

Heard on the Hill

Congress Boosts Aid to Israel. The House and Senate passed—and President Bush signed into law—a bill that increases Israel's total security assistance for fiscal year 2009 to \$2.55 billion. The boost in Israel's aid, \$170 million, was included as part of a supplemental spending package for U.S. operations in Iraq and Afghanistan. Backed by the bipartisan leadership of the House and Senate, the supplemental aid reflects American commitments to Israel under the new 10-year, \$30 billion aid agreement signed by the two countries last year.

• • •

Letters Reiterate Key Peace Principles. In bipartisan letters sent to President Bush, Congress reaffirmed American support for Israel's quest for peace. The House and Senate letters to the White House also reiterated Israel's right to self-defense and called on Arab states to do more to support Israeli-Palestinian negotiations.

The House letter, signed by 268 representatives, was authored by Reps. STENY HOYER (D-MD), ROY BLUNT (R-MO), HOWARD BERMAN (D-CA) and ILEANA ROS-LEHTINEN (R-FL). The Senate letter, signed by 77 senators, including Sen. JOHN MCCAIN (R-AZ), was authored by Sens. MARY LANDRIEU (D-LA) and SUSAN COLLINS (R-ME), and was reinforced by an additional message by Sen. BARACK OBAMA (D-IL).

• • •

Lawmakers Back U.S.-Israel Energy Cooperation. The House Appropriations Subcommittee on Energy and Water passed an energy bill that includes \$2 million in funding for U.S.-Israel energy cooperation programs aimed at reducing the two countries' dependence on oil. The new funding, championed by Reps. STEVE ISRAEL (D-NY) and PETE VISCLOSKY (D-IN), would help advance joint programming in the fields of solar energy, wind energy, biomass energy and other areas. •NER•

INSIDE

NER Interviews:
Lebanon Expert David Schenker

AIPAC Analysis:
Mideast States Seek Nuclear Programs

NEAR EAST

Report

JULY 1-15, 2008

**AIPAC'S BIWEEKLY ON AMERICAN
MIDDLE EAST POLICY**

EDITOR'S COMMENTS

Bold Leadership

In this time of heightened anxiety and uncertainty in the Middle East, Congress has taken a crucial step toward ensuring the safety and security of our nation's closest ally in the region. Earlier this month, the House and Senate overwhelmingly approved, and President Bush signed into law, funding that increases Israel's total security aid for fiscal year 2009 to \$2.55 billion.

The funding—\$170 million in additional security assistance to Israel—is in line with America's new 10-year, \$30 billion aid agreement with the Jewish state and was included as part of the Supplemental Appropriations Acts of Fiscal Years 2008 and 2009.

Aid to Israel is not normally included in the supplemental. But with Congress expected to enact a Continuing Resolution at the end of this fiscal year—which will keep all federal programs, including aid to Israel, at fiscal year 2008 levels—bipartisan Congressional leaders acted to lock in the critical aid increase to Israel as soon as possible.

Speaker of the House Nancy
...see *Editor's Comments cont'd* on pg. 46

Closing the Valve

**CONGRESS CALLS FOR A BAN ON THE
SALE OF GASOLINE TO IRAN**

As Iran moves dangerously close to acquiring a nuclear weapons capability, bipartisan leaders in Congress have called for tougher sanctions against Tehran.

Members of the House and Senate have introduced resolutions (H. Con. Res. 362 and S. Res. 580) calling on the administration to lead an international effort to curtail the export of refined petroleum—namely, gasoline and diesel—to Iran.

Although Iran sits on some of the world's largest oil reserves, the regime in Tehran is unable to refine enough of its own oil to meet domestic demand. In fact, Iran must import an estimated 40 percent of its refined petroleum.



Photo by the Associated Press

In order to meet domestic demand, Iran must import 40 percent of its refined petroleum.

The Iranian government is vulnerable to new sanctions; it heavily subsidizes the price of gasoline in order to placate a restive population that expects cheap fuel from one of the world's top oil exporters.

