

# The U.S.-Israel-Egypt Trilateral Relationship:

## Shoring Up the Foundation of Regional Peace

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### ABOUT THE AUTHORS



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### Articles & Testimony

**M**r. Chairman, Ranking Member, and Distinguished Members of Congress:

Mr. Chairman, I would like to commend you for holding a hearing on this topic. It is a theme that is often neglected, but it is an issue that has important consequences for all three countries -- the United States, Egypt and Israel -- and particularly for the prospects of peace between Israelis and Palestinians.

As you know, in 1979, Egypt and Israel became the first parties of the Arab-Israeli conflict to sign a peace treaty. Almost thirty years later, the peace treaty remains strong. In the past, Egypt was the linchpin of the Arab war coalition. Without Egyptian participation, there would not have been any of the periodic inter-state wars between Israel and its Arab neighbors that began in 1948 and ended 35 years ago in 1973. The peace between Egypt and Israel however has often been derided as a "cold peace," amid Israeli complaints that Egypt has avoided the spirit of normalization since the inception of the treaty. The Egyptians say failure to solve the conflict with the Palestinians is the reason for the chill.

### High Stakes

Whatever the reason, relations must be revisited with a new spirit today. Egypt is already in the process of leadership transition in which the fate of the Egypt-Israel relationship may be up for grabs. The United States has a strong interest in an outcome with a new leadership in Egypt that sees peace with Israel and partnership with America as a cornerstone of its national interest. Hence, our interest in promoting closer ties.

Egypt and Israel definitely have common interests. Neither side favors a Hamas government in Gaza -- a fear that became a reality in the wake of the Hamas take-over in June 2007. Egyptian President Hosni Mubarak reportedly said recently, "The situation that has developed in the Gaza Strip in recent months has led to Egypt in practice having a border with Iran." Both Egypt and Israel oppose not only Iranian support for the Hamas-backed government in Gaza, but also oppose Iranian support for Hizbullah in Lebanon and Iran's effort to develop a nuclear program. A strong Iran hurts Egypt and is an existential threat to Israel. While Egypt and Israel's interests converge, they are not identical. To be fair, they have not reached a consensus upon how they view the future role of Gaza in relationship to their own countries, as each side has a "hot potato" approach. However, I would argue that their common interests

still outweigh their differences. Therefore, the issue is how the parties, with U.S. assistance, 'operationalize' their common interests. Moreover, apart from the Gaza issue, I would like to offer a few policy suggestions on how to bring about greater trilateral cooperation between the United States, Egypt and Israel. The worst case scenario seems to be playing out at present, whereby Hamas's presence is hurting the bilateral Egypt-Israel relationship amid tough public recriminations on both sides (although these have been more muted in recent months).

Clearly, the most pressing issue is contention over whether Egypt is being sufficiently pro-active in sealing its side of the border and halting the weapons smuggling from the Sinai to the Gaza Strip. Rockets smuggled into Gaza are then carried to northern Gaza and fired by Hamas or other rejectionist Palestinian groups at innocent Israelis in adjacent cities and villages. It is estimated that since Hamas's rise to power in Gaza in January, 2006 through April 2008, 2,568 such rockets hit Israel.

It remains unclear if the goal of the rocket fire is primarily to establish a terror weapon designed to indiscriminately hit Israel or whether the rockets are part of a broader effort to emulate Hizbullah's military capabilities. The objectives are not mutually exclusive. There are an estimated 40 tunnels along the 8 mile area of the Philadelphia corridor that runs along the Gaza-Sinai border. Many tunnels have multiple openings. Qassem rockets have a range of 6 miles and have led 5,000 or so Israelis to flee the town of Sderot that had a population of 24,000 people. Now there are Iranian Grad rockets -- smuggled in four sections through the tunnels -- that have a range of 10 miles. It was a Grad rocket that hit a shopping mall in Ashkelon (a city with 106,000 people) last week. The Israeli head of military intelligence General Amos Yadlin told the Israeli newspaper Haaretz that within two years, Hamas will have the capacity to hit Beersheva, which has a metropolitan area of approximately 600,000 people.

