has a significant advantage in the ability to add specialized external fuel tanks, add on pods with special electronic warfare and precision strike capability, the ability to modify and develop external jammers, and adapt wing loading to new munitions needs.

### ***Surface-to-Air and Missile Defenses***

Israel maintains modern, high performance land-based air defenses that include Arrow and Arrow II batteries, Hawks, and Patriot missile systems. Syria maintains largely aging surface-to-air systems with little or no missile defense capability and cannot afford the latest weapons and technologies. Israel has a much more modern and better integrated mix of radars and other sensors, IS&R, and battle-management systems to integrate its surface-to-air and anti-missile defenses.

**Figure VIII.7: High-Quality Operational Arab-Israeli Combat Aircraft in 2012**

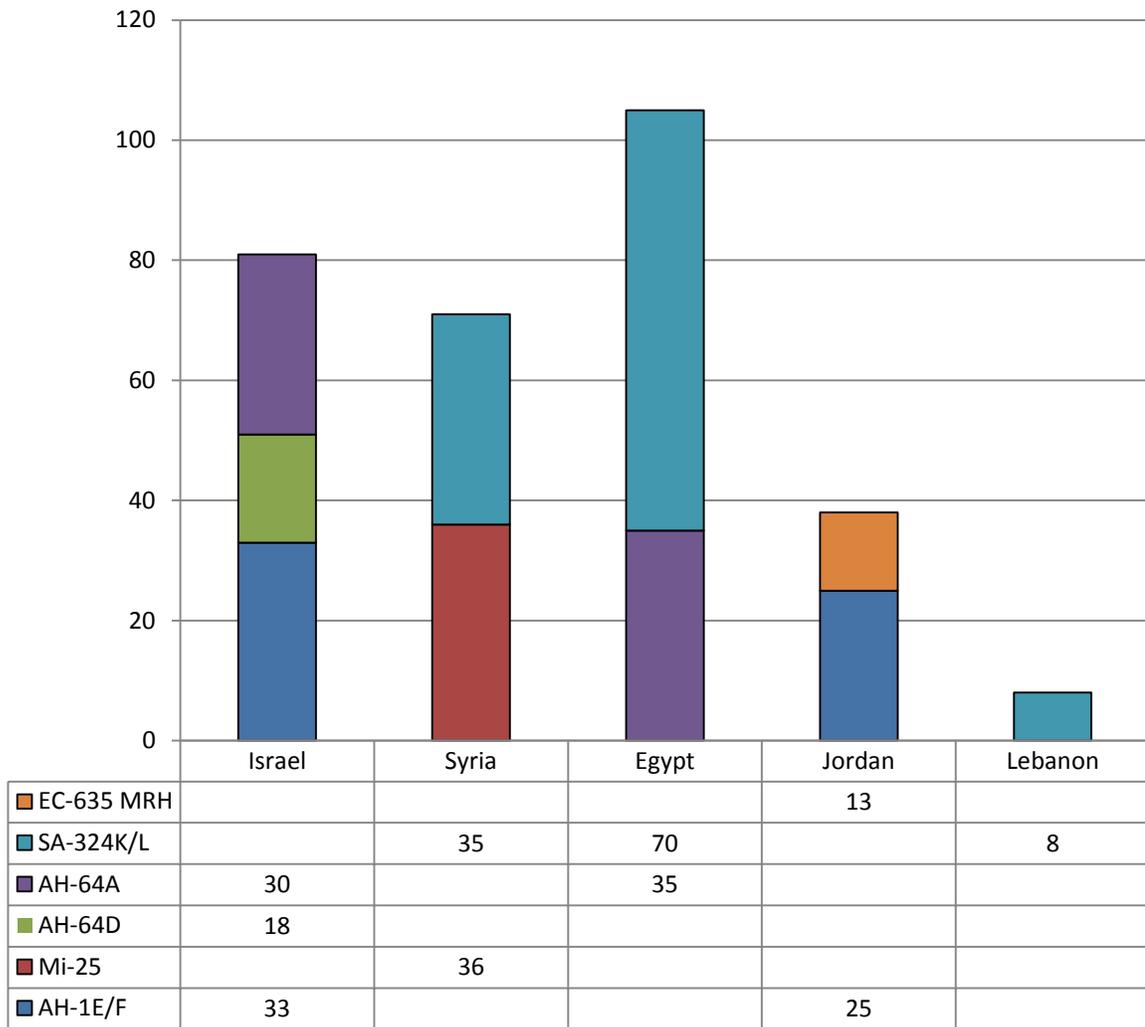
(Does not include stored, unarmed electronic warfare or combat-capable RECCE and trainer aircraft)



Source: Adapted by Aram Nerguizian from the IISS, *The Military Balance*, various editions, and discussions with U.S. and regional experts.

**Figure VIII.8: Operational Arab-Israeli Attack and Armed Helicopters in 2012**

(Does not include antisubmarine warfare or antiship helicopters)



Source: Adapted by Aram Nerguizian from the IISS, *The Military Balance*, various editions, and discussions with U.S. and regional experts.

## Naval Forces

There are more than 7,000 vessels in the Mediterranean at any given time and the security of choke points from Gibraltar to the west to the Suez Canal to the east make regional maritime security critical to US national security interests. In addition to a need to secure merchant shipping routes, more than 4 million barrels a day of crude oil (4.5% of global production) are shipped through the canal or the adjacent SUMED pipeline.<sup>82</sup>

Iran cannot compete with the US or Israel in any meaningful way in determining the balance of conventional sea power in the Mediterranean – although it can create new asymmetric threats through the transfer of systems like anti-ship missiles and mines to both Syria and non-state actors like Hezbollah.

### *The US Naval Presence*

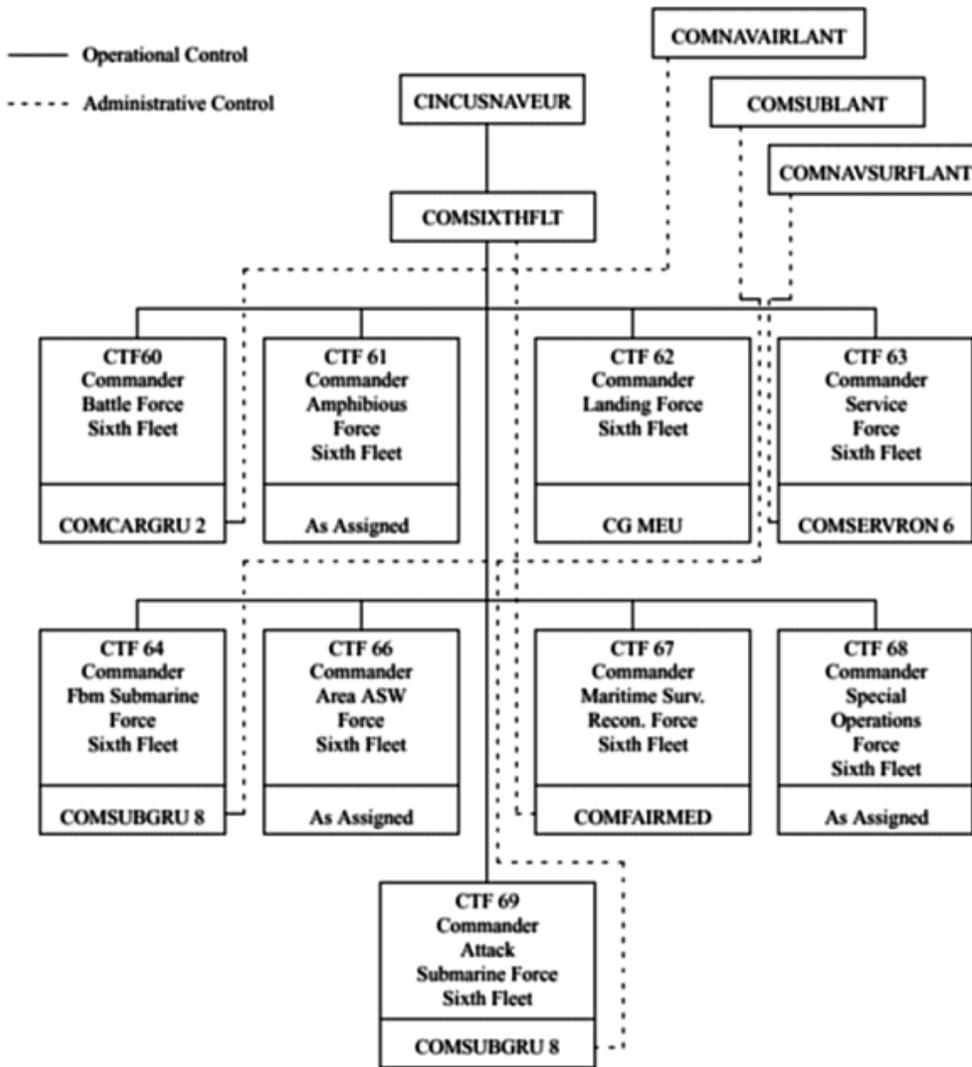
The US has maintained a naval presence in the Mediterranean since WWII. Today, under the overall command of the Commander in Chief, US Naval Forces, Europe (CINCUSNAVEUR), the US Navy's 6<sup>th</sup> Fleet is responsible for planning and conducting contingency, overwatch, and civilian evacuation operations, as well as protecting US interests and generally providing a strong US naval military presence in the Mediterranean.

