



Course

Foreign Policy, Diplomacy and International Relations

Policy Memo:
Railway Infrastructure Options

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THE SITUATION

Israel can reasonably be described as really ambitious, possibly going as far as labeling it the ultimate “Chutzpah Superpower.” So proposing Israel embark on a preposterously complex infrastructure project with potentially insurmountable political implications isn’t altogether out of the question.

Today, Israel is faced with two rail line construction proposals: 1), “Tracks for Peace” presented by Minister Katz and 2), the “Red-Med” proposed by Chinese President Jinping.¹

Radical elements and conflicting interests of Israel’s neighbors continue to shift; however; these forces bent on decay seem to have created something new. An emerging pattern of regional networks of nations has developed to counterbalance the rise of those devastating the Middle East. These include such unlikely partners as Israel, Saudi Arabia, and other Gulf Countries (GCC). In response to this, Prime Minister Netanyahu said, “*for the first time in my lifetime, and for the first time in the life of my country, Arab countries in the region do not see Israel as an enemy, but, increasingly, as an ally*” (Haghirian). He continued, “*the great opportunity for peace comes from a regional approach involving our newfound Arab partners in the pursuit of a broader peace with the Palestinians*” (Haghirian).

POSSIBILITIES

Tracks for Peace

Israel’s Minister of Transportation and Intelligence, Israel Katz, is advocating for what he has called “*The Regional Land Bridge & Hub Initiative*” (Ignatius). Minister Katz is proposing to link existing and new rail lines that could cut overland travel distances between the Mediterranean and key Arab destinations by a half or two-thirds.² The plan would “*continue the Haifa Branch-line of the Hejaz Railway from Haifa to Irbid in northern Jordan and then connect it with a Jordanian rail hub that would stretch north*

¹ For the general picture see Appendix 1; for details about the proposals see Appendix 2 and 3.

² David Ignatius, “Israeli hard-liner proposes railway link to Arab destinations,” 11 May 2017, The Washington Post, 20 May 2017 <https://www.washingtonpost.com/pb/blogs/post-partisan/wp/2017/05/11/israeli-hard-liner-proposes-railway-link-to-arab-destinations-it-can-be-a-gamechanger/?outputType=accessibility&nid=menu_nav_accessibilityforscreenreader>.

to Damascus, east to Baghdad, southeast to Riyadh and the Gulf, and south to Jeddah and the Red Sea" (Ignatius). While not being marketed as a peace plan, if a spur line running south to Jenin in the West Bank were completed, it would offer economic benefits for the Palestinians.

One Belt One Road: Red-Med Line

The 'Red-Med' project (part of China's One Belt One Road Initiative) represents China's efforts to address its overdependence on the Suez Canal. If completed, this project would create an alternative to the Suez Canal by crossing Israel from Eilat / Aqaba on the Red Sea to the shores of the Mediterranean. The line proposed is twin-track, dual use, and high speed in nature. The double track construction will allow for running trains in either direction at once, and dual use would allow for passenger and cargo operations. This line would be connected to an existing track that runs from Beersheva to Dimona.

BENEFITS

Either 'land bridge' would amount to a striking reduction in freight travel distances: The overland rail connection between the Mediterranean and Dammam in Saudi Arabia would be 1,763 kilometers, compared with 6,169 kilometers by sea. The Baghdad link would be 2,145 kilometers vs. 7,782 by sea, via Basra".³ Many diverse stakeholders could easily find shared interests in such a plan. The Palestinian Authority and Jordan would receive a much-needed lifeline. There would be an alternative trade route to the Suez Canal. Jordan and/or Israel would become a regional transportation hub and the GCC States would have a freight alternative to the Persian Gulf. In the event of a complete shutdown, either option would represent a significant value (both cost and time) compared to the extra 4,708-6,000 nautical mile journey around the Cape of Good Hope.

Either rail project, as described, has the potential to *"increase economic cooperation and strengthen security coordination, thus helping to maintain regional*

³ David Ignatius, "Israeli hard-liner proposes railway link to Arab destinations," 11 May 2017, The Washington Post, 20 May 2017 <https://www.washingtonpost.com/pb/blogs/post-partisan/wp/2017/05/11/israeli-hard-liner-proposes-railway-link-to-arab-destinations-it-can-be-a-gamechanger/?outputType=accessibility&nid=menu_nav_accessibilityforscreenreader>.

peace and stability, stimulating economic activity, and furthering diplomatic relations with China, the region, and other trading partners" (Chaziza). Additionally, there would be a viable alternative to the Suez Canal; the Gulf States would have a freight alternative to the Strait of Hormuz, while simultaneously boosting the Jordanian and Palestinian Authority economies. As for eastbound trade, they would also have an alternative to the Bab el- Mandeb Strait at the mouth of the Red Sea. Much of the rail infrastructure to accomplish this is already in place.

