



The Eastern Mediterranean: The Times They Are A-Changing

Charles J. Mouratides



Greece, Israel and Cyprus, beware. The Eastern Mediterranean basin has become, on its own, a hot spot of major strategic importance to the U.S., the EU, and Russia.

Beware. The Eastern Mediterranean is becoming the center of intense political and military activities. This may result in rewards as well as problems.

The shift in attention is not emerging simply because the basin is an adjunct to the Middle East and the Balkans, and not because the Black Sea and the Red Sea, with their huge commercial and military traffic, feed into it. Not even because a new \$4-billion pipeline pumps Caspian Sea oil from Azerbaijan to the Turkish port Ceyhan to be transported by tankers.

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Similarly, this brand new strategic interest is not developing because the basin is surrounded by the two pillars of western power, Israel and Greece, and by Moslem powers. Also, not because its warm waves caress European, Asian and African shores. Not even because it is the birthplace of major religions, lore and mysticism. The Eastern Mediterranean Sea has been all of the above for all recorded history.

But today, just as we are told Moses of old raised his staff and parted the waters and offered salvation to his people fleeing the Pharaoh, the Israelis have stuck a drill 16,000 feet into the sandy bottom of Eastern Mediterranean waters, struck natural gas and have raised new hopes for Cyprus, Greece and Europe at large. At the same time, the same gas and oil discoveries lift Israel from almost complete energy dependence to independence and they promise to transform it into an energy exporter.

A review of developments in the Eastern Mediterranean attributed to the newfound energy resources helps explain the emerging geostrategic picture. The conflicts, the alliances and the potential riches also dictate present Greek and Cypriot geopolitics and shape their future actions.

Israel clearly chose its path decades ago. EU members Greece and Cyprus, now in an alliance with Israel, are following the same path.

Global leadership in this path is provided by the U.S. which seeks to lessen Europe's dependence on Russia's West Siberia fields, and, secondarily, on Caspian Sea producers who are connected to Russia. The EU and Israel support the U.S.

On the other hand, Russia, China and Iran (Syria being in the same group) follow a competing track. China whose energy demand is exploding is almost completely dependent on Russia and Iran for oil. Despite continuing distrust, the desire for a closer relationship is demonstrated by Putin's seventeen visits to China in the past two years, and it is expected that Russia's huge East Siberia fields will fuel China.

Iran's Eastern Mediterranean Role Through Syria

A second tier of military powers, Turkey and Iran, both with populations of 75 million, are seeking an increased and critical role in world affairs. The two countries have heightened their ambitions for a strategic role and accordingly, they have increased their geopolitical activities. A third dormant power, spread over parts of four nations, Kurdistan, also an oil producer, waits for its independence.

For the first time in thirty-four years, in 2011-12, Iran twice sent its navy into the Eastern Mediterranean. This happened, paradoxically, at a time when Iran faces increased American naval power at the Strait of Hormuz, door to Iran's primary oil terminals on Kharg Island. The U.S. has positioned three aircraft carrier battle groups in the Arabian (Persian) Sea, and was reported to be expecting a fourth one, along with additional minesweepers, warships and robotic mini-sub.

Still, "The strategic navy of the Islamic Republic of Iran has passed through the Suez Canal for the second time (in 2012) since the (1979) Islamic Revolution," said navy commander Admiral Habibollah Sayari. Understandably, he camouflaged the deployment as Tehran's "message of peace and friendship." But what would happen if the warship were in the vicinity of Gaza at a time when a new flotilla decides to challenge Israel's boycott?

The reality is that Syria's civil war—rapidly spilling into Turkey—and the drive to remove President Bashar Al-Assad, threaten Iran's regional influence and its jihadist footprint against Israel, Syria's neighbor in the Golan Heights. Iran's President Mahmoud Ahmadinejad has declared repeatedly that Iran will not allow the fall of Assad.

Perceived Military Threat

Assad's protectors, Russia and Iran, view the buildup of U.S.-NATO forces in the Eastern Mediterranean as an attempt to establish a foothold in Syria, and a beachhead for an attack against Iran.