Pressure is building inside Israel for a major incursion into Gaza. Israel may agree to a 'tehadia' or calming down as suggested in news reports in the wake of Israeli Defense Minister Ehud Barak's visit to Egypt, but my sense is that there is heavy doubt it will hold since the very definition of a ceasefire is not precisely spelled out and there is no third party enforcement mechanism. As such, a ceasefire could collapse very easily as the result of a minor incident. Undoubtedly, the biggest argument against a lasting ceasefire is that Hamas will use the period to rearm will continue to smuggle in weapons from the Sinai. Therefore, it is up to Egypt. If it wants a cease fire to last, it must do better in halting the smuggling. Failure to address the smuggling issue not only will lead to a major Israeli incursion but will also put pressure on the parties to freeze the Annapolis talks that Israel is engaged in with Palestinian Authority leader Mahmoud Abbas. While there have been many quiet signals that all the surrounding Arab state actors would like Israel to deliver a devastating blow to Hamas, these same actors will most likely condemn Israel once the incursion is broadcast on Arab satellite television. In short, unless the smuggling issue is addressed, Israel's peace talks with the PA are imperiled. The stakes are high

#### Egyptian and Israeli Views

For its part, Egypt has charged that Israel is out to embarrass them as part of an effort to hurt U.S.-Egyptian relations. Egypt says tunnels existed before 2005 when Israel was in control of Gaza and Israel has not been successful either in halting the creation of tunnels that have been an avenue of commerce for families who live in that border region. They note that during the second intifada from 2000-2004, Israel confiscated many rocket-propelled grenade launchers, explosives, Kalashnikov rifles, much ammunition and even built a 25 foot concrete wall -- ten feet of which was underground -- but to no avail. Egypt says the tunnel shafts are largely on the Palestinian side of the border, but even plugging the tunnel entry points on the Egyptian side would have a major impact. Egypt believes it should get more credit for trying to broker a 'tehadia.'

Yet, Israel sees itself as the victim of a status quo that no country would tolerate. Having just returned from the Middle East several days ago, I believe I can claim with a high-level of certainty that Israel views the lack of Egyptian action more as a result of deliberate policy and not as a lack of capacity. Charges of bad faith make it all the more

important that new approaches -- trilateral and bilateral -- be considered.

The Israelis reject a few core claims. First, they do not believe the smuggling of rockets is the work of rogue elements in the Egyptian security services who are paid by local smugglers to turn a blind eye. Second, they also find it hard to believe that a country of 72 million that has turned the tide in terrorism everywhere else in the country is suddenly helpless against elements within the estimated 60,000 Bedouins in the northern Sinai. Israel has provided Egypt with the names of 250 smugglers and asked that they be arrested. Israel knows of none that have been arrested. Egypt says it has sometimes arrested smugglers, but no numbers are known. Nor is it known if a single person has been convicted or sentenced. Third, Israel rejects the view that the problem is insufficient Egyptian troop levels along the Sinai-Egyptian border. Just as in hockey the game is not entirely dependent upon the goalie, but rather with players who intercept the puck up-ice, the problem of weapons smuggling extends along the key arteries in the Sinai desert where there are no restrictions on troops, all the way to the Red Sea to the Sudanese-Egyptian border. (Egypt says having more troops would be useful, but Israel points out that the current arrangement of 750 border guards was the result of a 2005 Memorandum of Understanding with Cairo and that, prior to this agreement, Egypt had only local police forces in place. There are different views in Israel on this, and some think Israel should accede to a higher number if only to call Egypt's bluff, so to speak. Regardless, it is very possible that the entire focus on troop levels along the Philadelphi Road is a secondary matter and that the need for broader efforts for interdiction elsewhere in the Sinai and in other parts of Egypt should be the primary concern.) Israel believes that Egypt has avoided being energetic in interdicting the smuggling for a variety of reasons, ranging from glee in seeing Israel bleed to avoid angering supporters of the Moslem Brotherhood in Cairo, to a longer term hope that they could remove troop restrictions on the Egypt-Gaza border. At the same time, Israelis admit that Egypt became much more energetic after Hamas breached a Gaza wall in January this year and hundreds of thousands of Gazans spilled into Sinai for a few days. Indeed, Egypt acted quickly and constructed a wall to fill the breach. Yet, it remains unclear whether the wall will affect not just the overland human traffic from Gaza into Egypt, but also the ongoing tunnel weapons traffic into Gaza.

#### How the United States Can Help Combat Smuggling

So, how can the United States be of assistance? After the U.S. Army Corps of Engineers drafted a geological assessment of the smuggling networks several months ago, the United States subsequently allocated \$23 million of aid to Egypt towards procuring advanced detection equipment such as sensors and remote-controlled robotic equipment to thwart smuggling along the border. So far, the equipment has not been delivered. Failure to expedite delivery sends an unfortunate signal that the United States is not serious about this issue.