Simply put, either of these projects could transform the region by potentially aligning the interests of great and regional powers to find common ground against extreme Islamic elements and regional conflicts, which threaten all parties and their interests. Ideally, many nations would step in to sweeten the deal with political, logistical and economic backing. The above-mentioned benefits are substantial; however, there are even greater benefits to be gained with slight alterations.

POSSIBLE WAY FORWARD

Minister Katz's plan as presented would reap the benefits listed above; however, the downside would be but the following:

1. All but ensure that the Hejaz Line (at least to the Jordanian border crossing) and spur to Jenin be funded by the Israeli government,
2. Completely negate any justification for the Red-Med line to Eilat/Aqaba, and
3. Work against the need for rehabilitation of the Hejaz Line south into Saudi Arabia.

If 'Tracks for Peace' were combined with 'Red Med' and extended to connect to the Saudi Ports of Jeddah and Yanbu, all players could receive the same benefits, while at the same time, Israel would gain a north/south freight and passenger line with additional social, economic, security, and diplomatic benefits.

To make this viable, alterations to the 'Tracks for Peace' plan would be as follows:

1. The recently reconstructed line from Haifa to Beit Shean should end in Jenin. This will ensure benefits to the West Bank,
2. The Red-Med line, to include the ports of Eilat and Aqaba, and its funding should

- be the focus of international diplomatic efforts,
3. The existing Aqaba Railway will connect to the Hejaz line, thereby tying it into the same network discussed above,
 4. The Hejaz line heading south to the Muslim holy city of Medina will create direct connection to the ports of Yanbu and Jeddah as well as a connection to the Saudi Arabian Land bridge rail infrastructure to Riyadh and beyond.

ADDITIONAL BENEFITS TO ISRAEL

The Israeli society would benefit as the accelerated economic activity in the south attracts population to the Negev thereby fulfilling Ben Gurion's dream and strengthening the middle class with the potential for good-paying, manufacturing jobs. Additionally, there would be increased usage of the new international airport in Eilat, as this high-speed mode of transportation would make it a more attractive destination.

With regard to security, rail is a strategic asset for the moving of heavy military equipment from north to south/south to north vs. the road infrastructure, which is easily damaged by heavy military transportation. Large-scale troop movements could occur more rapidly with the increased capacity of the new rail service.

From a diplomatic point of view, the Red-Med, with inclusion of goods destined for Jordan and beyond, could strengthen relations between Israel and regional players as well as provide a lever for future diplomatic pressure. Because trade stimulates diplomatic activity, such a situation would improve Israel's balance of payments, as well as strengthen relations with China and other trading partners.

Israel's geographical position, innovative human capital, and technological know-how make it possible for Israel to play an outsized and pivotal role in China's massive One Belt One Road (OBOR) project, and the opportunity to shape Chinese thinking and strategy in the region.

The effect of this proposed altered plan would include the following additional benefits:

1. External funding,
2. North-South, high speed, freight and passenger rail line to Eilat,
3. Ability for GCC members to completely bypass the Straits of Hormuz and Bab el-

Mandeb,

4. Creation of an alternative for the Suez Canal from Jeddah/Yanbu and/or the Persian Gulf to the Mediterranean.
5. Israeli jobs and transit revenue from traffic along the line from Eilat/Aqaba.

While not a peace plan, this could surely be very positively marketed to a variety of nations with a broad spectrum of interests. China, the United States, the European Union, and GCC member states would all share an incentive to see such a project through. By grouping stakeholders by individual segments of the overall project, Israel would be able to effectively spread the investment risk among interested parties. Israel could maneuver in such a way as to potentially shoulder none of the investment risks but enjoy all of the benefits, while at the same time be able to reverse the decision in the event of unacceptable security concerns. This, slightly modified, proposal for the “Red-Med” railway must, of course, compete with a number of projects seeking donor nation funding around the world.

The advantages it has over these competing projects are that China wants an alternative route to the Suez Canal, and the West doesn't want China to be seen as creating a new reality in the Middle East. Minister Katz's statement holds true, “Beyond its contribution to Israel's economy, to the Jordanian economy, which is under pressure, and to the Palestinian economy, the [Red-Med] initiative will connect Israel economically and politically to the region and will consolidate the pragmatic camp in the region;” therefore, it is in Israel's interests to pursue the Red-Med as a viable opportunity (Keinon).