Russia's Deputy Prime Minister Dmitry Rogozin in August of 2011 said, "NATO is planning a military campaign against Syria to help overthrow the regime of President Bashar Al-Assad with a long-reaching goal of preparing a beachhead for an attack on Iran..."

Whether Rogozin's analysis is accurate or not, it fits with Turkey's policy to prohibit Western military forces to approach Iran through its own territory—just as it refused U.S. use of Turkish space to reach Iraq. Complying with U.S. or NATO requests against a Moslem nation would contradict Turkish aspirations to lead the Moslem Middle East (Davutoglou-Erdogan doctrine).

In line with Rogozin's thinking, Vice Admiral Viktor Chirkov, head of Russian navy, asserted that while the Russian warships steaming through the Mediterranean for Syria were carrying marines, they would "not be engaged in Syria Tasks."

During the summer of 2012, the eight Russian warships that reached Syria's coastline and Tartus port were added to other ships and an aircraft carrier. Tartus, the only remaining Russian naval base outside the countries of the former Soviet Union, is being rebuilt and outfitted as a permanent naval base. It faces Larnaca and it is less than a half-hour flight from the Cypriot coast.

At the heart of Iran's worries looms large the competition it will certainly face from new Eastern Mediterranean energy resources owned by non- OPEC countries. Iran was the world's fourth largest producer of crude oil until it was devastated by the international sanctions because of its nuclear program. Oil exports previously provided half of Tehran's government revenues and accounted for 80 per cent of its total exports, according to the U.S. Energy Department. The geostrategic spotlight, however, is shifting to the Eastern Mediterranean which is rich in hydrocarbons.

New geopolitical target and Greece

Most significantly, the discovery of rich oil and gas fields in the Eastern Mediterranean is now forcing the urgent re-evaluation of strategic priorities by the world's mighty. For Russia, access through the Eastern Mediterranean has always been a strategic goal.

Now the stakes are higher and the field more competitive. Israel has already been harvesting from several gas fields. Among them are the Tamar and Leviathan fields within its own Exclusive Economic Zone (EEZ).

Tamar, drilled to a depth of 16,000 feet, contains an estimated 8.3 trillion c.f. of natural gas. Leviathan, eventually to be drilled to a depth of 23,000 feet, is believed to be the largest Mediterranean Sea field with about 25 trillion c.f. of gas in addition to undetermined deposits of oil. These resources are in addition to half a dozen earlier discoveries that are already producing for Israel.

The U.S. Geological Survey reported that the Levant Basin, the seas off Israel, Syria, Lebanon, Cyprus and the Gaza Strip, contains around 122 trillion cubic feet of gas and at least 1.7 billion barrels of oil. Total gas volumes in the East Mediterranean Sea are estimated at over 10 trillion cubic meters, according to U.S. Geological Survey estimates but excluding south of Crete, enough to meet Europe's gas demand for more than 15 years.

It is expected that pipelines through Cyprus and Greece could carry Leviathan's riches to the rest of Europe. It would be the first non-Russian, non-Asian pipeline to Europe exclusively through EU countries. Working together, Israel and Cyprus are exploring

additional fields in the Cypriot EEZ, despite threats from Turkey that it will stop the drilling by force.

Greece itself apparently has significant deposits of natural gas in the Eastern Mediterranean. Studies reported as recently as October 2012 affirm the presence of large natural gas and oil deposits south of Crete island, the area called Herodotus.

According to Reuter's press agency, study authors Antonis Foscolos, Elias Konofagos and Nikos Lygeros said they expected the reserves to generate \$599 billion in state earnings over 25 years. "We feel this is a very conservative figure," Konofagos told Reuters. Foscolos, professor emeritus at the Technical University of Crete and the Canadian Geological Survey, said that subsea methane emissions and the presence of gas hydrate mounds on the seabed indicate the presence of large reservoirs.

Another study published in the *Journal of Environmental Science and Engineering* in June estimated that Greece had 4 tcm of gas and a further 3 billion barrels of crude oil. Greece, whose proposed EEZ borders with Cyprus, is beginning to explore for gas and oil again despite Turkish threats

Turkish Strategic Ambitions, Reaction

Reaching out to all the Moslem countries, Turkish Prime Minister Erdogan and Foreign Minister Davutoglu officially preached the formation of a neo-Ottoman alliance in the Balkans and the Eastern Mediterranean under Turkey's scepter. Probably because many Moslems had fought to overthrow the Ottoman rule a century earlier, Turkey's campaign never seemed to gain support.