While the Horn of Africa, the Gulf of Aden, and the choke point at Bab al-Mandeb have become increasingly less secure due to instability and increasing piracy, 80% of all contingencies that the US has had to respond to since the end of the Cold War have taken place in the 6<sup>th</sup> fleet's area of responsibility (AOR).<sup>83</sup>

The 6<sup>th</sup> Fleet's offensive and defensive posture are centered on the Fleet's carrier battle groups, supported by modern surface combatants, nuclear attack submarines, and modern fighter and fighter-attack aircraft. Additionally, the Fleet can count on ELINT, C4I, and ASW aircraft and US Marines aboard amphibious landing and logistic support ships. The combined force posture in the Mediterranean includes some 40 ships, more than 175 aircraft and 21,000 military and support personnel.<sup>84</sup> **Figure VIII.9** shows the 6<sup>th</sup> Fleet's nominal command structure.

The US has adapted as a result of the evolving threats and challenges that have emerged since September 11, 2001. NATO member states, along with the alliance's Mediterranean Dialogue and Partnership for Peace (PfP) continue to contribute forces and intelligence capabilities to Operation 'Active Endeavour' (OAE). Intended to deter terrorist groups and contribute to stability in the Mediterranean region, OAE's Maritime Component Command (CC-Mar) is headquartered in Naples, Italy. OAE's role is also critical to the security of regional energy infrastructure and liquid petroleum gas-type carrier vessels.<sup>85</sup>

**Figure VIII.9 U.S. Military Presence in the Levant: Command and Control structure of the U.S. Navy’s 6<sup>th</sup> Fleet**



Note: The diagram above is not intended to represent an accurate or current picture of the 6<sup>th</sup> Fleet’s command and control in 2011.

Source: GlobalSecurity.org

### *Iran's Limited Naval Role*

Iranian incursions in the Mediterranean are rare, but remain a cause of concern, especially during the first half of 2011 – which was a period of regional instability and popular upheaval in Arab states across the Mediterranean perimeter. The crossing of the Suez Canal by two Iranian warships on route to Syria in February of 2011 was perceived by the US and its regional allies – especially Israel – as only the latest of a long line of regional provocations. The crossing also raised questions about the long-term implications of a change in leadership in Egypt – a long-standing pillar of US policy in the Middle East, not the least of which in the confrontation with Iran.

**Figure VIII.10** shows Iran's naval holdings in 2011. Iran's mix of older surface combatants poses little real threat to US interests in the Mediterranean, and the Islamic Republic does not have the resources to sustain even a skeletal force deployment in what is at best a remote show of force in blue waters dominated by regional opponents. As such, Iranian excursions to the Mediterranean could be interpreted as a largely symbolic threat to Israel. In 2009 the Israeli Navy's (IN) deployment of *Dolphin* (Type 800) attack submarines to the Red Sea, potentially en route to the Gulf, was similarly interpreted by Iran as a direct provocation.<sup>86</sup>

### *The Impact of the Israeli and Egyptian Navies*

Israel has relatively modern and effective submarines and surface forces, backed by effective airpower. It also has effective anti-ship missiles, as well as superior systems and targeting/electronic warfare capabilities. Its three *Sa'ar 5*-class corvettes are modern ships with considerable long-range capability by local mission capability standards. Israel's eight *Sa'ar 4.5*-class missile patrol boats, commissioned during 1994-2002, have been regularly modernized. All of these *Sa'ar*-class vessels are armed with updated versions of the *Harpoon* anti-ship missile and have modern radars and electronic warfare suites. Israel's three *Dolphin*-class submarines are also modern vessels commissioned during 1999-2000.

The Egyptian Navy has close military ties to the US Navy as does the Saudi Red Sea Fleet. Iran has no clear allies anywhere in the Indian Ocean or Red Sea, and finds it difficult to project and sustain sea power in either region for any length of time, and is unable to provide significant air cover.

### *The Limits to the Syrian Fleet*

Iran cannot project conventional maritime power in the Levant without regional allies and the Islamic Republic's chief ally in the region is Syria. However, Syria's navy is largely obsolete, ineffective, and dependent on aging anti-ship missiles. Syria has two *Petya*-class frigates armed with guns and torpedoes, but they spend little meaningful time at sea. Its three *Romeo*-class submarines never performed meaningful combat roles and have been withdrawn from service. In short, it is unlikely that Iran can do much to disrupt the conventional US naval posture in the Levant. At best, Iran is little more a maritime irritant to the US and its allies.

**Figure VIII.11** shows Arab-Israeli naval holdings by category in 2011. Only Egypt has naval assets that can be considered capable while Syria maintains a navy with only

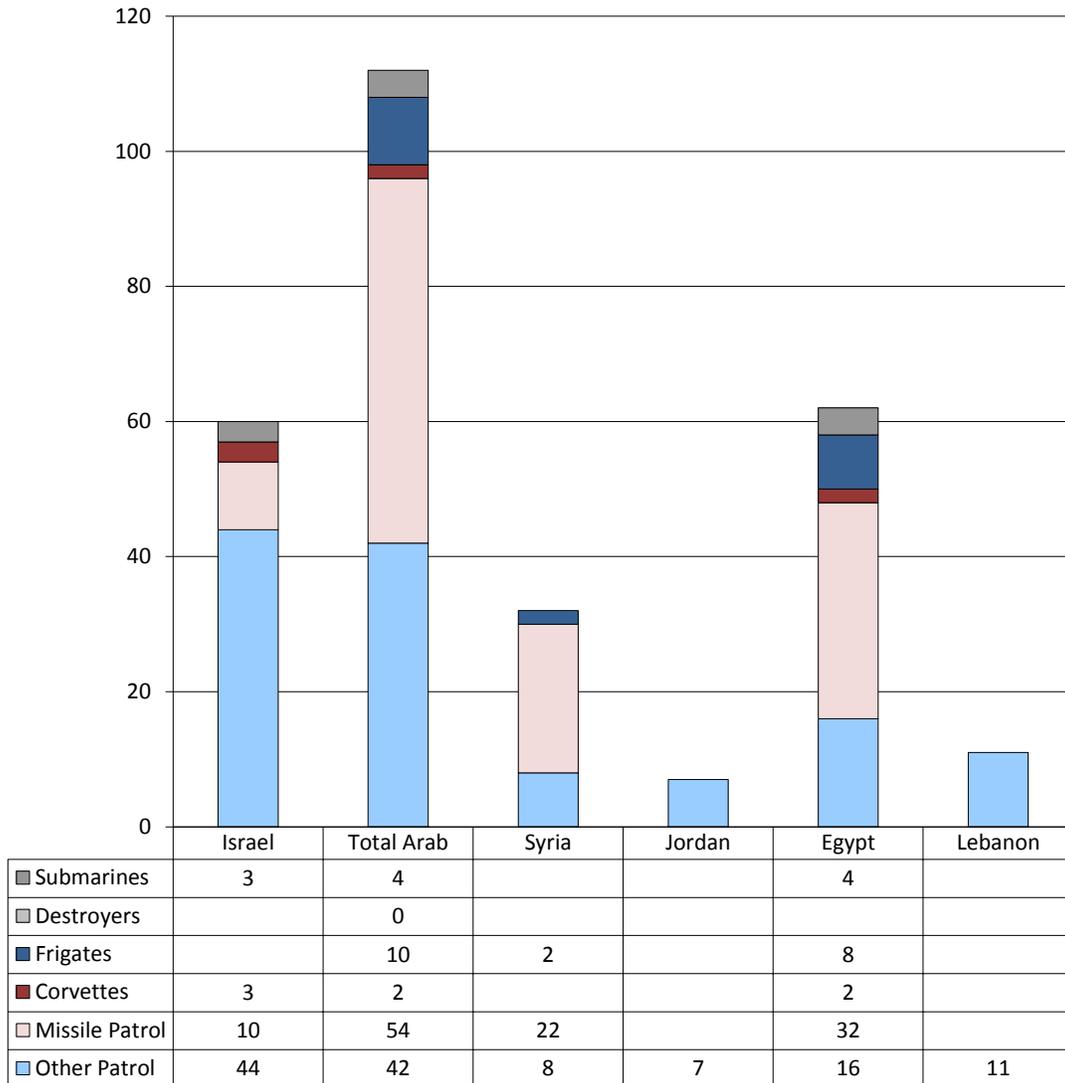
limited attack and interception capability that poses no threat to the Israeli Navy's modern naval combat systems.

**Figure VIII.10: The Iranian Navy in 2012**

	<b>Regular Forces</b>	<b>IRGC Forces</b>
<b>Manpower (18,000/20,000+)</b>	<b>18,000</b>	<b>20,000+ (incl. 5,000 Marines)</b>
<b>Submarines (23/0)</b>	3 <i>Kilo</i> -class SSK 12 SSW/"midget" submarine (11 <i>Qadir</i> -class; 1 <i>Nahang</i> -class) 8 SDV (5 <i>Al Sabehat</i> -class for SOF insertion/mine-laying; 3 other)	
<b>Corvettes (6/0)</b>	1 <i>Janaran</i> (UK Vosper MK 5) with CSS-N-4 <i>Sardine</i> ASGM, SM-1 SAM (1 under construction, expected 2013) 3 <i>Alvand</i> (UK Vosper Mk 5) with CSS-N-4 <i>Sardine</i> ASGM 1 <i>Bayandor</i> (US PF-103) with C-802 ASGM 1 <i>Bayandor</i> (US PF-103)	
<b>SSM-Capable Patrol Craft (17/40)</b>	13 <i>Kana</i> (FRA <i>Combattante II</i> ) with CSS-N-4 <i>Sardine</i> ASGM 4 Mk 13 with <i>Kosar</i> ASGM	5 <i>China Cat</i> with FL-10/C-701 ASGM 10 <i>Thondor</i> (PRC <i>Houdong</i> ) with C-802/CSS-N-8 <i>Saccade</i> ASGM 25 <i>Peykaap II</i> (IPS-16 mod) with C-701 <i>Kosar</i> ASGM
<b>Other Patrol Craft (77/55)</b>	21 fast patrol craft (3 semi-submersible; 18 other) 56 patrol boats (4 <i>China Cat</i> ; 3 <i>Parvin</i> ; 49 other)	15 <i>Peykaap I</i> (IPS-16) 10 <i>Tir</i> (IPS 018) 10 <i>Pashe</i> (MIG-G-1900) 20 <i>Ghaem</i>
<b>Mine Warfare (5/0)</b>	2 Type-292 coastal minesweepers 1 <i>Shakrokh</i> (in Caspian Seas as a training ship) 2 <i>Riazi</i> (US <i>Cape</i> ) inshore minesweepers	
<b>Amphibious (23/4)</b>	3 <i>Farsi</i> (ROK) LSM (9 tanks; 140 troops) 4 <i>Hengam</i> LST (1 helicopter; 9 tanks; 225 troops) 6 <i>Fouque</i> LSL 2 LCT 1 <i>Liyan 110</i> LCU 7 UCAC (6 <i>Wellington</i> ; 1 <i>Iran</i> )	2 <i>Hejaz</i> (mine-laying capability) 2 MIG-S-5000
<b>Logistics (26/0)</b>	26 support craft	

Source: Adapted by Aram Nerguizian from the IISS, *The Military Balance*, various editions.

