



Directorate of Intelligence

Secret	
	25 <b>X</b> 1

# Lebanon's Ports: Gateways for Instability and Terrorism

25X1

A Research Paper

PROJECT NUMBER OGT - 0148-87	L
I м м 🗇 к	
page numbers52	÷
TOTAL NUMBER OF COPIES 520	
DISSEM DATE	
EXTRA COPIES 391- Y31	<del></del>
RECORD CENTER 432- 481	
JOB NUMBER	

001/150/0010/0079996

ADDRESS

FILE COPY/SOURCED COPY
CONTROL BRANCH/CPAS/PDG/IMÇ
ROOM 7GO7 HQS
NO ADHOC REQUIREMENTS

2 394 395

Secret

GI 87-10013 February 1987 Copy 39





Secret	
	25X1
	20/(1

# Lebanon's Ports: Gateways for Instability and Terrorism

25X1

A Research Paper

This paper was prepared by analysts in the Near East Branch of the Office of Global Issues. Comments and queries are welcome and may be directed to the Chief, Geographic Issues Division, OGI, on

25X1

Reverse Blank

Secret G1 87-10013 February 1987

classified in Part - Sanitized Co	py Approved for Release 2012/02/16 : CIA-RDP87T01127R001201150001-7	2
	Lebanon's Ports: Gateways for Instability and Terrorism	2
Summary Information available as of 31 December 1986 was used in this report.	The state of Lebanon has lost control of almost all of its coastline and, with it, associated customs revenue and the ability to regulate the flow of people and goods across its borders. The proliferation of illegal ports, part cause and part effect in the dissolution of Lebanon's central government, is now a major contributor to the strength and independence of subnational political factions and foreign powers like Syria. Before the start of the civil war in 1975, Lebanon's port system was the most important gateway for Middle Eastern commerce. Since then, as the central government disintegrated and the country plunged into chaos, factional militias began to take control over portions of the country's official ports and to construct makeshift ports. Today, most operations in Lebanon's ports are illegal and beyond the reach of the government. Although the ports still thrive—and play a key role in the economy of the region—the economic and political benefits flow to parties whose interests are generally at odds with achieving a balanced political solution for Lebanon. Prospects for reversing cantonization, the process of ministates emerging at the expense of the central government, and returning the ports to government control are slim unless Syria can achieve a settlement.	2
	Factional control of the ports undermines US interests in the region and further complicates the Middle Eastern peace process. Terrorists will continue to use Lebanon as a base and a safehaven for their seaborne operations against Israel. Nations that support terrorism—notably Syria—will remain able to use Lebanon as a staging area for unattributable terrorist forays into Europe and other parts of the Middle East. Arms and munitions destined for armed factions—including the Druze and other Soviet clients and terrorist organizations—will also continue to flow into Lebanon. Personnel and arms shipments of one faction will continue to pass through the ports of another faction to the profit of the facility operators. Unknown numbers of Palestinian fighters will continue to move into and out of Lebanon in this way. Likewise, narcotics that are exported via certain ports—especially the ones in the Maronite heartland, around Beirut, in the Frangieh area south of Tripoli, and in the Syrian-occupied areas in the north—will continue to support the treasuries of militias and terrorist groups.	2
	The economies of Lebanon and, to some extent, Syria are hurt by factional control of the ports. Lebanon's central treasury once derived about 40	