With this fragile economic situation in mind, the Congressional resolutions press other countries to join in a ban on the sale of refined petroleum products to Iran by its international suppliers. The goal is to generate significant internal pressure on the regime so that it will suspend its efforts to enrich uranium—the key step toward developing nuclear weapons.

The House version of the resolution currently has 221 cosponsors, and the Senate version has garnered 33 cosponsors, as of press time. •NER•

David Schenker is a senior fellow and director of the Program on Arab Politics at the Washington Institute for Near East Policy.

Near East Report: How much political power does Hizballah have in the Lebanese government?

David Schenker: Last May, Hizballah emerged from the Doha Agreement [a power-sharing deal among rival Lebanese factions] with more *de jure* power. They were granted a blocking third in the government. That means one-third of the cabinet seats plus one will belong to Hizballah and its allies. This will enable them to block any major government initiatives.



Photo courtesy of Washington Institute
Schenker says that the Lebanon-based terrorist army Hizballah is ready for another war.

But the Doha Agreement does not really represent a change in the status quo because, as we saw, Hizballah already had the ability to block government policies. Last May, the central government had decided to remove the pro-Hizballah Lebanese Armed Forces (LAF) officer in charge of the Beirut airport, and to dismantle Hizballah's illegal telecommunications network. But when Hizballah didn't like these decisions, they rejected them and attacked Beirut.

I don't think the Doha Agreement brings about any real change on the ground, but psychologically, the reincorporation of Hizballah into the Lebanese government is incredibly damaging and a big setback for the Western-backed democratically elected government. It also showed how little the United States could do to protect its allies in Beirut from Hizballah.

NER: Should the U.S. continue giving military assistance to the LAF, which has cooperated with Hizballah in the past?

DS: The Bush administration has tried to strengthen the government of Lebanon through the provision of robust assistance to the LAF. Over the past two or three years, Lebanon has become the second

largest per capita recipient of U.S. foreign military aid, behind Israel.

But the LAF is constrained because it is comprised of the same ethnic and religious composition as the rest of the country. The fear is that if the LAF is tasked with a politically controversial mission, it will fracture. In any event, there is little concern LAF weapons will be transferred to Hizballah—the organization has its own highly advanced equipment already.

Recognizing these limitations, U.S. focus has been to try to build an institution. In this context, the policy makes sense.

NER: What are American goals in supporting the military and other pro-Western forces in Lebanon?

DS: U.S. support for the LAF serves two purposes. It enables the LAF to take on non-controversial counterterrorism missions against al-Qaeda or Fatah al-Islam. This is good for maintaining security in Lebanon. It's in our interest that Lebanon defeat these groups and not allow them to establish another base of support in the Middle East, which is something that could happen, given how weak the central government is.

Washington has realistic expectations about what the LAF can and will do vis-à-vis Hizballah, given the composition of the military and the fact that the military itself would not fare particularly well against Hizballah in a direct confrontation.

In building up the Lebanese army, the U.S. is trying to strengthen one of the few, if not the only, respected national institutions—to create the ethos of national belonging, so that someday this organization may be able to carry out the orders given to it by the central government. The U.S. doesn't anticipate this will happen any time soon. Maybe in a decade, but they believe it's a worthwhile investment.

NER: What is Hizballah's current military strength?

DS: Nasrallah has said that Hizballah possesses up to 80,000 rockets and missiles—some 30,000 of these south of the Litani River—in violation of U.N. Security Council Resolution 1701. Everyone agrees

that Hizballah has rearmed, including Ban Ki-moon and Terje Roed-Larsen. Hizballah has retrenched, rearmed, and they are ready to go when the decision is made.

Resolution 1701 was supposed to prohibit Hizballah rearming itself as a military power south of the Litani. Hizballah has dug in just north of the Litani with bunkers and ammunition, just like they had south of the Litani before the war. And we know that Hizballah has established a comprehensive fiber optic network south of the

IN BUILDING UP THE LEBANESE ARMY, THE U.S. IS TRYING TO STRENGTHEN ONE OF THE FEW, IF NOT THE ONLY, RESPECTED NATIONAL INSTITUTIONS.