Turkey, situated near the world's largest pool of hydrocarbons, the Caspian Sea and surrounding "stan" countries, also thinks it has cornered the pipeline-to-Europe market. It aims to have 6% of global energy consumption pass through its territory. All this energy is carried by pipelines and tankers including those passing through Bosphorus and the Dardanelles, from the Black Sea to the Mediterranean. Besides the completed Baku-Tbilisi-Ceyhan oil pipeline, Turkey seeks a Samsun-Ceyhan gas pipeline, crossing its territory, and connecting under the Black Sea to Russia.

A monumental project signed by Turkey in 2010 involved the pipeline Nabucco pipeline. It would transport gas from Azerbaijan through Turkey to Austria in a 2,050-mile long, \$6-billion pipeline. Turkey uses Nabucco as a way to push its EU membership. It even expects that construction costs will be paid by the EU, but Prime Minister Erdogan admitted early in 2012 that financing for this pipeline has stalled.

A major source of gas and oil under the control of Israel, Cyprus and Greece, would supply Europe directly and bypass the need for Turkish involvement. Furthermore, such a pipeline originating in the Eastern Mediterranean basin would likely be less expensive as it slashes the distance considerably, and the pipeline as well as the supply source are within EU borders.

Turkey has been surprised by the unexpected Greece-Israel alliance. To counter Turkish threats, Israel has made it clear that it will not hesitate to use military force to defend its interests. The U.S. has supported the combined drillings and warned Turkey not to interfere. Political support for Greece in its disputes with Turkey—or anyone else for that matter—is an entirely novel geopolitical position of the U.S. It is partially the result of the close relationship that has grown between Israel and Greece. It may also reflect that the drillings are performed by an American firm: Noble Energy of Texas.

The U.S. certainly considers the consortium favorably, as it is an energy alternative for Europe which is presently dependent on Russian oil. The expected energy independence of Israel also satisfies U.S.A.'s strategic interests in the Middle East, at a time when Egypt's new Islamist powers threatens to cut off or reduce supplies to Israel.

I am reminded of Bob Dylan's *The Times They Are A-Changing* which proclaimed, "The line it is drawn... The course it is cast... The slow one now... Will later be fast"

EU depends on Russian oil

Russia is the world's largest producer of crude oil, surpassing even Saudi Arabia in 2009. Most of Russia's production originates in West Siberia and about 80% of it goes to Western Europe. Germany and the Netherlands are its best customers, followed by Poland, France and Italy.



PRIMARY OIL & GAS PIPELINES TO EUROPE

SOURCES: U.S. Department of Energy; Heritage Foundation

Russia may soon increase production through its East Siberian deposits which are undoubtedly also very rich. A maze of tanker ports and pipelines—some through Turkey, but most through the former Soviet republics—transport or distribute oil and gas from Russia to Europe and beyond.

The world's largest oil production originates in Asia's "stan" regions and Iran, including the Caspian Sea fields which are under the direct control of Russia and of former Soviet republics: Kazakhstan, Azerbaijan with capital Baku which has been a major production center since the early 1900s, Turkmenistan and Uzbekistan are among them. But regardless of where in the ex-Soviet republics the oil is drilled, it takes mostly Russian pipelines to get it to Europe.

Gas and oil production in the Eastern Mediterranean—from Cypriot and Greek sources with the help of Israel—for the first time would bring to Europe energy from EU countries with deposits in the Eastern Mediterranean. This helps ease the stranglehold of Russia and re-enforces the strategic importance of the Eastern Mediterranean basin.

Greece Must Grasp the Times

Two recent seemingly routine actions underscore the new strategic interest in the area. In recent months, as Greece was negotiating a financial bailout from the EU and the IMF, Russia offered to become an alternate financial sponsor of Greece. Greece did not accept.