**Figure VIII.11: Arab-Israeli Major Combat Ships by Category in 2012**



Note: Israeli other patrol craft are SSM-capable. Lebanese holdings do not show craft in storage or in disrepair.

Source: Adapted by Anthony H. Cordesman and Aram Nerguizian from the IISS, *The Military Balance*, various editions, and Jane’s Fighting Ships, various editions.

## **Iran, the Asymmetric Balance & Regional Wild Cards**

Iran has found other ways to compete. In contrast to the conventional balance, the evolving asymmetric balance is far more fluid and contingent upon the pursuit of short and medium term objectives by regional players with limited resources and comparative disadvantages in the overall conventional balance.

This aspect of the regional military balance is a byproduct of the Israeli-Syrian-Iranian-Hezbollah balance, and any discussion of Iranian military capabilities would be incomplete without recognizing that Syria's struggle with Israel hinges on asymmetric and proxy warfare and the role that Iran's ties to Syria play in this aspect of US and Iranian competition.

### ***The Growing Importance of the Asymmetric Balance***

It became painfully clear to Syria's political and military leadership during the June 6, 1982 Israeli invasion of Lebanon that their conventional forces could not compete successfully with Israel in conventional warfare. While offering stiff resistance and maintaining unit morale and force cohesion, they were outmatched by IDF military tactics and capabilities. Syria lost 400 tanks, 90 combat aircraft, 100 artillery/missile batteries, 70 armored vehicles and some 1,900 troops in the first three days of the invasion alone.<sup>87</sup>

Iran promptly took advantage of this situation. On June 17, 1982, an Iranian delegation to Damascus headed by Iran's foreign and defense ministers offered to send 40,000 regular troops supported by heavy armor and an additional 10,000 lightly-armed Revolutionary Guards and volunteers to fight in Lebanon under Syrian command. While Iranian and Syrian military and political objectives presented one major obstacle to an Iranian force commitment to Lebanon, the principal reason Assad refused the offer was the expectation that Iranian forces could do little to tip the scales in Syria's favor.<sup>88</sup>

Neither Iran nor Syria, however, had the means to impact the regional conventional military balance. A new approach was needed and it came in the form of Assad's "sword and shield" strategy; the former would require the use of Syria's allies in Lebanon, including Shi'ites loyal to Syria and Iran, as part of an asymmetric warfare campaign of terrorism and guerilla warfare against Israel and its allies in Lebanon. The latter required the Soviet Union to replenish Syria, its sole major ally in the region, in order to achieve "strategic parity" with Israel and build up meaningful long term deterrence.<sup>89</sup>

Even before the break up of the Soviet Union, this "sword and shield" approach collapsed because of the loss of the Soviet Union as a reliable source of advanced defensive military equipment. Syria has since tried to compensate by strengthening its linkages and coordination with Iran, increasing its support for (and arms transfers to) Hezbollah, and by relying on Palestinian groups in Lebanon, Syria, and Occupied Territories.

Iran and Syria have both continued to develop ballistic missile capabilities in an effort to counter Israel's regional posture, but Iran's missile strike capabilities have very limited lethality without nuclear weapons, and Syria's use of Scuds against civilian targets during its civil war showed these had little lethality without chemical weapons, and it is unclear what capabilities will survive Syria's civil war.

### ***Low-Level and Irregular Warfare***

Israel still dominates the balance in terms of modern conventional systems, recapitalization and foreign military support, but asymmetric and unconventional forces do give Syria and Iran with the means to harass, if not yet undermine, Israeli security and strategic interests in the region.

Hezbollah would never have emerged as a major force in Lebanon and the region without Syrian and Iranian arms transfers, training, and financial support. While the Shi'a group's unrivaled autonomy in Lebanon has relied on its links to its patron states, there is little indication that Hezbollah has acted, or will act, as a Syrian or Iranian proxy unless its leaders feel this is to the group's direct advantage. In practice, all three seem to have used each other for their own goals and interests.

The 2006 Israeli-Hezbollah war showed Syria and Iran that they can use the transfers of more advanced weapons to put pressure on Israel. It has since led both countries to rearm Hezbollah and increase the range and quality of its weapons. It also led them to provide components and some long-range rockets to Hamas and the PIJ.

As a result, Syria and Iran's relationships with armed sub-national organizations with an anti-Israel agenda – especially Hezbollah in Lebanon and Hamas in the Gaza Strip – have become key pillars of the asymmetric balance. Ties to such actors are scarcely new to the region. However, the development of increasingly sophisticated non-state conventional military capacity has represented a major step in Iran's role in the Levant and in Syria's "passive" confrontation with Israel. "Active" non-state allies confront Israel in South Lebanon and the occupied Palestinian territories, rather than on the Golan Heights.<sup>90</sup>

The support of Hezbollah also allows Syria and Iran to project power in ways that Israel could not easily counter and without conditions that would prompt Israel to use decisive force against Hezbollah's sponsors. This form of power projection has allowed Syria to push Israel into a low-level war of attrition without involving Syria, while transforming Hezbollah into a serious threat over time.

At the same time, Hezbollah demonstrated there were real limits to its war-fighting capabilities in 2006 – limits that Hamas exhibited in different ways during its fighting with Israel in 2012. Both conflicts showed that asymmetric forces and rocket and missile attacks can play a limited, largely defensive role in conventional warfare and wage spoiler attacks and wars of defensive attrition. They also showed, however, that they are not a serious direct threat to Israel's ability to maneuver, defend its territory, or exercise air and missile supremacy.

### **Rockets and Missiles**

It is Iran and Syria's ability to supply rockets and missiles that have done most to help non-state actors such as Hamas and Hezbollah develop capabilities that allow them to strike Israel from increasing distances. Iran is a critical supplier of rocket and missile systems and technological know-how to these groups.

### *Transfers of Anti-Tank Weapons*

Hezbollah has significantly developed its holdings of guided and unguided anti-tank systems in the wake of the IDF's withdrawal from South Lebanon in 2000 with Iranian and Syrian support. As is the case of reported rocket and ballistic missile transfers, it is hard to determine what systems have actually been transferred. However, a number of reports raise important questions about the level of increased sophistication in Hezbollah holdings:

- Iran is reported to have provided Hezbollah with the "Nader" and the "Toophan," Iranian versions of the Russian RPG-7 and possibly the American TOW missile. The Shi'a group is also reported to be in possession of the "Towsan" and the "Raad," which are based on the AT-5 "Spandrel" and the AT-3 "Sagger" ATGM systems. The improved "Raad-T" is reported to be armed with tandem warheads designed to defeat reactive armor systems.<sup>91</sup>
- According to some reports, the bulk of Hezbollah's ATGM capabilities expansion in the post-2000 period was provided by Damascus. This is noteworthy given that prior to the presidency of Bashar al-Assad, Syria had allowed arms transfers but was not a direct supplier. Systems reported to have been provided include the AT-13 "Metis-M" equipped with a tandem warhead and able to hit targets at 1.5 km and the AT-14 "Kornet-E." The "Kornet-E," which has a range of 5.5 km and utilizes a semi-automatic command-to-line of sight laser beam-riding targeting system, is one of the most sophisticated anti-armor systems currently available. It could significantly raise the level of threat to Israeli forces in any future conflict. Unguided RPG systems provided by Syria are reported to include the RPG-29 (a tandem warhead variant of the RPG-7) and the disposable single-shot RPG-18.<sup>92</sup>

### *Transfers of Air Defense Weapons*

Iran can alter the balance of any proxy or asymmetric conflict in other ways. In addition to Hezbollah's expansion of its surface-to-surface missile and rocket holdings, future SAM capabilities could become another dimension of the asymmetric balance. In addition to holdings of older SA-7 "Grail" MANPADs, the Shi'a group has been widely reported to be in possession of the more sophisticated SA-14 "Gremlin," SA-16, and SA-18 "Igla" MANPADs. *Jane's* reported that Hezbollah was receiving training in Syria on the SA-8 "Gecko" mobile radar guided light SAM system in 2009.<sup>93</sup>

There is no indication that Hezbollah has as yet received the more capable SA-8s, which could potentially pose a serious threat to Israeli helicopters. Neither the SA-8 nor the Igla present a meaningful threat to Israeli F-15Is and F-16Is. Meanwhile, Israeli defense sources reported in March 2010 that Syria had provided the group with the SA-24 "Grinch," a far more advanced shoulder-fired anti-aircraft missile system.<sup>94</sup>

As was stated earlier, the IDF's Teffen 2012 plan was conceived largely as a result of these realities and the perceived shortfalls of the 2006 war. One of the core lessons was Israel's need to address manpower quality and training to confront the shifting realities of asymmetric urban warfighting.