Secret GI 87-10013 February 1987

Declassified in Part Secret	- Sanitized Copy Approved for Release 2012/02/16 : CIA-RDP87T01127R001201150001-7	,
Secret		25 <b>X</b> 1
	Projected revenue for 1984 neared the \$500 million mark, but only \$70	٤
	million was actually collected, with about half of this coming from Beirut	
	port alone. Today, nearly all revenue-producing traffic moving through	5
	Beirut has almost stopped and virtually no customs revenue is collected in the other ports. Lebanon's domestic manufacturing has practically col-	
	lapsed, in part because of the competition from duty-free imports. Syria's	
	foreign reserves are being drained by the same illegal trade of basic and	
	luxury goods smuggled overland from Lebanon's ports. A complete and	
	long-term closure of either the Lebanese ports or the Syria-Lebanon border would severely curtail wholesale and retail business in Syria and would add	
	to domestic unrest by depriving Syrians of essential consumer goods. Were	
	Lebanon's port not available, Syria would not be able to replace the lost ca-	
	pacity without inordinate expense or difficulty.	25 <b>X</b> 1
	The 33 ports that are operating, suspected of operating, or under construc-	
	tion in Lebanon today are under the influence of either Syria or Israel or	
	are directly controlled by a variety of factional leaders in the Sunni,	
	Christian, Shia, and Druze communities. The Hizballah faction, backed by Iran with Syrian acquiescence, is the only major indigenous group without	
	direct access to the sea. The Arafat branch of the Palestine Liberation	
	Organization (PLO) lost direct access to the sea with the Israeli expulsion	
	from around Beirut in 1982 and the follow-up expulsions by Syria from the	
	Tripoli area in 1983 and 1985. Today the PLO and other Palestinian groups must purchase, barter for, or extort access to the sea through ports	
	controlled by others.	25 <b>X</b> 1
	Over the next year or so, it is unlikely that the government of Lebanon will	
	be strong enough to assert control over its ports. Indeed, the longer they re-	
	main out of the government's control, the weaker—economically and politically—the central government will become relative to the factions	
	currently vying for a share of power in the country. The widespread illegal	
	port activity contributes to the prospects for permanent partition. Because	
	the ports are central to the finances and military muscle of the competing	
	factions, any change in their status would be strongly resisted and would most likely have to come in response to interventions by an outside power	
	or to formation—however unlikely—of a coalition of two or more of the	
	major factions. However it is accomplished, selective closure of some of the	Þ
	ports could be instrumental in shifting the internal balance of power.	
	Closure of all of the ports would benefit only the Iranian-backed	25 <b>X</b> 1
	Hizballah.	∠3 <b>∧</b> l

iv

Secret	
	25X1

# **Contents**

	Page
Summary	iii
A Situation Out of Control	1
Zones of Influence	3
The Political Economy of the Ports	4
Impact on Lebanon's Public and Private Economies	5
The Syrian Economic Connection	7
Role in Factional Warfare and Terrorism	8
Implications for Regional Security	10
What If the Ports Were Closed?	10

**Appendix** 

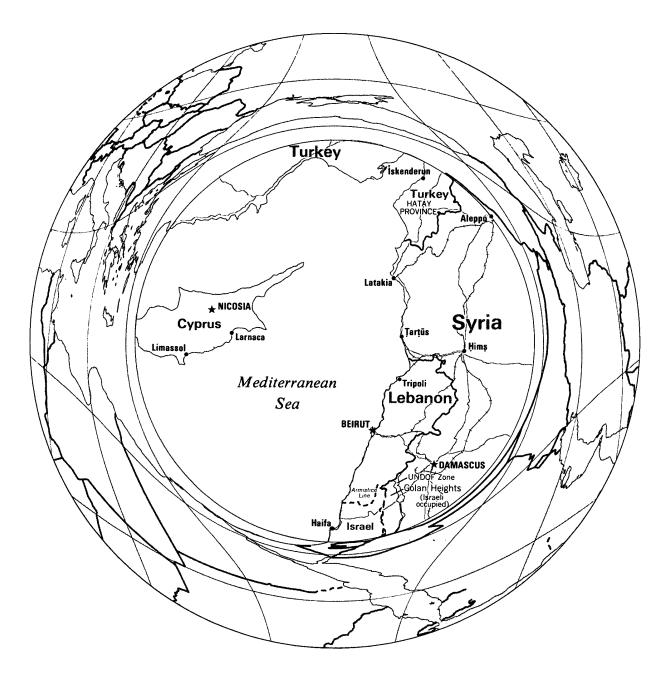
Appendix	
Where the Ports Are and Who Operates Them	15
	23

25X1

Secret		

25X1

Figure 1 Northeastern Mediterranean



Boundary representation is not necessarily authoritative.