It would be useful to set up ongoing consultations between the United States, Egypt and Israel to discuss this issue. Whether a trilateral security commission has representatives near the site is only one dimension. If this on-site approach prevails, it could be useful to have someone like General Keith Dayton who is on the ground in the West Bank and trains Palestinian troops. But the main consultations should be at a high level and should leverage the significant sway of the United States. Such consultations should be flexible. A trilateral format could supplement, and not be a substitute for, the existing bilateral Egyptian-Israeli consultations that are being headed by Egyptian head of Intelligence Omar Suleiman and Israel's Ministry of Defense advisor Amos Gilead. The flexibility of the format would assuage Israeli concerns that the bilateral Egypt-Israel security relationship would not be eroded, or that the United States would prioritize other dimensions of the U.S.-Egyptian relationship at Israel's expense. Format flexibility would lead to greater U.S.-Israel and U.S.-Egyptian consultations, as well. It will also lend itself to making this issue a greater diplomatic priority for the United States as it engages the highest levels in Egypt, as well as other Arab and European countries. While one can debate about whether unprecedented Congressional action on linking \$100 million in aid was focused on the tunnels or not, there is no doubt that energetic action by the Administration

would bring the issue outside of the congressional context.

U.S.-led assistance should be extended to intelligence as well, especially if the problem is located in the broad Sinai and maritime space away from the border. It may help prevent al-Qeada's efforts, as in the past, when Egyptian resorts were targeted in the Sinai. To that end, it would be interesting if the United States could help enlist the Multinational Forces Organization (MFO) that exists in the Sinai as part of the 1979 peace treaty. The MFO was designated to monitor troop movements and ensure that no war would break out. I wonder if it is worth studying whether this or a new MFO could be established that would assist Egypt in monitoring the movement of smugglers.

In terms of the scope of the problem within the Sinai Desert, it is interesting that Egypt has not created employment nor housing opportunities for the Bedouins living in the Sinai. In Israel's Negev, there is a Bedouin city of Rahat and employment opportunities in fields such as therapeutic plants, embroidery, and jewelry. There is nothing comparable in the Sinai. I would recommend that we, the United States, call on our friends and allies in Europe and elsewhere to look into a Sinai development package. Of course, it needs to be crafted carefully so as not to offend Egyptian pride, but the need is real.

Failure to find more adequate security arrangements in Gaza will lead to violence. Failure by the Egyptians to solve the problem could lead to Israel reclaiming the Palestinian side of the Philadelphi Road in southern Gaza or interest in international enforcement that exists in the Balkans. So far, neither NATO nor others have volunteered to provide an enforcement force that goes considerably beyond the very limited European monitoring of the Rafah crossing point.

#### Strategic Dialogue

Building upon the foundation of peace should clearly extend beyond the issue of weapons smuggling. It is a sad state of affairs that there has not been a bilateral Egypt-Israel strategic dialogue since the peace treaty fully took effect in 1982. When there is no dialogue, the parties tend to attribute the worst motives to policy differences and do not act together when interests converge. As long as the parties do not connect, the peace will not only remain cold, but misunderstandings are bound to increase. The lack of dialogue is especially glaring given that Egyptian military officers do not visit Israel, and, with the exception of Yitzhak Rabin's funeral in 1995, Egyptian President Hosni Mubarak has not visited Israel since coming to office 27 years ago. There would be much to discuss in a high-level strategic dialogue between the two countries, given that both share a risk perception of Iran, Hizbullah, and even Hamas. Also, given that strategic dialogues are traditionally kept away from the headlines, this should lend itself to an important exchange of views on common issues of regional concern. Again, in order to avoid the parties talking past each other, the format of the dialogue could sometimes be trilateral and sometimes be bilateral. Here, the United States is indispensable in institutionalizing the obvious dearth of dialogue. If it is to occur, it is critical that it be chaired in the United States at a high-level in order to convey our sense of the seriousness of the effort.

#### Economic Projects

Apart from the security and political dimensions, there are important economic dimensions of peace which should not be neglected. There have been too few Egyptian-Israeli joint economic ventures. However, there are a few joint ventures of note. After Oslo was signed in 1993, the Egyptian and Israeli private sectors agreed upon a \$1.3 billion petroleum refinery in Alexandria. More recently, the parties agree on a natural gas pipeline called the East Mediterranean Gas project. This provides Egypt with a \$1 billion of annual revenue for natural gas exported to Israel. The Egyptian-Israeli memorandum of understanding of 2005 was the first since the peace treaty. Finally, thanks to the support of the U.S. Congress, there are many Qualified Industrial Zones between the two countries, facilitating free trade to the United States and creating a peace dividend.

In this context, it would be useful to expand economic cooperation between Egypt and Israel with the support of the

United States. Egypt and its neighbors have major energy needs. A major power plant in the northern Sinai town of Al-Arish could develop a key part of the Sinai, helping Egypt, Gaza, Israel, West Bank and even Jordan. A major desalination plant could also be useful.

## Conclusion

The United States can help lead a multi-pronged strategy bringing together the security, political and economic dimensions to shore up the U.S.-Egypt-Israel relationship. We know that Iran has been bolstering its proxies. It is necessary for the United States to now deal with a neglected part of the relationship that is the foundation of any bid for Mideast peace. Given that Egypt and Israel have led the way in peace, it is fitting that this foundation now be strengthened. ❖

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