The IDF has since taken steps to drastically expand the number of urban warfare training centers in Israel. The IDF's Combat Engineering Corps, which plays an increasingly relevant counter-IED and armored demolition role, has also been adapting to the realities of future asymmetric warfighting. Teffen 2012 further emphasized the development of a comprehensive multitier Israeli anti-rocket and anti-ballistic missile defense umbrella.

### *Transfers of Surface-to-Surface Rockets and Missiles*

Hamas has steadily developed its holdings of short-range rockets. However, Israeli security measures – including the separation barrier between Israel and the West Bank – have limited supplies to Hamas and other Palestinian groups. Israel's 2012 attacks also reduced their inventories. Even so, Hamas's longer range rockets may still include dozens of 122-mm "Grad" or similar rockets, 230-mm "Oghabs," and as many as 50 modified 240-mm "Fajr-3" rockets that have the potential to strike Tel Aviv or Israeli nuclear facilities in the Negev.<sup>95</sup>

**Figure VIII.12** shows a rough estimate of rocket strike ranges for Hamas's rocket and missile holdings. **Figure VIII.12** also shows the range of Fajr-5 missiles Iran was reported to have supplied Hamas. On November 18, 2012, Hamas claimed to have fired a Fajr-5 against Tel Aviv.<sup>96</sup> With a range of some 75 km, a rocket strike reaching so far north is unprecedented in the history of the Israeli-Palestinian conflict and while the attack had no real world military impact, it was nonetheless an achievement in the eyes of Hamas' supporters.

While Iran has publically stated that it supplied the militant group with the Fajr-5 in the past, it may also have transferred some assembly or production capabilities. There is some preliminary reporting that Hamas and other Palestinian factions may now have the capability and the resources to build their own Fajr-5 rockets.<sup>97</sup> This may partly reflect the impact of degrading security in Sinai and the impact of a less secure Egyptian-Gaza frontier may be having on Iran's ability to send aid to its allies in Gaza.

**Figure VIII.13** shows an estimate of Hezbollah rocket ranges. Various reports indicate that Iranian and Syrian transfers that build the Hezbollah's growing holdings of guided and unguided short range and tactical missiles are becoming a steadily more important aspect of the asymmetric balance, and one where Iranian competition with the US and Israel has an important impact.

- Some reports indicate that Hezbollah's largest rocket system is the 610 mm "Zelzal 2." Weighing some 3,400 kg and capable of delivering a 600 kg warhead in excess of 200 km, the system's lethality and utility are limited by its lack of electronic guidance systems. While the Shi'a militant group did not use its "Zelzal" rockets during the 2006 war, it is widely believed to have vastly expanded its holdings of both short and medium range unguided rockets to deter future conflict or to inflict psychological costs on the Israeli population in any future war.
- Hezbollah also hopes to expand its holdings of guided rocket systems. The "Fatah" A-110, a guided version of the "Zelzal 2," or the Syrian made M600, a "Fatah" A-110 clone, would present more of a threat to Israel's interior. Equipped with inertial guidance systems and able to deliver a 500 kg payload to a range of 250 km within a circular error probability (CEP) of 100 m, these systems would allow Hezbollah to threaten as far south as Tel Aviv from the Northern Bekaa. While there are competing and unconfirmed reports surrounding whether or not Hezbollah has them in inventory, the group is generally believed to have limited holdings of both systems.
- Reports surfaced in early 2010 that Syria may have transferred Russian R-17 "Scud-B" ballistic missiles to Hezbollah. 11.25 m long and weighting some 5,900 kg, the guided liquid fuel rocket is able to deliver a 985 kg warhead over a range of 300 km.

While the "Scud B" has superior range to Hezbollah's existing holdings of unguided medium range rockets, its much larger CEP of 450 m is significantly inferior to the Fatah A-110's CEP of 100 m. In July 2011, reports surfaced that Syria transferred some ten "Scud-Ds" to Hezbollah.<sup>98</sup>

Scud-type missiles are unwieldy systems for an organization that emphasizes stealth, mobility and rapid deployments for multiple fires. They cannot be taken apart for easy or inconspicuous transportation. Furthermore, the complexity and volatility of the missile's propulsion system would require dedicated facilities in addition to highly trained personnel.

There is continued skepticism surrounding the transfer of "Scud-Bs" or "Scud-Ds" to Hezbollah and to date, there has been no release of aerial observation of any "Scud" transfers across the Lebanese-Syrian border. Unlike solid-propellant rockets like the Zelzal 2, even a modified/stealthy "Scud" transporter/erector/launcher (TEL) would present a clear target for overhead reconnaissance.<sup>99</sup> US defense sources also have indicated that while a transfer has not been ruled out, there are increasing indications that Hezbollah personnel trained on "Scud" type systems in Syria rather than in the wake of a transfer to Lebanon.

Ultimately, Scud-type liquid fueled rockets might be more of a liability than an asset to Hezbollah's overall missile capability. Furthermore, given Hezbollah's existing inventory of guided and unguided systems, the potential acquisition of "Scud-Bs" or "Scud-Ds" has a popular psychological impact in Israel, rather than actually impacting the overall regional balance.

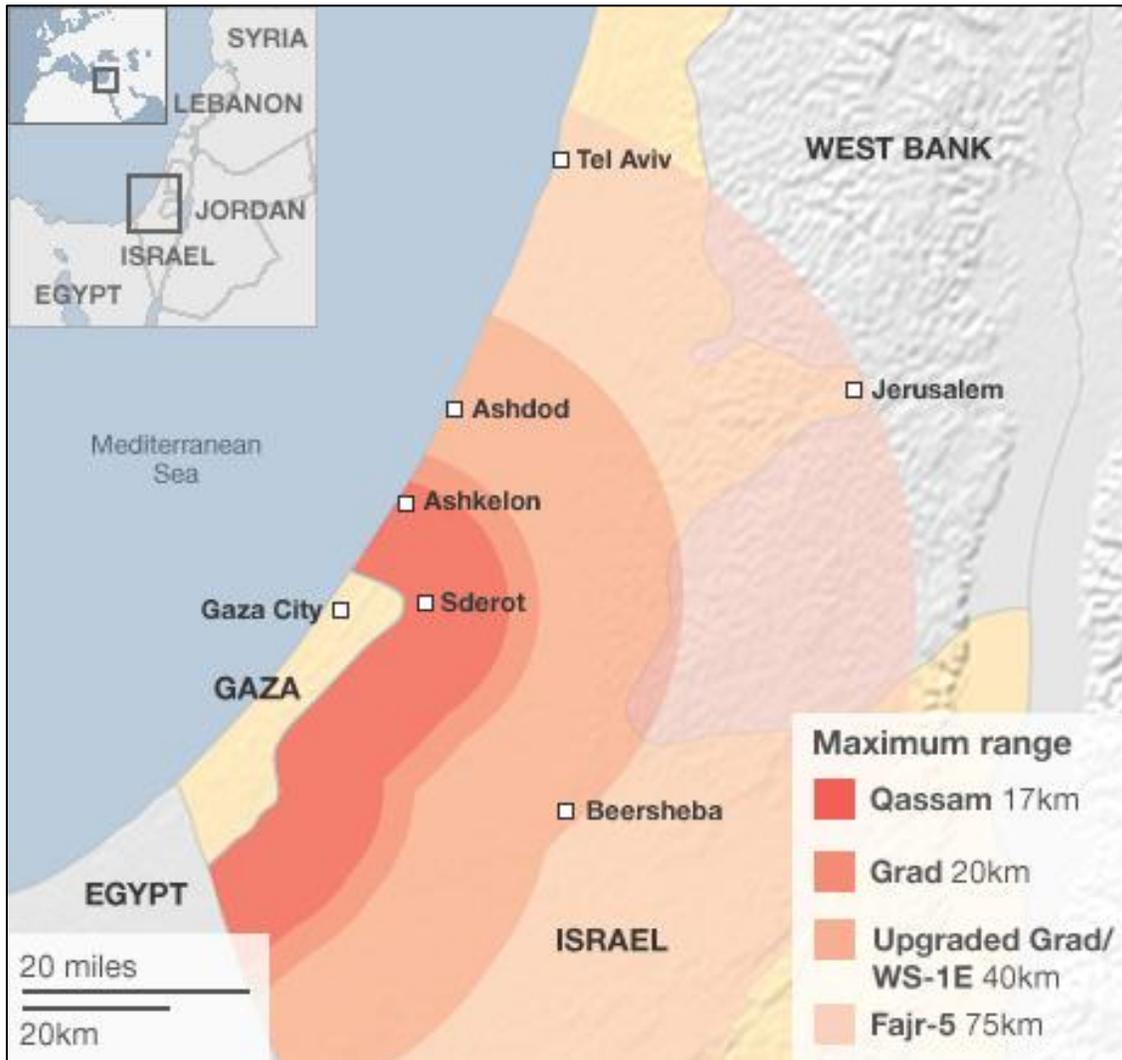
- While Hezbollah has continued to consolidate its arsenal of short range 107 mm and 122 mm rockets meant to harass IDF ground forces in any future war, it may also have developed a use for systems otherwise considered irrelevant in the asymmetric balance. These include using multiple teams using large numbers of 106 mm recoilless rifle rounds to swarm and overwhelm the IDF's Trophy active protection system currently equipped on Israeli Merkava MBTs. *Jane's* went on to report that if assisted by sighting guns, this low-tech AT solution could successfully hit Israeli armor out to a range of 1,000 m.<sup>100</sup> Such tactics would be part of Hezbollah's own lessons learned as it tries to build an edge in the asymmetric balance with Israel.
- There are also reports that Hezbollah has expanded its holdings of advanced longer-range anti-ship systems, and that its personnel may have trained on the SA-2 and SA-3 major SAM systems. In the post-2006 era, Israel operates under the assumption that any system in Iran or Syria's arsenal could be made available to Hezbollah, with logistics posing the main challenge to inventory development and consolidation.<sup>101</sup>

This growing mix of short-range and longer-range rockets – and ATGMs/MANPADs – does not currently threaten Israel's "edge" in military technology. The systems involved are too lacking in accuracy and lethality. However, it does pose enough current and future risks for Israel to make major efforts to field newer defensive counter-fire systems. These include a wide range of new systems to defend against different types of threats: the Trophy active protection system (APS) for Israeli armor, the Iron Dome defensive systems for shorter range rockets mortars, the David's Sling for longer-range rockets, the Arrow II counter-ballistic missile system, and the Arrow III wide area theater defense system. It has also prompted the IDF to further decentralize its supply and logistics infrastructure to protect ammunition and equipment in event of a future war.