709068 (B00303) 1-87

25X1

Secret

vi

Declassified in Part - Sanitized	Conv. Annrov	ed for Paleace	2012/02/16 - 0	1A_PDD87T011	27P001201150001_7
Jedassiiled iii Part - Sariitized i	Coby Apploy	eu ioi Release	2012/02/10 . C	MA-RUPOLIUII	21 KUU 12U 1 13UUU 1-1

Secret	
	25X1

# Lebanon's Ports: Gateways for Instability and Terrorism

25X1

25X1

25X1

25X1

25X1

# **A Situation Out of Control**

Lebanon's central government no longer controls any of the country's 225 kilometers of coastline or the flow of people and goods across its Mediterranean border. Factional regional militias and surrogate forces acting under the influence of Syria or Israel have effectively usurped the government's powers to collect customs duties and port charges on seaborne trade and to regulate entry into and out of this politically divided country. Before 1975 the government had chartered only five ports to handle passengers and general cargo-Tripoli, Juniyah, Beirut, Sidon, and Tyreand by 1984 had also permitted three ("special") facilities to handle only specific commodities: Shikka for cement products, Ra's Sil'ata for grains and sulphates, and Az Zahrani for petroleum products. These are Lebanon's only legal ports. Since 1975, however, competing political factions and fighting groups have opened 25 other, unofficial—or illegalports. Today, activity at most of these ports is entirely beyond the government's reach, lying in the hands of special interests whose ambitions tend to leave the government divided and ineffectual.

The problem for the Lebanese Government is both economic and political. Without port resources, it lacks access to a critical source of revenue at a time when other sources are few. In addition, while the operators of some of these ports allow normal commerce and fishing, in most cases they also conduct a variety of other activities that undermine the central government. For most of Lebanon's factions—including those that regularly support or practice terrorism—the ports serve as central points of entry for arms and munitions and transfer points for civilians and militiamen. Thus, the factionalization of Lebanon's ports simultaneously weakens the central government and strengthens the control of confessional <sup>1</sup>

<sup>1</sup> Seats in Lebanon's National Assembly and government jobs are reserved for religious groups according to the size of the group in proportion to the entire population. The size of each group is determined by the number of persons confessing affiliation to it. This confessionalization of power sharing is expressed in all facets of life in Lebanon and is central to issues fueling the civil strife.

foreign-dominated political groups over discrete subnational territories. From a broader, international perspective, the factionalization of the ports is also instrumental in permitting Syria, various Palestinian groups, and, to a lesser extent, Libya and Iran to exert political influence over events in the country and to use Lebanon as a staging area for terrorist forays into Europe and other parts of the Middle East

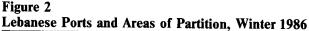
The parties to Lebanese reconciliation talks have repeatedly struggled to resolve the disposition of the ports, whose importance to the economy of the country, the finances of the major factions, and the future of the emerging ministates continues to grow. In July 1986,

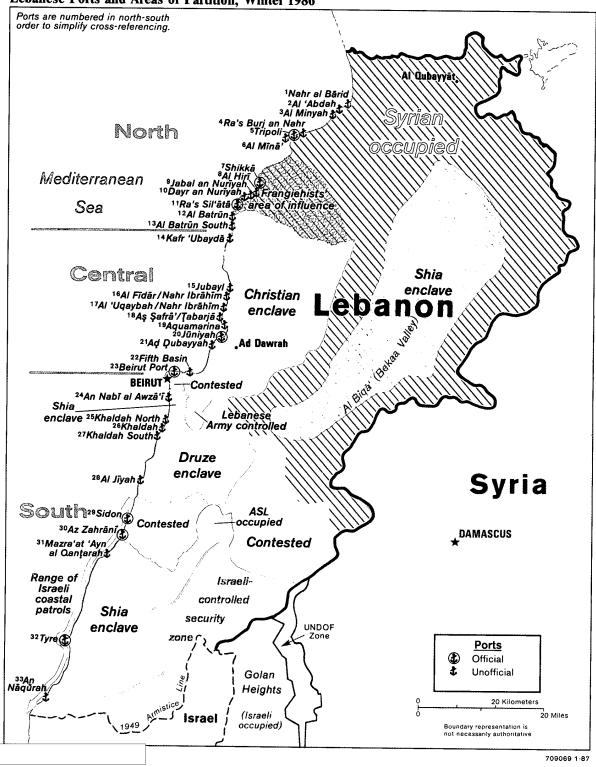
talks between representatives of three major factions—the Shia Amal, the Druze, and the Christian Lebanese Forces (LF)—and the Government of Lebanon over returning control of the ports to the government were broken off by Syrian intervention. In later talks, however, the parties agreed to return control of the ports to the government by late September 1986, but only the Maronite Christians subsequently allowed their unofficial ports to revert to the government. After less than a week the plan collapsed. During this brief period, the government derived some revenues from the official ports that temporarily reverted to its control but found that these ports could not compete with the unofficial ports, which continued to charge the cheaper fees. In retrospect, the brief closure of the Maronite ports in early October was probably no more than a calculated good will gesture rather than a reflection of Maronite expectations that the status quo would change. The situation in the near term stands in a stalemate. In our view, the factions will not voluntarily forfeit control over either the unofficial ports or those portions of the offical ports they operate for fear of jeopardizing supply lines and economic interests that could be taken over by nonconforming port operators.