The second instance occurred when Greece's temporary Prime Minister, Lukas Papademos, visited Western Europe to negotiate the Greek public debt in early December, 2011. It was not a coincidence that at the same time, Israel's Deputy Foreign Minister Danny Ayalon was arriving in Athens to discuss oil production and distribution with then Greek Deputy Foreign Minister Dimitri Dollis. The obvious message was to shift European focus to the Israel-Greece-Cyprus Eastern Mediterranean gas and oil prospects.

Cyprus is already easing into a full cooperation mode with Israel, even as it accepted a loan of 2.5 billion Euros from Russia to meet 2012 financial needs. Noble Energy recently estimated gas deposits in an Eastern Cyprus field to be 5 to 8 trillion c. ft. That would cover Cypriot needs for about 200 years.

Greece has yet to find its bearings, but it is already in a defense agreement with Israel that allows the air forces of the two countries to use each other's airspace for combined training. Greece demonstrated its initial political commitment to Israel when it halted

the “flotilla” attempting to challenge the Israeli embargo of Gaza. And the two countries are probably now reviewing defense plans and proposals to kick-start trade/business projects. Moreover, for the first time, Greece, Israel and the U.S. held a combined navy and air force exercise in the Eastern Mediterranean last summer. One of the stated purposes of the exercise was protection of offshore platforms.

Allowing Israel to base some of its air force on Greek soil would give Israel the possibility to operate securely in the Middle East from a western position, not simply from its own bases in Israel. Greece, however, has still not even declared its own Exclusive Economic Zone in the Mediterranean, although Prime Minister Samaras has declared his commitment and formed a taskforce for this purpose. Worse, it is still uncertain in its dealings with the U.S., even though the hour is ripe for Greece to shed any hesitation and to dive into the changing times and opportunities. Is it that difficult to understand where Greek geostrategic interests rest?

New Thinking, Declaring EEZ (AOZ)

Now is the time for Greece to move into a different relationship with the U.S. and may even be able to draw U.S. support and settle favorably some vexing issues such as Greece’s relationship with FYROM.

We should keep in mind that the U.S. is reported to have given in to FYROM on the name “Macedonia” in order to secure a U.S. military base in FYROM. A simplistic trade-off. There was no historic or diplomatic conviction involved. Sabotage and attacks against intelligence facilities in Albania threatened logistical support to U.S. forces in Kosovo. The insecurity of American intelligence facilities in Albania, the narco-trafficking, and crime linked to global terrorism and the Iranian-linked infrastructure of the region, led the U.S. to seek a safer base in FYROM. Characteristic of the Bush era, the decision displayed ignorance of history and lack of understanding. Political expediency is catastrophic all around if ignorance accompanies it.

Now is the time for Greece to begin playing its own game, in a new field. Negotiating access and contracts to oil and gas in the Eastern Mediterranean may prove to be equally valuable for Greece and the West. In a new ripple, Greece may provide a cover for Israel because Greeks can access the large oil companies—Exxon, Shell, BP—which are reluctant to sell to, or explore and drill on behalf of Israel for fear of being blacklisted by the Arab states.

Along the same lines, Turkey's consistent slide over the past 10 years towards Islamist-based, "imperial" style politics and alliances in the Middle East, and several Turkish anti-American actions on serious issues, create unique opportunities for a flexible Greece and Cyprus policy. Turkey is simply not a dependable ally for the U.S. On the other hand, Israel, America's unquestionable ally in the Middle East, must be able to depend on Greece and Cyprus. Similarly, the latter two should expect multifaceted cooperation from Israel.

As time passes, Greece risks failing to act decisively because of antiquated political thinking and the present financial crisis. New thinking is necessary. The declaration of Greece's EEZ (AOZ in Greek) will result in a flurry of interest by international energy companies. Jobs and capital begin to flow into the country once decisions are announced, even before actual construction work begins. Working with American and Israeli energy companies provides security from those who threaten action against drilling or attacks against offshore platforms.

In the new thinking, priority is shifted away from dwelling in relationships with Eastern Mediterranean countries, even if we could tell where these countries are headed following the recent civil wars. New thinking focuses on, and follows, the dawning of the era of Eastern Mediterranean oil and natural gas. It would be tragic if a slow-moving Greece becomes one of those paralyzed countries that as the Late Israeli statesman Abba Eban lamented, "never misses an opportunity to miss an opportunity."

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