The US continues to play an important role in helping to develop Israel's missile defense capabilities. In March 2010 the Obama Administration announced that it would provide Israel with \$205 million in defense aid for the purchase of up to 10 Iron Dome anti-rocket batteries. The Iron Dome system was successfully used for the first time in April 2011, with batteries deployed in Ashdod, Ashkelon, and Beersheba by August 2011.<sup>102</sup>

In May 2012 the US House of Representatives authorized an additional \$680 million in Iron Dome funding, to be spread over three years.<sup>103</sup> The US Congress and successive administrations have supported joint-US Israeli missile defense projects, including ongoing work on David's Sling, which is designed to counter medium-range (40km to 300 km) threats, and longer-range high altitude systems such as the Arrow III.<sup>104</sup>

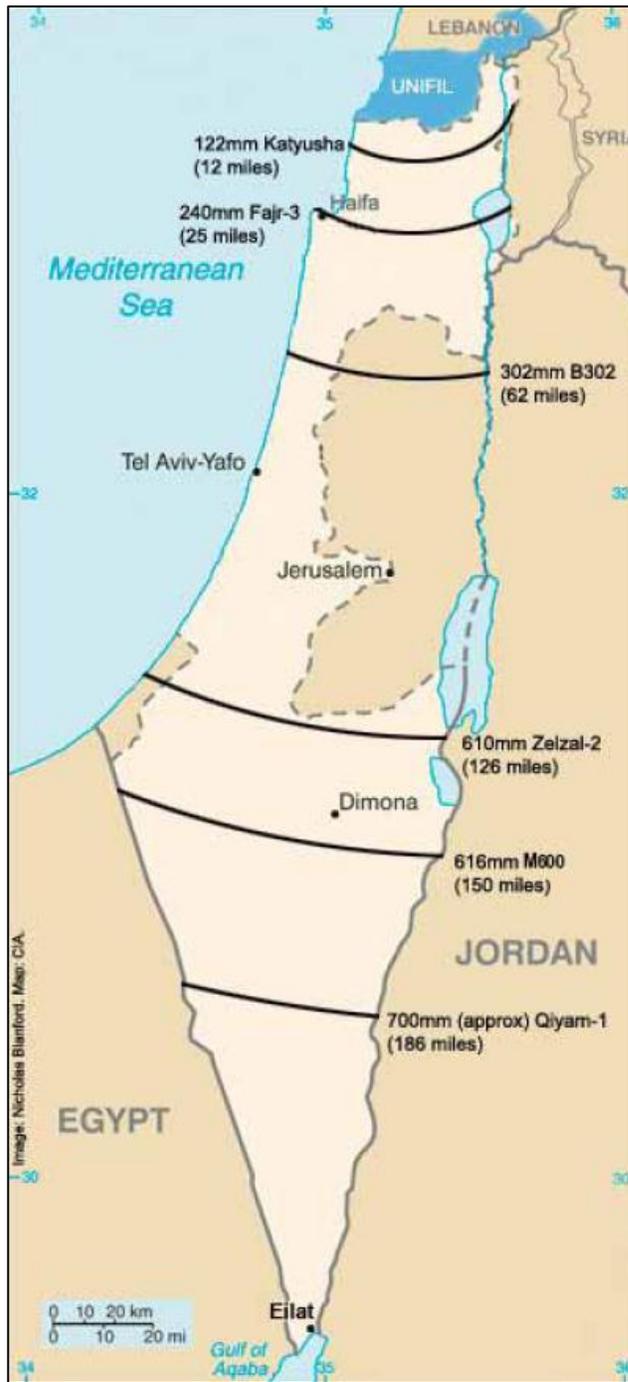
**Figure VIII.12: Map of Approximate Rocket & Missile Ranges from Gaza**



Note: All data presented is approximate.

Source: Jonathan Marcus, "Gaza rocket arsenal problem for Israel," *BBC News*, November 15, 2012.

**Figure VIII.13: Map of Approximate Rocket and Missile Ranges from Lebanon**



Note: ranges based on launch sites in southern Lebanon.

Source: Adapted from Bilal Y. Saab & Nicholas Blanford, “The Next War: How Another Conflict Between Hizballah and Israel Could Look and How Both Sides are Preparing for It,” *Analysis Paper*, No. 24, The Brookings Institution, August 2011, p. 8.

### ***Trial by Fire: Operation “Pillar of Defense”***

The November 2012 conflict between US ally Israel and Iranian ally Hamas helps to contextualize efforts to develop capabilities on both sides, and was an important test for determining the future direction and evolution of the regional asymmetric balance.

The operation appears to have been triggered by a gradual degradation of the already unstable Israeli-Hamas ceasefire in the wake of the last major round of conflict in 2008-2009. Another factor was the increasing number of rockets fired where Hamas took responsibility for the launches and a concomitant need on the part of the Israeli defense establishment to consolidate the country’s deterrence against such attacks.<sup>105</sup>

On November 14, 2012, the Israel Defense Forces launched a major military operation in the Gaza Strip. Ahmed Al-Jabari, the operational commander of Hamas, was targeted and killed in a missile strike. As part of “Operation Pillar of Defense,” the IDF also conducted aerial bombings and artillery strikes targeting Hamas and other militant Palestinian groups in the Strip supported by drone over-flights for targeting.<sup>106</sup> In retaliation for IDF strikes and the death of Al-Jabari, Hamas and other Palestinian factions in Gaza fired some 1,500 short to medium range rockets against Israel with a very limited number managing to reach as far as Tel Aviv. Palestinian rocket fire also triggered the first combat use of the Israeli “Iron Dome” missile defense system, which was being rushed into service.

- The first chart in **Figure VIII.14** shows the breakdown of Hamas rocket fire over the course of the conflict. Palestinian militants fired an average of 188 rockets per day with daily low of 75, a daily high of 316 and sustained daily fires throughout the conflict in excess of 130 fires per day.
- The second chart in **Figure VIII.14** shows an estimate based on public reporting of, on the one hand, the breakdown in Palestinian fires based on whether fires were or were not projected to target and land in Israeli populated or vulnerable areas. On the other, it shows the total number of “Tamir” interceptors fired against incoming fire, the number of reported intercepts and the number of projected rockets that were not intercepted.

Of the 1,506 rockets fired by Hamas, 875 were projected to land outside vulnerable areas, and were not targeted by “Iron Dome” with an additional 631 projected to possibly hit Israeli populated areas. The IDF launched a total of 573 “Tamir” interceptors, of which 421 were successful at intercepting incoming rocket fire. Of the total number of “Iron Dome” fires, 152 did not hit a target or were reported by the IDF as “failed launching attempts.”<sup>107</sup>

While the IDF reported that only 58 Palestinian rockets launched towards Israel reached urban areas, what is unclear is how many of the 631 rockets fired that were not classified as launched towards open areas actually posed a threat to Israeli populated areas. It also remains unclear whether “Tamir” fires listed as “failed launch attempts” failed to launch, missed their targets, or a mix of both.

While such reporting is uncertain, Israel has claimed that the “Iron Dome” system had an operational success rate in the conflict anywhere between 80 and 90 percent.<sup>108</sup> If ratios are based on 573 intercept attempts and 421 successful intercepts that would give the system a success rate of 73.4 percent in the conflict. If the ratios are based on the number of rockets not projected to hit open areas – namely 631 – and 421 successful intercepts, that in turn gives the system a success rate of 66.6 percent.

In any case, “Iron Dome” proved to be an important development in shaping the regional asymmetric balance. The 2006 Israeli-Hezbollah war showed the ability of prolonged rocket fire to shape the optics of the war, public opinion in the Arab world and morale in Israel. “Iron Dome” seemingly erodes the ability groups opposed to Israel to inflict attacks that could qualify as successes. It also forces these groups in the Palestinian Territories and Hezbollah in Lebanon to reevaluate their tactics and strategies in their battle with Israel.

The threat “Iron Dome” deals with must be kept in perspective. Neither the Palestinians nor Hezbollah have the firepower, resources, planning, logistics and general wherewithal to come close to scoring a tactical win, to say nothing of a strategic victory against Israel. Unguided mass rocket fires have never produced mass casualties and their impact remains principally psychological: Palestinians feel they can stand up to the IDF on the one hand and Israelis feel a sense of insecurity despite their overwhelming military edge.