25X1

25X1

1





25X1

## The Origins and Current State of Cantonization

The roots of cantonization lie in Lebanon's troubled social and geopolitical history. Pressure exerted by West European countries led to the creation of an autonomous Christian area called the sanjak of Lebanon during the waning of the Ottoman Empire. After World War I, France and Great Britain received the League of Nations mandate over Greater Syria—today's Syria, Lebanon, Israel, and Jordan. By 1924, France had created an entity called Lebanon by grafting Muslim and Druze areas onto Mount Lebanon. Eventually, after independence from France in 1946, the new government recognized 17 religions and gave each the responsibility to establish and adjudicate civil laws in accordance with its own beliefs. From the start, then, Lebanon had the potential to unravel organizationally but was held together through several generations of economic well-being by a combination of political compromise and intrigue

After more than a decade of civil strife and two Israeli invasions, the various factions are now restructuring Lebanon, breaking it into small regions, or ministates, on the basis of the traditional religious distributions of the population. Within each region a single faction is economically, politically, and militarily dominant. To date the two most politically and administratively cohesive of these ministates to emerge are the predominately Maronite Christian

heartland and the Druze area of the Iqlim al Kharrub and Ash Shuf. In both, distinct institutions have been established to perform a variety of governmental functions:

- To levy and collect taxes and provide rudimentary social services.
- To train and maintain armed forces.
- To design and construct public works projects.
- To conduct social science research that examines the history and prospects of the peoples in the region.
- To afford a political voice within the region and the country.

More embryonic ministates exist in other places. The Shias occupy three principal areas—the western and southern areas of Beirut, the traditional Shia area south of Sidon, and the Bekaa Valley, particularly north of Zahlah. Amal, the moderate branch of activist Shias in Lebanon, maintains nominal control in these areas but is suffering both from internal dissent and from challenges for control by the rival Iranian-backed Shia fundamentalist group, the Hizballah. The mixed Maronite and Greek Orthodox Christian area north of the Maronite heartland is small, and political leadership is provided by a Maronite, Sulieman Frangieh, former President of Lebanon. The area has no viable economic base and survives at the sufferance of the Syrians.

#### Zones of Influence

Indigenous factions and external forces now have established zones of influence, and in some cases direct control, at points and along segments of nearly all of the Lebanese coastline. In a generally north-to-south order, influence along the coast is maintained by the Syrians, Sunnis, Frangiehists, Maronites, Shi-as, Druzes, and the Israelis. Pro-Arafat Palestinians gain access to the sea only by purchase, barter, or extortion, but Syrian-supported anti-Arafat Palestinians probably have direct access to the sea from the unoffical ports of Nahr al Barid, Al 'Abdah, and Ra's Burj an Nahr, all north of Tripoli. Only a small stretch of coastline near Sidon is actively contested among different factions.

Each faction asserts its influence in ways and to degrees peculiar to its interests and its circumstances:

- In the North:
- Syria occupies most of the land and associated coastline in the north. Much of the territory it occupies in the Al Biqa' (Bekaa Valley) and in parts of coastal Lebanon, however, is home to factions not under its influence, and jurisdiction over these areas is ill defined. Despite the length

25X1

25X1

25X1

25X1

Secret

3

of the coastal area Syria occupies, it exercises direct control over access to the sea only through the official port of Tripoli.

- Sunnis, largely urban dwellers, have had continuing but contested access to the sea for military purposes at the unofficial port on the Al Mina' Peninsula northwest of Tripoli and through the official port of Sidon in the south. For purposes of normal commerce, Sunni merchants have probably arranged to pay for port services in nearly every port in Lebanon.
- Along segments of the coast controlled by Syria,
   Frangiehists import and export industrial material
   and products through their ports with little Syrian
   interference. On the basis of the US Embassy in
   Beirut and

we judge that Frangieh's ports are also used to export narcotics.