Litani, which enabled Hizballah to maintain secure communications during the war with Israel in 2006. Now we've learned that the same line reaches much farther to the north, near Beirut. Hizballah really has reestablished itself.

NER: What should we expect to see in Lebanon in the coming year?

DS: We're going to be treading water until the Lebanese elections in 2009. Lebanon chose a new president, but General Suleiman is not a panacea. I worry that the international coalition around Lebanon is eroding. The French, who have been so good on Lebanon, have invited Assad to Paris to talk about Lebanon. Lebanon fatigue is setting in. The international community appears to be losing steam.

The one point of pressure that Lebanon has against its enemies is the international tribunal. It's widely believed that Syria is going to be implicated in the 2005 murder of former Lebanese premier Rafiq Hariri, but Hizballah may take certain steps in the cabinet to undermine Lebanese support for the tribunal, to protect Syria.

It will be critical for this tribunal to issue indictments as soon as possible so that this one point of leverage on the Syrians will not evaporate. If it does, this will be the end of the "Cedar Revolution" and a real setback for the United States and for Lebanon. •NER•

Heightened Concern

AS IRAN PRESSES AHEAD WITH ITS ILLICIT NUCLEAR PROGRAM, OTHER COUNTRIES IN THE MIDDLE EAST CONSIDER RESPONDING IN KIND—A WORRISOME DEVELOPMENT FOR AN ALREADY VOLATILE AND UNPREDICTABLE REGION

In the past two years, more than a dozen countries in the Middle East have announced plans for nuclear energy, citing economic concerns. But given the historical near absence of nuclear programs in the Middle East—a region flush with oil and other fuel resources—this spike in nuclear interest can only be attributed to one cause: Iran's aggressive quest for an atomic bomb.

Iran's Nuclear Ambitions Worry Countries Within Missile Range

In recent months, Iran has accelerated its efforts to enrich uranium, which could give the Islamic Republic the ability to produce enough highly enriched uranium for a nuclear weapon as early as the end of next year. Since Tehran already has missiles in its arsenal that can reach every corner of the Middle East, countries in the region worry that it will only be a matter of time before Iran is able to fit nuclear warheads onto its long-range missiles.

Even without atomic weapons, Iran is already the world's leading state sponsor of international terrorism, providing weapons, training and money for Hizballah and Hamas. Middle Eastern countries fear that a nuclear-capable Iran would alter the strategic balance of the entire region.

Although assumed to have a nuclear arsenal for decades, Israel has not inspired its neighbors to seek atomic weapons. It is Iran, not Israel, that worries everybody in the region.

With this danger in mind, many states in the region have reevaluated their own nuclear policies in order to counterbalance Persian hegemony.

Key Regional Players Seek Nuclear Programs

"If any country in the region were to follow Iran in developing a latent nuclear-weapons capability," a study by the International Institute for Strategic Studies (IISS) notes,

"Egypt may be the most likely candidate." Long worried that Cairo's regional influence is weakening, Egyptian President Hosni Mubarak declared last year that developing nuclear know-how is "an Arab right." As early as September 2006, Egypt announced plans to revive its dormant nuclear power program. Egypt signed a nuclear cooperation deal with Russia in March of this year, allowing Moscow to bid on a nuclear reactor project in Egypt.

Sitting just across the Persian Gulf from Iran, Saudi Arabia would also be greatly affected by the new balance of

by a nuclear-armed Iran.

As former U.S. Middle East envoy Dennis Ross has argued: "If Iran goes nuclear, Saudi Arabia almost certainly will, as well. They will not allow Iran to use a nuclear shield behind which it can engage in coercion and subversion."

Turkey is another key Middle Eastern country that would be at a disadvantage if the regional balance of power shifted in Iran's favor. Although Turkey is formally protected by the North Atlantic Treaty Organization's (NATO) collective security guarantee, growing Turkish skepticism about NATO could lead it to consider its own deterrent capabilities.