“Iron Dome” enhances that edge and deprives Iran’s regional allies the ability to terrorize the Israeli public. It also gives Israeli decision-makers more time to craft policy responses away from pressure from below to take more drastic measures against their opponents – in the case of “Operation Pillar of Defense,” forestalling a large scale and potentially very bloody ground offensive in Gaza.

At the same time, such defenses are far more expensive than the rockets and missiles in Hamas, PIJ, and Hezbollah forces. Each “Tamir” interceptor costs some \$40,000 to \$50,000. It is estimated that it will cost Israel and the IDF some \$23 to \$29 million dollars to replenish its depleted stocks. Economies of scale and ramping up production may cut costs, and “Iron Dome” has minimized other costs tied to loss of property and infrastructure damage.

Such defense also face important challenges. The first is that Hezbollah, Hamas, and other groups are watching, learning, and adapting, just as Israel has adapted to their shifting tactics from conflict to conflict. For example, it is unclear how the “Iron Dome” system or other missile defense systems will perform over longer periods of sustained fire, larger volumes of daily rocket salvos, the deployment of potentially more capable rocket and missile systems, and the prospects of rocket fires from multiple vectors.

Saturating new and costly Israeli systems is not a new concept: Hezbollah has been reported to have developed a doctrine of mass fires of recoilless rifles at Israeli Merkava MBTs as one tactic to overpower the Trophy APS anti-missile system in order to then score a direct hit with a conventional ATGM such as the AT-14 “Kornet”.<sup>109</sup>

Furthermore, neither “Iron Dome” nor Israeli air strikes were able to significantly or decisively curtail the Palestinians’ ability to launch relatively large salvos of rockets. As the first chart of **Figure VIII.14** showed, with the exception of the first day of hostilities, daily rocket fires never fall below 130 per day with sustained fires on most days between 150 and 250 rockets per day. After a week of targeted air strikes, there were still enough active launchers to fire 221 rockets.

The Palestinians maintain relatively large stockpiles of relatively inexpensive rocket systems. Meanwhile, Israel’s solution remains relatively high cost with only a limited number of interceptors in inventory. This does not mean the IDF would eventually “run

out” of “Tamir” interceptors. Israel has the production and industrial base to rapidly replenish its holdings. However, the current round of fighting underscores Israel’s future need to have enough missiles in inventory and enough productive capacity to keep holdings above the number of future fires. None of this is without cost. Beyond the cost of the “Tamir” from a production standpoint, it is also costly to store large holdings of missiles with unstable compounds and propellant that must be carefully monitored and regulated to account for changes in environmental conditions.

### ***The Israeli Reaction: Longer Range Defense Systems***

Israel is also reacting to the threat of longer-range missile systems in Iranian and Syrian forces. The Iranian missile threat to Israel is discussed in a separate analysis. Iranian cooperation with Syria could, however, have a significant impact if Syria became involved in a missile conflict.

Syria’s larger systems such as its regular and extended range “Scud” holdings lack accuracy and ease of deployment, but could potentially play a role in the asymmetric balance were they to be used as chemical or biological delivery systems. Egypt maintains older SSMs and some “Scud-Bs.” Lebanon has some MRL holdings and Jordan has no SSM holdings.

Israel has long been building up its defenses against such longer-range missiles. These include Israel’s 17 batteries of improved Patriot MIM-23B surface-to-air missiles that have a point defense capability against ballistic missiles.

Israel has also deployed three Enhanced Arrow II theater ballistic missile systems and 20-24 active launchers, supported by a Green Pine radar system, and Citrus Tree command and control system. There are known sites at Hadera and Palmachin. The Enhanced Arrow II was tested in April 2009. It successfully acquiring, tracking, and intercepting a separating target. This was the first test that integrated the US AN/TPY-2 X-Band radar based in Israel. Since that time other integration tests have been performed using elements of other US systems, including the AN/TPY-2, THAAD, and Aegis.<sup>110</sup>

As was previously discussed, Israel and the US are now cooperating in developing the Arrow III wide area theater missile defense system with improved countermeasures and capability to deal with high-speed reentries. It is designed to be able to provide exoatmospheric interception of Iranian Shahab and Sejil missiles directly striking and destroying incoming warheads.<sup>111</sup> Boeing describes the Arrow III as follows:<sup>112</sup>

Arrow 3, the newest addition to the Arrow Weapon System, is the upper tier in the Arrow family of weapons that incorporates the latest technology to combat a continually advancing threat. Short- and medium-range ballistic missile threats require prompt and effective self-defense capabilities. The threat of more sophisticated missiles, including the threat of weapons of mass destruction, requires a multi-tier approach to achieve a zero leakage rate. As the world’s first operational national missile defense system, the Arrow Weapon System successfully destroys targets using the latest - technology to achieve a higher probability of a successful engagement. The Arrow Weapon System is affordable and has low total ownership costs.

The Arrow Weapon System is Israel’s national missile defense system. The Arrow system uses the two-stage Arrow II interceptor to destroy an incoming target with a fragmentation warhead... The ... Arrow 2 interceptor was delivered by IAI to the MOD in the spring of 2005. Israel’s MOD, in cooperation with the U.S. Missile Defense Agency, has completed four successful flight tests of the coproduced Arrow II interceptor since 2007. In three of those tests, conducted February 2011,

April 2009 and February 2007, the interceptor destroyed a target missile. In the other test, which occurred in March 2007, the objective was an interceptor fly-out to collect flight test engineering data of an enhanced capability interceptor and did not involve a target intercept. Boeing-IAI co-development of the next-generation Arrow III interceptor began in late 2008 and will be followed by coproduction.

...Arrow 3, also a two-stage interceptor, will destroy an incoming target with an exo-atmospheric kill vehicle and provide additional defense capability for evolving threats. Other system elements are a launch control center, fire-control radar and battle management center. Arrow provides Israel with flexible and cost-effective protection from ballistic missile threats. Boeing and Israel Aerospace Industries (IAI) co-produce the Arrow II interceptor and are developing the Arrow 3 interceptor for the Israel Ministry of Defense (MoD).

*Defense Update* described Arrow III's technical advances as follows:<sup>113</sup>

The IAI team proposed a kill vehicle offering exceptionally large divert capability, meaning the kill vehicle will have exceptional capability to maneuver in space, close-in on a target with high probability of kill, at realistic (very high) closing speeds. Unlike common KVs utilizing space propulsion systems (such as liquid propellant or gas generators), the proposed KV will be propelled by an ordinary rocket motor, equipped with flexible nozzle (vector-thrust). Furthermore, this unique KV will also be fitted with a gimballed seeker, obtaining hemispheric coverage for the seeker. By measuring the seeker's line of sight relative to the vehicle's motion, the kill vehicle would employ 'proportional navigation' deflecting the kill vehicle to divert its course and align exactly at target's fight path, hence achieving an accurate kill even at very high closing speeds and over long distances...the new concept is relatively simple, reliable and inexpensive and is based on mature technologies. Furthermore, its large divert capability and high agility are contributing to easing the requirements for detection and tracking systems, generally associated with remote-sensor assisted exoatmospheric kills.

... a combined sensor utilizing visible and infrared elements would be suitable for ballistic missile intercept under all lighting conditions, furthermore, when provided with high density matrixes available today, such sensors could provide both target detection, discrimination and tracking as well as assisting line-of-sight measurement utilizing stars tracking.

The new component will also require the integration of longer range detection, tracking and discrimination capability, beyond what the Green Pine and Advanced Green Pine radars, employed with the Arrow 2 are providing. Among the advanced sensors considered for Israel's future multi-tier system, are airborne electro-optical sensors deployed on high flying UAVs and future enhanced Green Pine radars, as well as the AN/TPY-2 radar already deployed in Israel, and operated by U.S. forces.

The US and Israel are also cooperating in developing and now deploying a system to deal with medium range rockets and missiles called David's Sling – sometimes called Magic Wand or DSWS (David Sling Weapon System), to intercept medium- to long-range rockets and cruise missiles, such as those possessed by Hezbollah. Depending on the source it can cover attacks at ranges of fired at missile ranges from 40-70 Km to 250-300 km. It is being developed by Rafael and Raytheon is reported to use a two-stage interceptor, with dual targeting and guidance systems installed in its nose-tip (a radar and an electro-optical sensor). The system is said to have had its first successful intercept on November 27, 2012, and some reports indicate it will be rushed into deployment no later than 2013.