CONCLUSION AND RECOMMENDATION

When considering the combined rail projects from Israel's point-of-view, while asset ownership would be an issue decided through negotiation, expensive and complex infrastructure would be developed and laid down, built and paid for by someone else. This project affords Israel a vital and economically profitable role in linking the East with the West and a solid foundation for building its own infrastructure in its ‘turn toward the Pacific.’ Israel should view the OBOR as an opportunity to connect to the growing

global trade ecosystem being created in a meaningful yet potentially reversible way. This is an opportunity to look eastward and to shape Chinese thinking and strategy in the region as a potential mediator between the world's two leading powers.^{4 5} Such a development could turn Israel into an essential stop between East and West while boosting its (Shamah) economy, drawing population to the Negev, and deepening diplomatic ties with global business partners.⁶

Therefore, these options should:

- Be discussed as soon as possible with Minister of Transportation and Intelligence, Israel Katz, and
- Be supported in the cabinet.

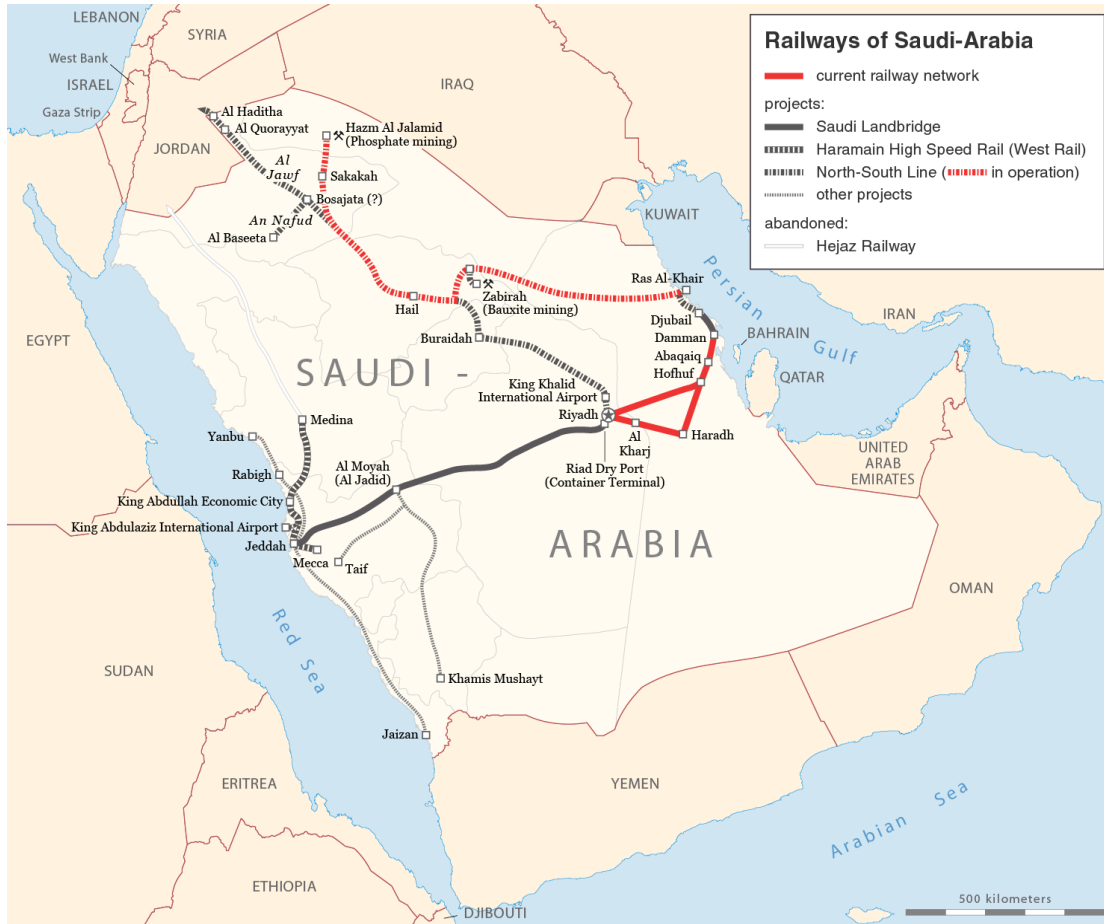
⁴ Mordechai Chaziza, "The Red-Med Railway: New Opportunities for China, Israel, and the Middle East," 11 Dec 2016, Begin-Sadat Center for Strategic Studies, 14 Mar 2017 <<https://besacenter.org/wpcontent/uploads/2016/12/Chaziza-Mordechai-Red-Med-Canal-China-BRI-PP-385-11-Dec-2016>>.

