

INSS Insight No. 1047, April 29, 2018 <u>Israel and United States Military Assistance to Egypt</u> Shimon Arad

In January 2018, with little fanfare, the United States and Egypt signed a bilateral communications security agreement known as the Communications Interoperability and Security Memorandum of Agreement (CISMOA), which protects and regulates the use of sensitive American avionics and communications systems. Until now, Cairo refused to sign CISMOA, objecting to the invasive access it accords the US to Egypt's facilities and communications systems.

The lack of an agreement affected the level of the telecommunications and navigation devices on the US-made platforms and armaments sold to Egypt, limiting them to low standard commercial-grade systems. Consequently, the precision guided munitions (PGMs) sold by the US to Egypt were limited to the laser-guided kind, and only recently, with the purchase of the Rafale fighter jets from France, Egypt acquired European-made GPS-guided PGMs, such as the AASM Hammer bomb. The signing of CISMOA now allows, for the first time, the acquisition by Egypt of US-made high precision GPS-based air-to-ground weapon systems and components, as well as advanced air-to-air missiles.

This development, which facilitates the potential for improving the quality and lethality of future US military assistance to Egypt, comes at a time of mounting criticism of Cairo from within the US administration and from Congress over the credibility of President Abdel Fatah el-Sisi's mainly uncontested reelection and human rights and governance issues, as well as over its military ties with North Korea. This criticism has led to new restrictions on US military assistance to Cairo.

Recent Developments in US Military Assistance to Egypt

US military assistance to Egypt remained relatively stable from the 1979 peace treaty with Israel until the military ouster of President Mohamed Morsi in 2013. After the takeover, President Barack Obama put an executive hold on the delivery of major weapon systems and suspended the transfer of the annual military assistance. Following a review of the US foreign assistance to Egypt, the Obama administration revised the US-Egypt military assistance relationship in an attempt to realign Egypt's military orientation away from a conventional to a counterterrorism emphasis.

On March 31, 2015, President Obama <u>informed</u> Egyptian President el-Sisi of the lifting of the executive holds on the delivery of the suspended weapon systems and the renewal of the annual military assistance. He then notified el-Sisi that beginning the fiscal year 2018, the US security assistance for Egypt would be channeled to four categories – counterterrorism, border security, Sinai security, and maritime security – and for the sustainment of weapon systems already in Egypt's arsenal.

In addition, the US informed Egypt that beginning the fiscal year 2018 it will discontinue Egypt's use of cash flow financing (CFF) that enables Egypt to purchase military systems and equipment on credit, meaning that the annual military assistance will be insufficient to purchase expensive US weapon systems, necessitating complementation from Egyptian funds. In practice, excluding an order in 2014 for ten additional Apache helicopters, since 2011 Egypt has not used the annual \$1.3 billion in US military aid to order new US-made major defense systems. Instead, Cairo has utilized the cash flow financing to pay for previous large scale purchases, including a 2009 \$3.2 billion sale of F-16s and a 2011 \$1.3 billion sale of M1A1 Abrams tanks.

Rather, tapping from reserves and loans from Gulf states and financial packages from the suppliers, since 2013 Egypt has purchased billions of dollars' worth of advanced offensive and power projection weapon systems from France, Russia, and Germany. These include over \$8 billion of orders from France of 24 Rafale fighter jets, a military communications satellite, 4 Gowind corvettes, 2 Mistral helicopter carriers, and a FREMM multi-mission frigate; from Germany over \$2 billion for 4 U-209 submarines; and from Russia billions of dollars for 50 MIG-29 fighter jets (\$2 billion) and the S-300VM air-defense system (\$1 billion). Furthermore, Egypt is presently negotiating the purchase of 12 additional Rafale fighters from France and Kamov helicopters from Russia.

The Trump administration has clearly signaled its desire to improve relations with Egypt, including military cooperation. This is manifested in more frequent high level political and military dialogues and visits. In a recent hearing before the House Armed Services Committee (HASC), the commander of US Central Command (CENTCOM), General Joseph L. Votel, <u>emphasized</u> the importance he attaches to the military relationship with Cairo and explicitly referred to the signing of the CISMOA as "crowning over thirty years of effort to enhance security and counterterrorism cooperation."

Despite this, Washington still seems to be divided regarding the nature and scope of its security relationship with Egypt. The Trump administration has yet to reverse the previous administration's orientation of the military assistance to counterterrorism, border security, Sinai, and maritime security, or to reinstate cash flow financing. In

addition, the State Department withheld \$195 million in the military assistance for 2017 over human rights issues. Congress recently increased the portion of the annual military assistance conditional on progress on human rights to \$300 million and linked a waiver to this stipulation to a report on Cairo's arms dealings with North Korea.

In this context, the signing of CISMOA by Egypt is an important development, although it is unclear what brought about the change in Egypt's longstanding objection to CISMOA. It could potentially signal a willingness by Egypt and the US to move military cooperation forward into the realm of advanced GPS-guided munitions. Alternatively, it may be a positive US response to an Egyptian request for the necessary US authorization for the sale of French SCALP cruise missiles as part of the exercising by Egypt of the option for 12 more Rafale fighter jets. These missiles contain sensitive American components whose release to Egypt is probably contingent on the CISMOA agreement.

The Israeli Perspective

Over the years, Israel's concerns over the sale of large quantities of US weapon systems to Egypt were moderated by the quality cap dictated by the absence of a CISMOA agreement. It is not yet clear how Egypt's signing the agreement will play out, but Israel needs to raise this issue with Washington, within the context of the Qualitative Military Edge (QME) discussions.

Israel should encourage the US to retain its policy of orienting the military assistance to counterterrorism and border security challenges and not to reinstate cash flow financing. In this context, Israel should object to the clearance of US-made components embedded in the French SCALP cruise-missile. This long range, deep strike weapon is suited for pre-planned attacks against high value fixed or stationary targets at a distance of over 200 km rather than against terror-based targets.

Israel must also resist the upgrading of US-Egyptian security assistance into the realm of GPS-guided weapon systems. Even though the Rafale fighter sale moved Egypt across the GPS threshold, the number of these jets remains relatively low (24-36) in comparison to Egypt's F-16s (over 200).

Given the unreliability of enduring stability in the Middle East, as exemplified by the events in Egypt since 2011, Israel should not disregard possible future scenarios in which its QME versus Egypt may matter. Based on the current convergence of security interests between Israel and Egypt, raising this issue with the US, though likely to upset Cairo, is not expected to undermine the practical manifestations of this relationship.

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