
From: Terje Rod-Larsen <[REDACTED]>
Sent: Tuesday, March 27, 2012 9:50 AM
To: 'Jeevacation@gmail.com'
Subject: Fw: Behind the scenes of Israel's new submarine deal with Germany

From: Fabrice Aidan <[REDACTED]>
To: Terje Rod-Larsen
Sent: Sun Mar 25 11:57:20 2012
Subject: Fw: Behind the scenes of Israel's new submarine deal with Germany

Sent by Fabrice Aidan, United Nations

From: "Barak Ravid" <[REDACTED]>
Sent: 03/25/2012 05:53 PM ZLT
To: "Barak Ravid" <[REDACTED]>
Subject: Behind the scenes of Israel's new submarine deal with Germany

* Published 03:53 25.03.12
* Latest update 03:53 25.03.12

Behind the scenes of Israel's new submarine deal with Germany

Israel's agreement with Germany to buy a top-of-the-line submarine proves that Chancellor Merkel is a true friend of Israel's, says ex-ambassador.

<http://www.haaretz.com/news/features/behind-the-scenes-of-israel-s-new-submarine-deal-with-germany-1.420551>

By Barak Ravid <<http://www.haaretz.com/misc/writers/barak-ravid-1.325>>

Israel's deal with Germany to acquire three new submarines over the next six years represents more than just a boon to the Israeli navy's fleet. Last week's agreement between Israel and Germany suggests a surprisingly good rapport

between Prime Minister Benjamin Netanyahu and Chancellor Angela Merkel at a time when relations are otherwise thought to be tense, according to a veteran diplomat involved in the deal.

Two new German-made Dolphin submarines are expected to cross the Mediterranean and join the Israel Navy's fleet within the next two years, under a deal reached previously between Israel and Germany. This Wednesday, after numerous stops and starts, another agreement was reached, whereby Germany will pay for one-third of the production costs of a third submarine, which is estimated at \$400 million.

Present at the signing of the agreement in Berlin on Wednesday - along with Defense Minister Ehud Barak and Israeli Ambassador to Germany Yaakov Hadas - was Yoram Ben Zeev, the ambassador's predecessor in Berlin, who only recently left the German capital. Ben Zeev recalls numerous obstacles over the years that threatened to thwart the agreement.

At 67, Ben Zeev is a veteran diplomat who served for 40 years in the Ministry of Foreign Affairs. He took up his position in Berlin at the start of 2008 after more than a decade working in the United States - first as the consul in Los Angeles and later as head of the North America desk. During the years of the Oslo Accords, Ben Zeev was the coordinator of the peace negotiations on behalf of the Foreign Ministry. He maintained close relations with the German leadership, particularly officials in Merkel's bureau. When Prime Minister Benjamin Netanyahu took office at the end of March 2009, Ben Zeev had already been serving in Berlin for more than a year.

Netanyahu made his first visit to Berlin in August of that year, but even before he set foot on German soil the preparatory talks between his national security advisor, Uzi Arad, and Arad's German counterpart, Christoph Heusgen, hit a rocky patch. Arad demanded that the chancellor not bring up the issue of the settlements during the press conference after the meeting with Netanyahu. Heusgen rejected this request, and Arad responded by threatening that Netanyahu would cancel his visit.

"You know what? Cancel it," Heusgen reportedly charged back.

In the end, the visit was not canceled, and at the press conference following the meeting with Netanyahu, Merkel called upon Israel to freeze construction in the settlements immediately.

Despite this tense start, the meeting between Netanyahu and Merkel did prove fruitful, and Israel asked Germany to provide a sixth German-made submarine for its navy.

Germany had already delivered its first three Dolphin submarines to Israel at the end of the 1990s. The German government, then headed by Chancellor Helmut Schmidt and subsequently by Chancellor Gerhard Schroder, funded most of their cost.

Later, under the leadership of former prime ministers Ariel Sharon and Ehud Olmert, Israel agreed on the acquisition of two additional submarines from Germany. These submarines are now being completed and are expected to join the Israeli fleet in 2013 and 2014. They are equipped with more advanced systems than their predecessors, and are thus able to spend longer periods underwater.

Germany agreed to pay for one-third of these submarines' production costs - without which Israel would not have been able to acquire the advanced submarines.

Foreign sources report that the German submarines are equipped to carry guided missiles made in Israel, which have a range of 1,500 kilometers and can be armed with nuclear warheads. According to these reports, the submarine fleet is intended to afford Israel second-strike capability in case of a nuclear attack. At a time when the diplomatic-security discourse is focused almost entirely on Iran's attempts to arm itself with nuclear weapons, the importance of the submarines is especially clear.

'Do you want it or not?'

During the August 2009 meeting between Netanyahu and Merkel, Netanyahu requested a sixth submarine, to be purchased under a similar agreement; the deal would cost Germany 135 million euros, as a grant to Israel. Netanyahu's argument for the submarine was operational: Israel, he claimed, needed a sixth submarine to maintain continuous naval activity throughout the year.