#### • In Central Lebanon:

— The Maronites, in possession of naval patrol vessels under militia control, are the only indigenous faction to control both the land and offshore zone along the coast of their ministate. Through the nine or so ports they control, the Maronites conduct most of Lebanon's sea-based trade and passenger traffic, import arms and munitions, and probably export narcotics

## • In the South:

- Among the Shias, Amal has direct access to the sea from the short section of coast along neighborhoods it controls in western Beirut. Their ministate in the south could be served through the port of Tyre and linked by sea routes to West Beirut, but these opportunities are by and large denied because Israel controls the sea south of the Nahr al Awwali (Awwali River). We have no evidence that Hizballah has direct access to the sea from any point along the Lebanese coastline.
- The Druze may soon become the second indigenous faction to control both the territory and seaward approaches to their territorial enclave.

They have established three port facilities near Khaldah and one farther south at Al Jiyah, and they may be acquiring naval vessels to patrol their coast.

- It is probable that the PLO's former naval operating facilities in Lebanon are no longer available to them. The PLO has indirect access to the sea, however, through ports operated by other factions, notably the Druze and the Maronite Christians, and we expect them to try to reestablish independent naval operations from their own ports in southern Lebanon.
- The Israelis control both territory and sea along the littoral of the security zone they occupy with the Army of South Lebanon (ASL) in the south. They have built a port at An Naqurah to generate revenue and facilitate logistics for the ASL. Further north to the Awwali River, the Israelis control only maritime affairs in what amounts to a coastal security zone.

#### The Political Economy of the Ports

Despite ups and downs, Lebanon's ports remain central to its economy and important to the economy of its neighbor, Syria. Between 1945 and the start of the Lebanese civil war in 1975, Beirut was the mercantile center of the Middle East and its port was preeminent in the region. Trade links between East and West have crossed through Lebanon for thousands of years. A large part of the Allied war effort in the Levant during World War II was supplied through Beirut port, to the enrichment of both Christian and Sunni merchants. The creation of the state of Israel in 1948 and the closing of the Suez Canal in 1967 bolstered Beirut's trade-oriented economy, making it the best port city for commerce between Arab nations and the West.

Beirut's role as the principal entrepot for legitimate commerce between the Middle East and the West began slipping in 1975, but illicit trade quickly took up the slack. The start of the civil war in April 1975 caused disruptions within the capital that affected the security and timeliness of maritime traffic through Beirut's port. In June of that year, the Suez Canal reopened, permitting the use of routes that were more

Secret

Declassified in Part - Sanitized Copy Approved for Release 2012/02/16: CIA-RDP87T01127R001201150001-7

4

25X1

25X1

25X1

25X1

# Physical Geography of Lebanon's Coastline

Physical conditions along the coast of Lebanon influence the location of ports. The coast north of Beirut, especially up to the vicinity of Anfah but less so beyond Tripoli, is rocky with many headlands and protected embayments. Water depths near the shore are good, but rugged topography limits the number of areas where it is possible to get to the water's edge from the landward side.

Geographic conditions south of Beirut are significantly different. The coastline down to Al Bayyadah is composed of long stretches of gently sloping sandy beach with shallow waters near the shore. In a few places, the coast is broken by rocky outcrops with fairly deep water near the shore, most notably near the seaside village of Al Jiyah and the port cities of Sidon and Tyre. Elsewhere, approaches from the sea are generally shallow, and the southern coastline is subject to wave erosion and drifting sand. Unlike the situation in the north, access by road to the water's edge is fairly easy.

Oceanographic conditions along the coast are mild. Surface currents in the Mediterranean basin are driven by predominantly westerly winds, causing currents along Lebanon to flow northerly along the coast. Surface currents are normally less than 1 knot but can reach 4 to 5 knots during gale conditions. Tidal currents are weak and tidal ranges slight, a foot or so in most places under ordinary conditions and less than 2 feet during spring tides.

efficient than those through Lebanon. Small-scale illegal port activity—to avoid customs, to ship narcotics, and to move small arms, munitions, and militia personnel—had been common in Lebanon for generations. As security conditions deteriorated in Beirut during the post-1975 decade, however, illicit traffic grew and otherwise legitimate Lebanese businessmen arranged to use illegal ports to maintain their trade with longstanding clients in Syria, Jordan, Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates. The ports they established prospered and continued to operate with near impunity even during periods when

