What is Happening:

- US diplomats sent Israel and Lebanon a draft agreement on October 1 that would resolve a longstanding maritime dispute in the eastern Mediterranean Sea. The contested 330 square-mile area contains gas fields estimated to be worth billions of dollars.

- A deal could be reached within days, with Israeli officials planning to convene Israel's security cabinet this week to potentially vote on the draft and key Lebanese officials expressing optimism about concluding the agreement. Timing is key, as Israel will hold parliamentary elections on November 1 and the term of Lebanese President Michel Aoun (who favors the deal) will expire at the end of October.

Key Aspects of the Proposed Deal:

- Israel would reportedly receive recognition of a three-mile boundary termed the “line of buoys,” which Israel unilaterally delineated after withdrawing in 2000 from the security zone it had maintained in southern Lebanon. This was a key security demand made by Israel, as it ensures that Israel’s coastline cannot be seen directly or targeted by Lebanon.

- Israel will take full control of the Karish gas field, which is ready for immediate development and regarded as the larger and more profitable of the two gas fields located in the disputed area. Lebanon will have the rights to the undeveloped Kana gas field, while Israel will receive a percentage of the profits from this field.

US Diplomacy Proving Critical:

- For over a decade, US mediators from successive administrations have attempted to resolve this dispute between Israel and Lebanon. US Special Envoy Amos Hochstein has been mediating between the two sides over the past year. He intensified his shuttle diplomacy in June, when escalating rhetoric between Israel and Hezbollah gave rise to fears of a confrontation between the two sides. At that time, companies contracted by Israel arrived to begin development of the Karish gas field, and Hezbollah threatened to attack Karish if Israel extracted gas before an agreement was reached.

- This issue was designated as a “key priority” for the Biden administration, in which a breakthrough resulted from intensive US shuttle diplomacy and culminated in the US negotiator putting forth actual text of an agreement for consideration by the parties in the absence of direct, bilateral negotiations between them. This case provides an example of how intensive US engagement can break decades-long, previously intractable deadlocks within the Arab-Israel conflict.
What a Deal Would Achieve:

- **Averting Armed Conflict between Hezbollah and Israel:** Israeli officials are concerned that failure to reach an agreement will bring about a conflagration between the two sides. Daniel Silverberg, a former senior advisor to House Majority Leader Steny Hoyer, paraphrased Israel’s concerns: “Hezbollah will have backed itself into a corner to have to launch missiles against Israel, and then once that happens, all bets are off.” Silverberg continued, “In the US, people don’t appreciate how serious this is, and how important it is that the US has played such a vital role in averting a regional catastrophe.”

- **Providing New Gas Source for Europe:** This new potential source of Mediterranean gas comes at a crucial time for Europe, as it seeks alternatives to break its dependence on Russian gas, following Russia’s invasion of Ukraine.

- **Achieving Security and Energy Independence for Israel:** Israeli Prime Minister Yair Lapid welcomed the emerging deal: “The security of the north will be strengthened. The Karish field will operate and produce natural gas. Money will flow into the state’s coffers and our energy independence will be secured. This deal strengthens Israel’s security and Israel’s economy.”

- **Providing Much-Needed Revenue for Lebanon:** In the midst of a deep financial crisis, revenue from developing the Kana gas field could provide the struggling Lebanese people with an economic lifeline.

- **Weakening Iran’s Influence over Lebanon:** Israeli Defense Minister Benny Gantz stated, “There is no question that it will bolster stability, deterrence, and in the long term will weaken Lebanon’s dependence on Iran, which gives Lebanon gas and many other things.”

- **Achieving Breakthrough in Israeli-Lebanese Relations:** This US-brokered deal would be a major step forward in Israeli-Lebanese relations that could pave the way for more talks between the countries and a possible agreement over their disputed land border.

Playing Politics:

- In the midst of Israel’s heated election campaign, Former Prime Minister Benjamin Netanyahu has attacked the deal, claiming (without basis) that Lapid is “giving Hezbollah parts of Israel’s sovereign territory.”

- Former President Donald Trump’s Ambassador to Israel David Friedman falsely characterized the deal, stating that when the previous administration was attempting to broker a deal, “No one then imagined 100% to Lebanon and 0% to Israel.”

- Meanwhile, Republican Senator Ted Cruz has threatened to investigate: “Biden officials pressured our Israeli allies to hand over their territory to the Iran-controlled terrorist group Hezbollah. Another topic for the next Republican Congress to investigate.”