⁵ Roie Yellinek, "The Meeting Between President Trump and President Xi Jinping," 10 May 2017, The Begin-Sadat Center for Strategic Studies, 30 May 2017 <https://besacenter.org/topics/china/#.WS1_7hOGO1s>.

⁶ Shaul Amsterdamski, "Blacklisted Chinese Company May Help Build Israeli Rail Line," 22 Oct 2013, Al Monitor, 13 Mar 2017 <<http://www.al-monitor.com/pulse/business/2013/10/china-blacklisted-company-iran-build-eilat-railroadisrael.html>>.

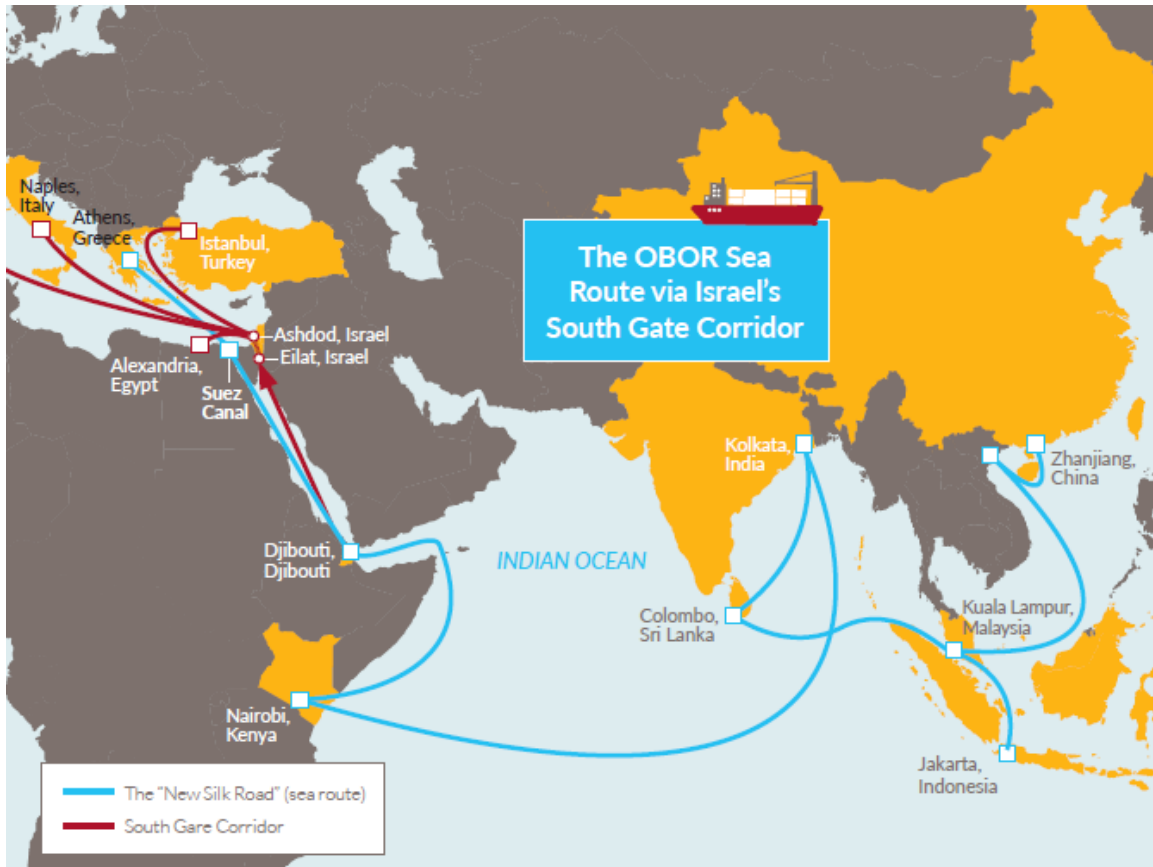
APPENDICES

APPENDIX 1 – Regional Picture



Source: (Dorrbecker)

APPENDIX 2 – One Belt One Road Map



Source: (Feder)

APPENDIX 3 – Proposed Tracks for Peace



Source: (Ghazaleh)

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