The chancellor agreed - but some Israeli officials pooh-poohed the deal.

The Israeli navy argued that it needed additional up-to-date missile ships more than it did another submarine. The Defense Ministry, meanwhile, criticized the high cost of the submarine and refused to pay for it from its own budget.

Ben Zeev says he was surprised to hear from a senior defense establishment figure at the time that there had been "no decision to invest in a sixth submarine." According to the former ambassador, "There were elements who opposed it and said it wasn't needed at all. The internal debate in Israel leaked to the Germans and they asked: 'What's going on? Do you want a submarine or don't you?'"

In May 2010 Ben Zeev met with Eyal Gabbai, the director general of the Prime Minister's Office at the time, who made it clear that the prime minister was still interested in the submarine deal. But by this point, other political factors had come into play.

Two months earlier, during a visit by U.S. Vice President Joe Biden to Israel, a controversial tender was published for the construction of 1,600 housing units in Ramat Shlomo, located beyond the Green Line in Jerusalem. Along with Washington, Berlin was sharply critical of the agreement, and in coordination with the White House, Merkel phoned Netanyahu to voice her disapproval. Netanyahu's bureau leaked word of the conversation, along with the mendacious suggestion that Netanyahu had initiated the phone call with Merkel.

"This was a great disappointment in Germany," Ben Zeev recalls. "At every meeting Merkel would say it is necessary to stop Iran and the settlements in order to save the vision of two states. The Germans did not believe the prime minister [when he said he] had not known in advance about the regional planning committee's decision in the matter of Ramat Shlomo. This weighed very heavily on relations."

Two months later, when Gabbai attended a meeting in Berlin with Merkel's advisers to discuss the submarine, he received a clear message: German funding of the sixth submarine would be dependent on Israel's actions with regard to the settlements and peace talks with the Palestinians.

The leading opponents of the deal were the chairman of the Social Democratic Party, Frank-Walter Steinmeier (formerly the foreign minister), and the chairman of the Green Party, Jurgen Tritten.

"Both of them demanded that there be a connection between the grant and progress in the peace process or an Israeli gesture to the Palestinians," says Ben Zeev, adding that their opposition delayed closing the deal.

"The Germans told us: 'We need to get [the deal] through Parliament; give us tools to deal with this,'" recalls Ben Zeev.

Netanyahu was aware of the German position, according to Ben Zeev: "This also came up in his talks with Merkel. He explained to the Germans that the Palestinians did not want to come to the negotiating table even after the freeze on building in the settlements."

In September of 2011, shortly after Germany helped thwart the Palestinian move to gain recognition as a state in the United Nations, another crisis erupted: In the midst of the mediation between Netanyahu and Palestinian Authority President Mahmoud Abbas, Merkel learned that Israel had approved the building of 1,100 housing units in the

Jerusalem neighborhood of Gilo, beyond the Green Line. The chancellor was furious. Germany's opposition parties renewed their opposition to the submarine deal in Parliament.

"Heusgen, Merkel's advisor, said to me: 'Transmit the message to Jerusalem - the chancellor needs to persuade the Bundestag to support the deal,'" Ben Zeev recalls.

Finally, Ben Zeev and Heusgen found a solution: Just weeks earlier Israel had frozen about \$100 million in taxes it collected for the Palestinian Authority in response to the Authority's acceptance into the United Nations Educational, Scientific and Cultural Organization. At the start of December 2011, Netanyahu's forum of eight senior ministers decided to release the money, which Israel had not been allowed to freeze in the first place. "The decision to release the Palestinian tax monies gave the Germans good enough tools vis-a-vis the parliament," relates Ben Zeev.

But meanwhile, numerous leaks to both German and Israeli media cast yet another shadow on the provision of the submarine. Ben Zeev recalls: "This was nearly routine - before a point of no return there would be an Israeli leak. Apparently someone was trying to sabotage the deal."

One report had to do with the German-made Israeli submarines crossing the Suez Canal or cruising in the Persian Gulf. "Foreign Minister [Guido] Westerwelle called me in for a meeting, took out a newspaper clipping and said to me: 'You are going to attack the Iranians.' Each time anew it was necessary to mollify and soothe. Every step forward we took a number of steps back," says Ben Zeev.

After so many opportunities for the deal to fall through, Ben Zeev sees the agreement reached Wednesday as a major achievement. Two months ago, when he left his post and returned to Israel, he received a personal letter of appreciation from Netanyahu. National Security Adviser Yaakov Amidror brought him as a memento the secret cable in which he reported on the signing of the deal.

According to Ben Zeev, the deal proves that despite Merkel's criticism of Netanyahu's policy, she remains a true friend of Israel's. "In the end, responsibility for Israel's security is a policy principle in Germany and personal principle of Merkel's," says Ben Zeev. "With her, this overrides politics, personal tensions and any other consideration."