Turkey has a well-established nuclear research agency already in place and preliminary work has begun on its civilian nuclear program.

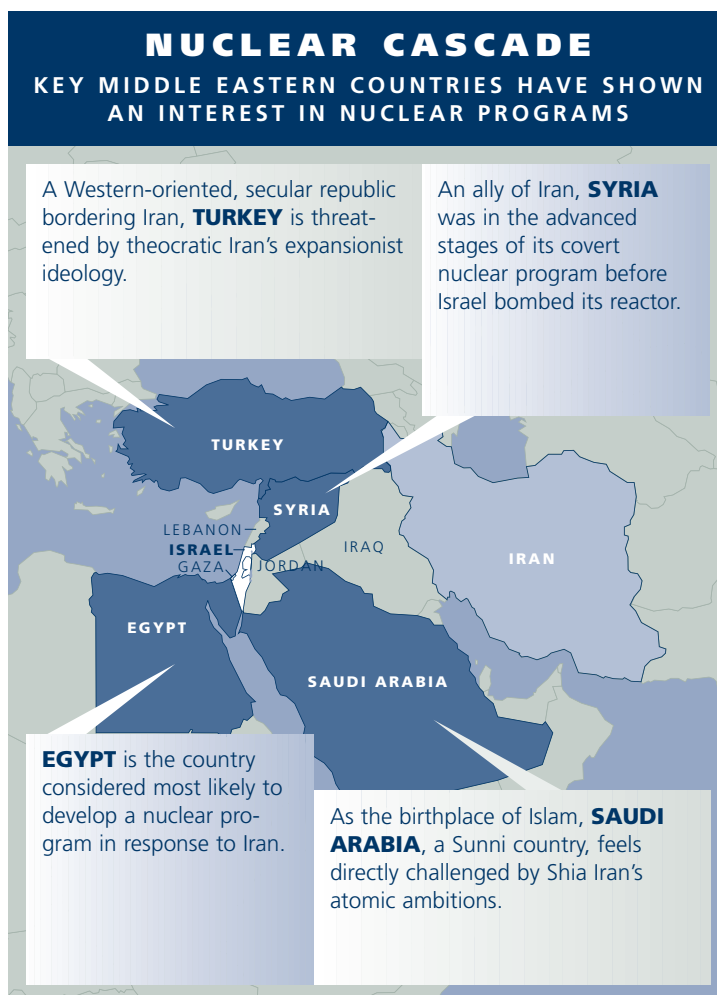
Nuclear Proliferation Threatens Israel

Egypt, Saudi Arabia and Turkey are just a few examples of a long list of Middle Eastern countries that have responded to Iran's atomic ambitions with a newfound interest in nuclear capabilities of their own. For the sake of international peace and security, stopping nuclear proliferation in the Middle East is sure to be a top policy priority for the next presidential administration.

At the center of the drama is, of course, Israel. As a tiny country in the heart of the volatile region, Israel does not have the luxury of hoping for the best. The Jewish state is deeply concerned that nuclear weapons could wind up in the hands of potentially unstable

authoritarian governments in the region—governments that might one day be replaced by radical Islamist regimes.

Time is running out. If Iran goes nuclear, there is every indication that nuclear programs will cascade across the Middle East. •NER•



power in the region should Iran go nuclear. The oil-rich desert kingdom has no need for new sources of energy. The Saudi monarchy's atomic ambitions stem strictly from strategic calculations. It does not want to be dependent on the United States for its security and would be directly threatened

Pelosi (D-CA) and House Republican Leader John Boehner (R-OH) were at the forefront of this effort. One month ago at AIPAC's Policy Conference, Pelosi announced her intention to ensure that Israel received the full increase in aid called for under the new 10-year plan by including the additional funds in the supplemental.

U.S. security assistance is the most tangible expression of American support for the Jewish state. Indeed, the aid increase is vital to ensuring that Israel maintains its qualitative military edge over its potential adversaries.