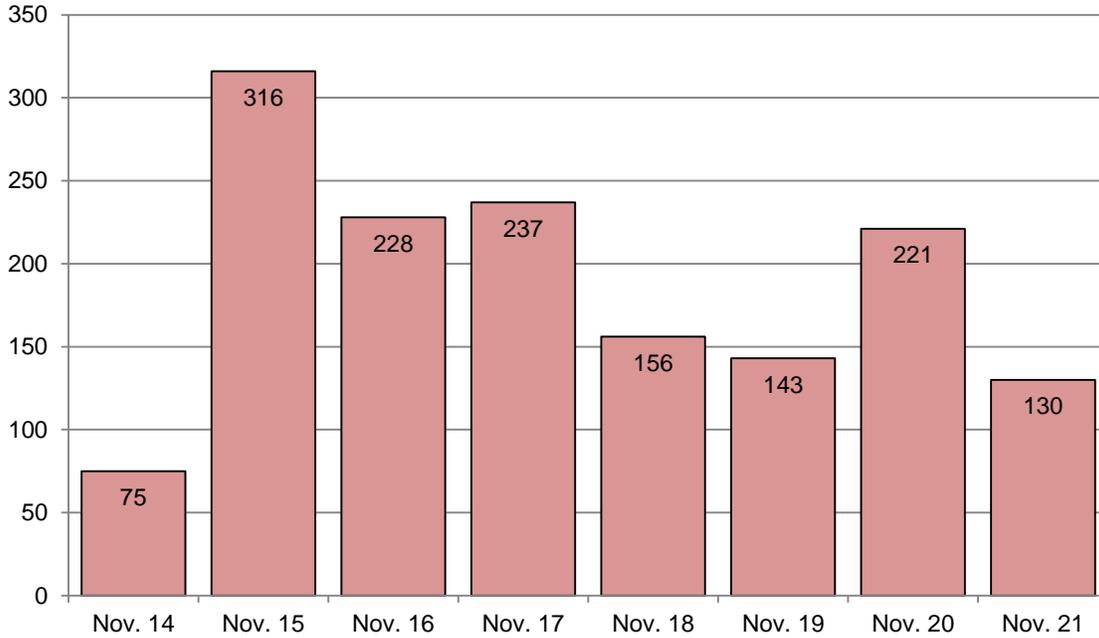
The Arrow III is reported to be nearing operational tests, although these are behind schedule. To put these efforts in perspective, **Figure VIII.15** shows the major missile and rocket holdings in the region.

This combination of systems that includes “Iron Dome,” David's Sling, and Arrow III will probably do much to limit Iranian, Syrian, and any non-state actor's capability to leverage the asymmetric balance in their favor. However, only a lasting peace, supported

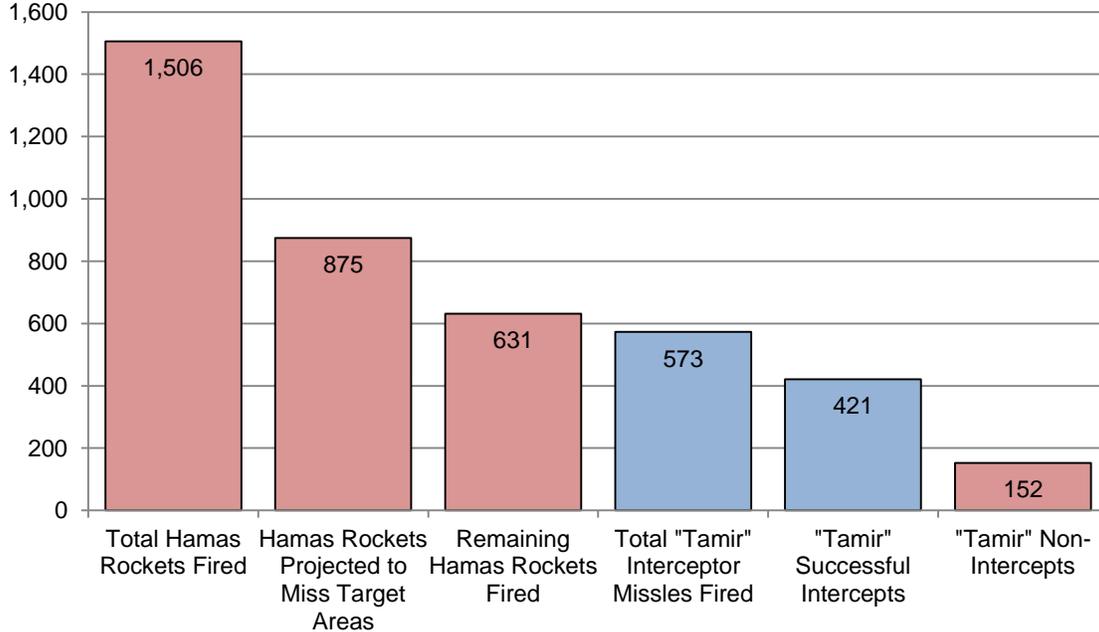
by both Israelis and Palestinians and backed by the US and other regional players can be a truly effective security option in the long term, or halt Iran's efforts to constantly gain advantage in the Levant, leverage its ties to Palestinian militants and foil US interests.

**Figure VIII.14: Operation “Pillar of Defense”: Iron Dome’s Trial by Fire in 2012**

**Hamas Rocket Fires by Date:**



**Breakdown of Palestinian Rocket Fires & “Iron Dome” Intercepts:**



Note: “Tamir” refers to the “Iron Dome” system’s radar guided interceptor missiles. Some variation in final numbers across sources is to be expected.

Source: Adapted by Aram Nerguzian from data provided by the Israel Defense Forces, *Jane’s* and the BBC.

**Figure VIII.15: Arab-Israeli Surface-to-Surface Missiles in 2011**

Country	Med/Long Range SSM	Short Range SSMs	MRLs
<b>Egypt</b>	9 Scud-B	9 FROG-7 24 Sakr-80	96 BM-11 122 mm 60 BM-21 122 mm 50 Sakr-10 122 mm 50 Sakr-18 122 mm 100 Sakr-36 122 mm 36 Kooryong 130 mm 32 BM-14 140 mm 26 MLRS 277 mm 48 BM-24 240 mm (in store)
<b>Israel</b>	+/-100 Jericho 1 SRBM/ Jericho 2 IRBM 7 MGM-52 Lance (in store)	None	58 BM-21 122 mm 50 LAR-160 160 mm 60 LRS 227 mm 36 BM-24 240 mm 20 LAR-290 mm
<b>Jordan</b>	None	None	None
<b>Lebanon</b>	None	None	22 BM-21 122 mm
<b>Syria</b>	94+ SSM 18 Scud B/Scud C/Scud D 30 look-a-like	18 FROG-7 18+ SS-21 Tochka (Scarab) SS-C-3 Styx	+/- 200 Type 63 107 mm +/- 300 BM-21 12 mm

Note: Medium range SSMs have a range in excess of 70km and includes SRBMs and IRBMs.

Source: Adapted by Anthony H. Cordesman and Aram Nerguizian from the IISS, *The Military Balance*, various editions. Some data adjusted or estimated by the authors

## Prospects for Another Major Israeli-Hezbollah Conflict

Every year since the 2006 war, some experts have predicted that another Israeli-Hezbollah war would be the next “proxy war” between the US and Iran. The fighting in 2012 has shown that risk of conflict through regional surrogates and allies continues to be a clear and present danger to regional stability.

The Israeli-Hezbollah War of 2006 showed that Iran and Syria could work together in proxy warfare. It also showed that Syrian and Iranian transfers of advanced weapons like modern antitank-guided weapons, light surface-to-air missiles, and a range of short- to long-range rockets and missiles could inflict casualties on the IDF and limit its military freedom of action.

On the other hand, Hezbollah’s core constituency and base of support, Lebanon’s Shi’a community, suffered as a result of the 2006 conflict. Hezbollah did its best to lay the blame and the costs associated to the conflict on Israel and the US. Irrespective of where the blame on deaths and loss of property may lie, what is clear is that the country’s Shi’a would be hard pressed to accept another large scale confrontation, especially one where Hezbollah is perceived – if only in part – to have started the conflict.<sup>114</sup>

It is unclear whether these internal political dynamics will moderate Hezbollah’s future. There is at least anecdotal evidence that Hezbollah will seek to play up its role as a reactive deterrence force in Lebanon, rather than a proactive force for direct confrontation with Israel – a point the group loosely articulated in its 2009 political manifesto.<sup>115</sup> Meanwhile Israel has balanced strong language of a military response to any Hezbollah threat with the reality that it prefers managed security politics along the UN Blue Line of demarcation between Israel and Lebanon.<sup>116</sup>

What is clear is that both Israel and Hezbollah have gone beyond rockets and missiles in building up their capability to deter and prepare for the prospects of war. Hezbollah has undertaken broader efforts to recruit and train new members, build up its air defenses, and try to further advance its signals intelligence capabilities. The group is also reported to have developed a sophisticated and expanding cyberwarfare division, which may have already engaged in high profile attacks on US and allied institutions and corporate interests.<sup>117</sup> Hezbollah also now has the potential to undertake both ground and seaborne commando operations within Israel. Combined with the group’s growing missile capabilities, the battle space – both in Lebanon and Israel – is expected to be far larger than during the 2006 war.<sup>118</sup>

Israel in turn has bolstered the logistical autonomy of its combat units, strengthened its ground forces, and deepened its ability to carry out combined air, land, and sea operations. The IDF has also taken steps to upgrade its urban war-fighting capabilities, anti-rocket defense systems, and the defense capabilities of its armored systems against guided missile attacks. If enacted, the 2008 “Dahiyah Doctrine” – which would see Israel targeting civilian infrastructure – could cause mass civilian casualties and infrastructure damage in Lebanon and similarly damaging retaliatory strikes against Israeli civilian targets.<sup>119</sup>

## Weapons of Mass Destruction and the Nuclear Arms Race

The region is already involved in a de facto nuclear and missile arms race, has at least some stocks of chemical weapons, and may be involved in a race for biological weapons as well. While the most important component is the Iranian-Israeli nuclear and missile arm race, Iran's ties to Syria – and Syria's efforts – could play an important role as well.

