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U.S. Military Assistance and Arms Transfers to Israel: U.S. Aid, Companies Fuel Israeli Military

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Introduction

Much has been made in the U.S. media of the Syrian- and Iranian-origin weaponry used by Hezbollah in the escalating violence in Israel and Lebanon. There has been no parallel discussion of the origin of Israel's weaponry, the vast bulk of which is from the United States. "The billions of U.S. arms and aid it provides every year gives the Bush administration substantial leverage in pressing Israel for a cease fire in its attacks on Lebanon," notes William D. Hartung, a Senior Fellow at the World Policy Institute in New York. "Without at least discussing U.S. military support for Israel, it will be difficult-- if not impossible-- for Americans to understand the options available to our government in this crisis," argues Frida Berrigan, a Senior Research Associate at the Institute.

During the Bush administration, from 2001 to 2005, Israel has actually received more in U.S. military aid than it has in U.S. arms deliveries. Over this time period Israel received \$10.5 billion in Foreign Military Financing – the Pentagon's biggest military aid program – and \$6.3 billion in U.S. arms deliveries. The aid figure is larger than the arms transfer figure because it includes financing for major arms agreements for which the equipment has yet to be fully delivered. The most prominent of these deals is a \$4.5 billion sale of 102 Lockheed Martin F-16s to Israel. "When it comes to getting arms from the U.S., Israel has money in the bank," noted Hartung.

There are precedents for U.S. criticism of Israel's use of weapons in human rights abuses, including "extrajudicial killings" and "excessive use of force." In the State Department's human rights reports for 2003, 2004, and 2005, incidents mentioned include missile strikes on a refugee camp that killed six people and wounded 19; the shooting and killing of four Palestinian children; the demolition of Palestinian homes using tank shells, heavy machine guns, and rockets (deemed an excessive use of force); the use of rocket fire in targeted killing of leaders of Hamas; the killing of 47 civilian bystanders in an operation aimed at suspected terrorists in the occupied territories; and the use of tank shells, machine-gun rounds and rockets fired from aircraft against Palestinian towns and cities

that were sources of Palestinian shooting attacks. The human rights reports do not indicate the origins of the weapons used in these cases of excessive force, targeted assassinations, and failure to protect civilians in retaliations against Palestinian attacks. However, given that the many of Israel's tanks, ground attack planes, attack helicopters, and air-to-ground missiles are of U.S. origin, it is likely that U.S. weapons were used in at least some of these attacks.

During the last major Israeli incursion into Lebanon, in 1981, the Reagan administration cut off U.S. military aid and arms deliveries for ten weeks while it investigated whether Israel was using weapons for "defensive purposes," as required under U.S. law. At the end of that period, then Secretary of State Alexander Haig suggested that one could "argue until eternity" about whether a given use of force was offensive or defensive, and the ban was lifted. But at least the Reagan administration took some action, which is more than can be said thus far about the administration of George W. Bush.

This is not to suggest that Hezbollah is without its own sources of weaponry. A *New York Times* article on Monday, July 17, 2006 cites Israeli defense experts as it describes Hezbollah's possession of at least a few hundred Fajr missiles, including a "Syrian produced model" of the Fajr-3 which smashed into a railway maintenance building in Haifa on Sunday, killing eight people and wounding as many as 20. Hezbollah reportedly has its disposal a few hundred of the Iranian origin Fajr-3 and Fajr-5 missiles, which have a range of 30 to 45 miles and carry large explosive payloads. The same article mentions the Iranian C-802 radar guided missile that sank an Israeli civilian ship, and the shipment of Syrian rockets intercepted and seized by Israeli military forces. One source has asserted that Hezbollah has thousands of missiles, but does not provide information on their designation or range.

On the other side of the ledger, the United States is the primary source of Israel's far superior arsenal (see Appendix I for details on U.S.-supplied weaponry in the Israeli military arsenal). For more than 30 years, Israel had been the largest recipient of U.S. foreign assistance and since 1985 Jerusalem has received about \$3 billion in military and economic aid each year from Washington. U.S. aid accounts for more than 20% of Israel's total defense budget (see Table II).

Israel's dependence on Washington for aid and arms means that the Israeli military relies on spare parts and technical assistance from the U.S. to maintain optimum performance in battle. This point was underscored on July 14th, when the Pentagon's Defense Security Cooperation Agency supported an Israeli request for JP-8 jet fuel worth up to \$210 million. Although this fuel will not be delivered immediately, it will allow Israel to replace fuel used in bombing runs in Lebanon. The Pentagon describes the deal as follows:

"The proposed sale of the JP-8 aviation fuel will allow Israel to maintain the operational capability of its aircraft inventory. The jet fuel will be consumed while the aircraft is in use to keep peace and security in the region. Israel will have no difficulty

absorbing this additional fuel into its armed forces.”¹

U.S. Weapons in Israel’s Current Military Arsenal

The bulk of Israel’s current arsenal is composed of equipment supplied under U.S. military aid programs. **For example, Israel has 226 U.S.-supplied F-16 fighter and attack jets, 89 F-15 combat aircraft, over 700 M-60 tanks, over 6,000 armored personnel carriers, and scores of transport planes, attack helicopters, utility and training aircraft, bombs, and missiles of all kinds** – air-to-air, air-to-ground, surface-to-air, and air-to surface. For a fuller accounting of U.S. weapons in the Israeli arsenal, see Appendix I.