With a rearmed Hizbullah entrenched in the north, ongoing Hamas rocket attacks from the south and a nuclear-minded Iran to the east, Israel has little room to breathe. These same adversaries are also working to undermine other critical U.S. interests in the Middle East. By helping Israel, America strengthens its own position in the region, as well.

The supplemental also provides economic and security aid to the Palestinian Authority (PA) led by Mahmoud Abbas. Under strict oversight, the PA funding is aimed at improving economic conditions in the West Bank, as well as bolstering security and governmental reforms.

The effort to lock in this vital increase in U.S. aid to Israel could not have happened without the active support of the bipartisan leadership of the House and Senate. They should be applauded for their efforts. •NER•

Natural Allies

THE CHIEF OF THE U.S. FOREST SERVICE TRAVELS TO ISRAEL TO LEARN HOW THE JEWISH STATE PRESERVES NATURE AND CONSERVES RESOURCES

U.S. Forest Service (USFS) Chief Abigail Kimbell recently returned from a visit to Israel, where she had the opportunity to study the Jewish state's forestry techniques.

The five-day trip, sponsored by the Jewish National Fund (JNF), brought Kimbell to field locations across the country to witness a handful of the many projects made possible by U.S.-Israel cooperation on the management of forests, parks, grasslands, migratory species and watersheds.

"The relationship between the USFS and JNF is a true partnership," said Kimbell, the fifth USFS chief to visit Israel. "We face many common challenges, and we are able to learn from our forestry colleagues in Israel as much as they learn from us."

During her visit, Kimbell toured the Yatir Forest's long-term climate and forestry research station, analyzed flood control projects near Beersheba, studied ancient water harvesting techniques in Avdat and witnessed post-forest fire rehabilitation work in northern Israel.

"I was impressed by the many dedicated conservationists in Israel working to create healthy forests and parklands for the Israeli public, to find landscape level man-

agement solutions to water conservation, and to advancing environmental education," Kimbell said.

The USFS and JNF have been working for more than 20 years to overcome many common environmental challenges.

In 1987, when Israel experienced devastating forest fires in the Jerusalem-Tel Aviv corridor, the USFS assisted with recovery and rehabilitation efforts. Since then, the partnership has led to significant cooperation on a number of other natural resource management issues.

While the program has grown and remains strong over its twenty-year history, U.S.-Israel

cooperation is expected to become even more important in the coming years.

"In my travels and discussions this year as chief of the Forest Service, three themes in particular have stood out: climate change, water issues and the loss of a connection to nature, especially for kids," Kimbell explained. "These are challenges that I believe the U.S. and Israel share."


"History will judge the conservation leaders of our age by how well we respond to these challenges and how well we cooperate across borders for the greater good." •NER•



Photo courtesy of U.S. Forest Service
U.S. Forest Service Chief Abigail Kimbell toured Israel with JNF officials.

Periodicals postage paid at Washington DC and additional mailing offices. Postmaster: Send address changes to Near East Report, 251 H Street, NW, Washington DC 20001. Printed on recycled paper.

NEAR EAST RESEARCH, INC.
251 H Street, NW
Washington, DC 20001
www.aipac.org



NEAR EAST REPORT

Board of Directors:
Abe Pollin
Gerald Charoff
President
Edward Levy, Jr.
Vice President
Amy Friedkin
Treasurer
Richard Fishman
Secretary
Howard Kohr

Dr. Raphael Danziger
Editor-in-Chief
Renee Rothstein
Executive Editor
Joshua Block
Executive Editor
Daniel Rubenstein
Assistant Managing Editor
Benjamin Weiss
Zvi Kalne
Associate Editor
Steven Beckerman
Senior Research Analyst
Michelle Dorn & Luke Burke
Research Analysts
L.L. Kenen
Founder, 1905-1988

#AACT
E-mail: update@aipac.org
5200.
Information, call 202-639-
Subscription and billing
per year: For circulation,
Subscriptions \$50
East Research, Inc. at
Washington, DC 20001
251 H Street, NW
is out of session by Near
Published biweekly
except when Congress
(ISSN 0028-176X).