### *Israel's Ballistic Missile and Missile Defense Forces*

Israel has developed missile booster technology and systems that could deliver such nuclear weapons and could strike at any target in the region. Israel has at least two types of long-range ballistic missiles – sometimes called the Jericho, and has almost certainly deployed either an improved version of the second or a third type of system. There are no reliable unclassified reports on Israel's ballistic missile holdings, but unclassified sources speculate that Israel has the following capabilities:

- **Jericho I:** 13.4 meters (44 ft) long, 0.8 m (2 ft 7 in) in diameter, weighing 6.5 tons (14,000 lb). It had a range of 500 km (310 mi) and a nominal CEP of 1,000 m (3,300 ft.), with a payload of 400 kilograms (880 lb). It was intended to carry a nuclear warhead. It seems to be close or identical to the Dassault MD-620, which was test fired in 1965. According to a report in Wikipedia, IAI produced such missiles at its Beit Zachariah facility. It also reports that that around 100 missiles of this type were produced, although there were some problems with its guidance systems. It also reports that The Jericho I is now considered obsolete and was taken out of service during the 1990s.
- **Jericho II:** a solid fuel, two-stage medium-range ballistic missile system tested in launches into the Mediterranean from 1987 to 1992. Wikipedia reports that the longest was around 1,300 km, and fired from the facility at Palmachim, south of Tel Aviv. Jane's reports that a test launch of 1,400 km is believed to have taken place from South Africa's Overberg Test Range in June 1989, but other sources indicate that this was part of a series of launches of a system using a larger booster. It is reported to be 14.0 m long and 1.56 m wide, with a reported launch weight of 26,000 kg (although an alternative launch weight of 21,935 kg has been suggested). Wikipedia reports that it has a 1,000 kg payload, capable of carrying a considerable amount of high explosives or a 1 MT yield nuclear warhead. It uses a two-stage solid propellant engine with a separating warhead. It also reports that the missile can be launched from a silo, a railroad flat truck, or a mobile vehicle. This gives it the ability to be hidden, moved quickly, or kept in a hardened silo, ensuring survival against any attack. It may have maximum range of about 7,800 km with a 500 kg payload.
- **Jericho III:** Estimates of the Jericho III differ sharply. It may have entered service in the late 1990s, but some put it in the late 2006-2008 period. It is reported to be a three-stage solid propellant and a payload of 1,000 to 1,300 kg. Wikipedia reports it may have a single 750 kg nuclear warhead or two or three low yield MIRV warheads, an estimated launch weight of 30,000 kg, and a length of 15.5 m and a width of 1.56 m. Some reports indicate that Jericho 3 has a radar guided, terminal homing warhead in addition to inertial guidance, and is silo-based with road and rail mobility. No reliable estimate of its range exists. It may be able to hit any target in the Middle East and targets as far away as Pakistan and Russia.

Israel has also practiced air strikes that fit nuclear bomb delivery profiles, may well have nuclear-armed air-to-surface missiles that can strike from outside the range of most surface-to-air missile defenses, and may be developing nuclear armed cruise missiles for surface ship and submarine launch. Israel also may have missile warheads with terminal guidance, but this is unclear. If it does not, it would have to use its ballistic missiles to

strike at large area targets like cities, although it could use its strike fighters to launch nuclear strikes on point targets. Commercial satellite photos have been published of earlier Israeli missile sites, including missile silos. Current sites are unknown.

### *Egyptian and Syrian Ballistic Missile Forces*

Both Egypt and Syria have aircraft, long-range missiles and a potential capability to create drones or UCAVs for delivering chemical or biological weapons.

- Syria has extensive holdings of “Scud-B” missiles with a nominal range of 300 meters, a 985 kilogram payload, and operational accuracies of 1,500-2,000 meters. Reports of CEPs as low as 450 meters seem more theoretical than real. Syria also has up to 150 “Scud-C” missiles with 18-26 launchers. These are North Korean modifications of Russian designs – probably variants of the Hwasong 5 although some elements of Rodon 1 technology are possible – and have accuracies that range from 1,500-4,000 meters – although theoretical CEPs as low as 500 meters are reported in some sources. Reports that Syria has a more accurate “Scud-D,” with a CEP of only 50 meters, do not seem accurate. The “Scud C” has a nominal range of 500 kilometers, but a small warhead could extend the range.
- Egypt has an unknown number of “Scud-Bs,” and at least 9-12 mobile TEL launchers. There are a number of reports that it has operational “Scud-Cs” that it produced using technology it obtained from North Korea. Reports indicate that the CIA detected Egyptian imports of “Scud-C” production technology in 1996.

### *Chemical and Biological Weapons*

Egypt, Israel, and Syria have the technology base for manufacturing chemical weapons. Iran is a self-declared chemical weapons power, but has never declared its inventory. Syria is known to have large stocks of a variety of chemical weapons, including bombs and chemical warheads for its missiles. Israeli experts believe that Syria has modern cluster munitions warheads for its missiles and rockets, including ones armed with nerve gas.

Both Egypt and Israel have been caught smuggling key components for chemical weapons in the past, including components for the manufacture of nerve gas. Egypt used chemical weapons in Yemen in the 1960s, and there are strong indications that Israel and Egypt believed the other side had chemical weapons during the 1973 conflict. However, no data exist on either Egyptian or Israeli inventories of such weapons.

Egypt, Israel, Jordan and Syria have a growing technology base to manufacture first and second generation biological weapons, but no reliable data exist to prove any are doing so. If they have made such efforts, they are probably already be able to replicate Soviet-era biological weapons designs, and possibly enhanced or genetically modified versions. They have or can create Level 3 and Level 4 containment facilities and have small reactors suitable for biological weapons production as part of their commercial industries. Given advances in civil biotechnology, they will also have the technology base to manufacture Chimera weapons and use advances like 3D printers in the near to mid term.

It is not known if any country in the Levant has developed advanced designs for the covert use of chemical and biological weapons, advanced systems for line source dissemination, or the use of delivery systems like UCAVs. Their progress in developing and deploying advanced cluster munitions and non-destructive sub-munitions delivery is equally unclear. There have been reports of Syrian missile warheads with cluster

munitions carrying nerve gas. Egypt, Iran, Israel, and possibly Syria all have the technology and manufacturing base to create such weapons, have developed or produced some other form of cluster munitions, and have the capability to manufacture systems munitions and warheads covertly.

The Syrian civil war presents the risk its chemical weapons could fall into the hands of extremists and non-state actors. Even older and less capable CBW systems would be extremely dangerous in the wrong hands. Syria's CBW infrastructure is dispersed across the country to preclude or minimize effective Israeli or NATO targeting in any future war and hold out the possibility of retaliatory strikes using airpower or short range ballistic missiles. What was a sound strategy during times of internal stability has become a liability in Syria's civil war.

So far there is no evidence to suggest Syria's holdings are not secure, or that they have fallen outside the control of the Assad regime. However, in a conflict that could last through 2013 if not for years to come, countries including the US, Israel, Turkey and Jordan cannot but take the potential proliferation risks very seriously. In October 2012, the US Department of Defense confirmed earlier unconfirmed reports that the US was working with Jordan and Turkey on contingencies to prevent or minimize the risk of Syria's CBW holdings falling into insurgent or extremist hands, and for dealing with contingencies where safeguards risked being significantly compromised by the conflict.<sup>120</sup>

### *Nuclear Weapons*

As Part II of *Iran and the Gulf Military Balance* analyzes in detail, Iran's nuclear and missile programs could radically alter Iran's future ability to target Israel and other major powers in the Middle East. This, however, is only one of the threats weapons of mass destruction pose in the region.

Israel sees nuclear weapons in the hands of any potential enemy as an "existential threat" and has already carried out preventive strikes on nuclear facilities in Syria. On September 6, 2007, the Israeli Air Force targeted and destroyed the Al Kibar facility in Dair Al-Zour on grounds the remote installation may have housed a nuclear reactor.<sup>121</sup> While weapons of mass destruct (WMD) are not often associated with US-Iran strategic competition in the Levant, they cannot be discounted as a source of potential instability and a means of shifting the regional balance of power in Iran's favor.

Israel, in turn, is widely reported to have nuclear weapons and advanced ballistic missiles. Israel obtained substantial amounts of nuclear weapons design and test data from France before 1968, and seems to be able to manufacture fission, boosted and thermonuclear weapons. There are no reliable unclassified figures on Israel's holdings of nuclear weapons or the mix of delivery systems it has available, but most unclassified reports indicate they are reports they have been manufactured at the Negev Nuclear Research Center, outside the town of Dimona.

Outside experts have made estimates of the plutonium production capacity of the Dimona reactor that indicate Israel could have 70-300 such nuclear weapons. Global Security estimates that the total could be as high as 375 to 500 weapons. However, such estimates are based on nominal production figures and very uncertain estimates of the material

required for a given number of nuclear weapons. These estimates do not attempt to give any details as to yield, design, or the mix of fission, boosted, and thermonuclear weapons.

## **Implications for US Policy**

Military developments are only one part of US and Iranian competition in the Levant and Egypt. It is clear, however, that the US must be prepared to deal with the emergence of asymmetric warfare as a key aspect of the military balance in the Levant and with threats that range from low-level use of asymmetric warfare by non-state actors to the threat of long-range missiles and weapons of mass destruction. It must also be as prepared to deal with threats from non-state actors as governments.

This requires the same kind of close military partnership between the US and allies like Israel, Egypt and Jordan that the US needs to maintain with the Southern Gulf countries. It also will require continuing US aid, and the US to constantly adapt to regional political upheaval it can neither predict nor prevent. Any apparent stability in the area between the 1973 War, the end of the Cold War, and the beginning of the uprising in Tunisia in 2011 is clearly over and is likely to be over for well over a decade.

Part II of this analysis shows, however, that this is only part of the story. US military assistance and aid efforts must be linked to political and economic efforts as well. The US must be prepared to deal with the full range of factors driving instability in each country in the Levant as well as Egypt, and serious as some potential military risks may be, the political, economic, religious, and social upheavals may ultimately prove to be more important.

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- <sup>16</sup> See the Foreign Assistance Act of 1961 (FAA), the Arms Export Control Act (AECA) and the Foreign Operations Appropriations Act (S/FOAA).
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