Weapons Sales and Grants

Israel is one of the United States’ largest arms importers. Between 1996 and 2005 (the last year for which full data is available), Israel took delivery of \$10.19 billion in U.S. weaponry and military equipment, including more than \$8.58 billion through the Foreign Military Sales program, and another \$1.61 billion in Direct Commercial Sales (see Table I for more recent weapons sales data).

In 2005 alone, documents from the Departments of Defense and State show that Israel received \$2.76 billion in weaponry and military hardware from the United States, and another \$629 million in defense services like maintenance and training. This figure includes transfers of \$188 million in miscellaneous missile spare parts, \$7.1 million in tank components, \$155 million in ship components, \$1.3 million in explosives and \$720,000 anti-personnel riot control chemicals.

Recent military sales to Israel include propulsion systems for “fast patrol boats” worth more than \$15 million from MTU Detroit Diesel; an \$8 million contract to Lockheed Martin for high tech infrared “Navigation and Targeting” capabilities for Israeli jets; and a \$145 million deal with Oshkosh Truck Corp to build more than 900 armor kits for Israel’s Medium Tactical Vehicles.

TABLE I: U.S. WEAPONS SALES DELIVERIES TO ISRAEL

YEAR	FMS	DCS	TOTAL
2001	\$766,026,000	\$4,019,000	\$770,045,000
2002	\$629,426,000	\$1,427,000	\$630,853,000
2003	\$845,952,000	\$16,455,000	\$862,407,000
2004	\$878,189,000	\$418,883,000	\$1,297,072,000
2005	\$1,652,582,000	\$1,110,223,000	\$2,762,805,000
2001-2005 TOTALS	\$4,772,175,000	\$1,551,007,000	\$6,323,182,000

¹ Defense Security Cooperation Agency, “Israel – JP-8 Aviation Jet Fuel,” press release, July 14, 2006.

Source: "Facts Book: Department of Defense, Security Assistance Agency," September 30, 2005. Key: FMS, Foreign Military Sales; DCS, Direct Commercial Sales. The Facts Books does not make future projections and thus data for 2006 and 2007 is not yet available.

U.S. Military Aid to Israel

As mentioned above, despite its relatively small size, Israel is the largest recipient of U.S. foreign military assistance. **Over the past decade, the United States has transferred more than \$17 billion in military aid to this country of just over 6 million people.** In 2005, Israel received \$2.25 billion in Foreign Military Financing, and President George W. Bush's budget request for 2007 includes an additional \$2.24 billion in FMF aid for Israel.

The United States sees its military aid as going to "help foster stability in a historically volatile region," and to support Israel's "multiyear defense modernization plan." In its 2007 request for military aid submitted to Congress, the Department of Defense also mentioned helping its ally "meet cash flow requirements" to procure F-16 fighter planes, Apache Longbow Attack helicopters, field vehicles and advanced armaments.

Foreign Military Financing represents a significant chunk of the Israeli defense budget, most of which is spent in the United States on U.S. weapons. In addition to this "special relationship," the Congressional Research Service report on *U.S. Foreign Assistance to Israel* enumerates a number of other special concessions from the United States around this aid.

Unlike other countries, Israel receives its Economic Support Funds in one lump sum early in the fiscal year rather than in four quarterly installments. This forces the U.S. to pay more in interest for the money it borrows to make lump sum payments-- between \$50 million and \$60 million per year according to Agency for International Development officials.

While other countries primarily deal with the Department of Defense when arranging to purchase military hardware from U.S. companies, Israel deals directly with U.S. companies for the vast majority of its military purchases in the United States. Other countries have a \$100,000 minimum purchase amount per contract, but Israel is allowed to purchase military items for less than \$100,000.

Finally, the United States underwrites Israel's research and development of weapons—and has contributed billions of dollars to Israeli systems like the Merkava tank and the Lavi ground-attack aircraft.

In November 2003, the first of a new batch of 102 F-16s for Israel rolled off the production line in Texas. The \$45 million per copy F-16I *Sufa* is part of a \$4.5 billion deal between manufacturer Lockheed Martin and Jerusalem. The *Sufa* F-16 fighter planes are co-manufactured with Israel. The Israeli defense company Lahav is providing customized avionics.

TABLE II: MILITARY AID TO ISRAEL

YEAR	FMF	ESF	SUPPLE- MENTALS	NADR- ATA	TOTAL
2001	\$1,975,644,000	\$838,000,000	--	--	\$2,813,644,000
2002	\$2,040,000,000	\$720,000,000	--	\$28,000,000	\$2,788,000,000
2003	\$2,086,350,000	\$596,100,000	\$1,000,000,000	--	\$3,682,450,000
2004	\$2,147,256,000	\$477,168,000	--	--	\$2,624,424,000
2005	\$2,202,240,000	\$357,120,000	\$50,000,000	\$210,000	\$2,609,570,000
2006 (estimated)	\$2,257,200,000	\$273,600,000	--	\$526,000	\$2,531,326,000
2007 (requested)	\$2,340,000,000	\$120,000,000	--	\$320,000	\$2,460,320,000
TOTALS 2001-2007	\$15,048,690,000	\$3,381,988,000	\$1,050,000,000	\$29,056,000	\$19,509,734,000

Source: "Congressional Budget Justification for Foreign Operations," Fiscal Years 2001-2007.

Key: FMF, Foreign Military Financing (direct military aid); ESF, Economic Support Fund (open-ended monetary assistance that can be used to offset military spending and arms purchases; Supplementals are special one-time grants meant as a complement to already allocated aid; NADR-ATA, Nonproliferation, Anti-Terrorism, Demining & Related Programs

U.S. Aid Provides U.S. Leverage Over Israel

Given the billions of dollars of aid it provides to Israel every year and the central role of U.S.-supplied weaponry in the Israeli arsenal, the United States has considerable leverage that it could use to promote a cease fire in the current conflict between Israel and Hezbollah before more Israeli and Lebanese civilians are killed and displaced. President Bush needs to go beyond vague calls for "restraint" to demands for a cease fire between Israel and Hezbollah, bringing in other key actors in the region, including Iran and Syria.

**APPENDIX I: U.S.-SUPPLIED WEAPONRY IN
ISRAEL'S MILITARY INVENTORY**

WEAPONS SYSTEM	NUMBER IN INVENTORY	MANUFACTURER*
F-16 combat aircraft	236 <i>110 fighters and 126 ground attack versions</i>	Lockheed Martin (formerly by General Dynamics)
F-15 combat aircraft	89	Boeing (formerly by McDonnell Douglas)
A-4 attack aircraft	39	Northrop Grumman (formerly Grumman)
C-130 transport plane	5	Lockheed Martin
C-47 cargo helicopter	11	Boeing, Allied Signal
Gulfstream G-550 transport	8	Gulfstream (now owned by General Dynamics)
B-707 transport	7	Boeing
Cessna 206 utility aircraft	22	Cessna
TA-4 training aircraft	26	Northrop Grumman
AH-1 Cobra attack	55	Bell/Textron helicopter
AH-64 attack helicopter	40	Boeing, Lockheed Martin/Northrop Grumman (for AH-64D)
CH-53 Sea Stallion attack helicopter	41	United Technologies (Sikorsky unit)
Black Hawk support helicopter (S-70 and UH-60A)	48	United Technologies (Sikorsky unit)
Utility helicopters (Bell 206 and Bell 212)	77	Bell/Textron
Stinger man-portable air defense missile	390	Raytheon (formerly by General Dynamics, Hughes)
Redeye surface-to-air missile	1,000	General Dynamics
Tactical Air-to-Ground missiles (AGM)	Hellfire, Walleye, Maverick, Standard (numbers unknown)	Lockheed Martin/Boeing (Hellfire); Raytheon (Standard, Maverick); Martin Marietta – now Lockheed Martin (Walleye);
Tactical Air-to-Air Missiles	AMRAAM, Sparrow, Sidewinder (numbers unknown)	Raytheon (AMRAAM, Sparrow, Sidewinder)

	unknown)	
Air-to-Surface missiles, PAC-2	48	Lockheed Martin/Vought, Raytheon
Bombs (Joint Direct Attack Munitions)	Numbers unknown	Boeing
M-60 main battle tank	711	General Dynamics
M-113 armored personnel carrier	6,131	United Defense, joint of FMC and Harsco (Purchased by BaE systems, mid-2005)
M-109 self-propelled 155mm artillery	350	United Defense (purchased by BaE systems, mid-2005)
MLRS multiple rocket launcher	60	Lockheed Martin/Vought
Harpoon missiles sea-to-sea	444	Boeing (formerly by McDonnell Douglas)

Source: International Institute for Strategic Studies, The Military Balance 2006 (London: IISS, May 2006); company web sites and historical data on mergers and acquisitions in the defense industry.

* Note that manufacturers listed are *current* manufacturers of these systems – some Boeing systems, like the F-15, may have been supplied by McDonnell Douglas (since merged with Boeing); likewise, General Dynamics was an F-16 supplier prior to the purchase of its aerospace unit by Lockheed Martin. Current manufacturers are used in part because they would be the likely source of spare parts and support for U.S. systems in the Israeli inventory.