Beirut port was safe and open because customs fees were avoidable at these ports, and activities other than these rogue economic enterprises also prospered in the atmosphere of failing security. The illegal ports were pressed increasingly into the service of local militias, arms suppliers, narcotics traffickers, and terrorist organizations

Impact on Lebanon's Public and Private Economies. Over the last decade, illegal activity in the ports and operation of illegal ports have seriously reduced the once-substantial flow of customs revenue into the treasury of Lebanon's central government while enriching many of the factions opposing it. Before the 1975-76 civil war the government relied on customs fees for 35 to 40 percent of its annual revenues, according to Lebanese Government reports. The ports provided the lion's share of these. During the increasingly troubled period from 1977 to 1983, Beirut port alone still accounted for nearly 80 percent of customs revenues from all of Lebanon's ports, about 60 percent of customs revenues from all entry points, and, thus, about 25 percent of the government's total revenues. As late as 1985 the government continued to look to customs revenues for nearly 40 percent of its income, with most of this coming from a single port. Although anything approaching a precise estimate is impossible, the government could have realized significant increases in these receipts had it been able to control the illegal ports as well.

From 1979 customs revenues continued to fall, causing ever-widening gaps between projected and actual state customs revenues. By 1985 the situation worsened when the government also lost control of most of its official ports and hence over access to the sea from along virtually all of its coastline. Only small portions of the port of Beirut remained under official jurisdiction, although the government also continued to earn a trickle of revenue from Tripoli after Syria asserted its control over the port and expelled illegal operators during the purges of pro-Arafat Palestinians and their fundamentalist Sunni allies in October 1985. The only exception to the steady downward trend in Beirut's port customs revenues after 1979 occurred in 1983 when the government's Lebanese Armed Forces

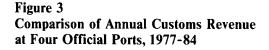
25X1

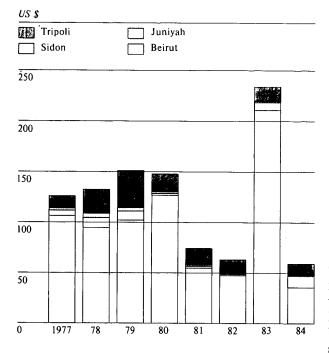
25X1

25**X**1

25**X**1

25X1





(LAF) closed the Fifth Basin and Ad Dubayyah in March. Relative calm prevailed in the port while Israel briefly maintained a guarded presence in the mountains overlooking the city. As security conditions deteriorated into the summer and fall, customs receipts began to drop off again, and the unofficial ports later reopened.

While all this was happening, income skyrocketed for illegal port operators and their associated political and religious factions. Press reports from October 1984, for example, stated that operators of illegal ports charged a flat fee of approximately \$220 per 20-foot container—substantially below government fees for high-value products. In April 1985 the LF was earning about \$425,000 monthly from illegally collected

fees in the Fifth Basin (the portion of Beirut port they controlled),

In late January 1986 the LF leased the ports of the Fifth Basin, Ad Dubayyah, Juniyah, Aquamarina, and As Safra' in one package to entrepreneurs for about \$2 million a month—more than three times the amount earned from customs revenues by the state in May 1985—but significantly less than what the central government would have collected through port fees and customs duties if it controlled the ports. Not only is the amount of lost revenue substantial but so too is the actual financial gain to the factions that have displaced the government in a key part of the vital tax collector role.

The flow of potentially dutiable imports through the ports is, according to a variety of open sources, now enormous: textiles and garments from Hong Kong; leather and shoe products from Italy; tobacco products from Cyprus; beer and soft drinks and raw materials like cement products, jute, and wood from a variety of places. Many luxury items also enter Lebanon through its uncontrolled ports: alcoholic beverages, kitchen appliances, televisions, videocassette recorders, radios, and other consumer electronics equipment can be imported illegally for a fraction of the cost incurred had they come into the country through legitimate means. The ports likewise handle large volumes of goods that have lost market appeal elsewhere in the world because of changing technology or consumer tastes and can be acquired cheaply from manufacturers who dump unwanted surpluses on the Lebanese market. In contrast, few items continue to be imported legally via the vestiges of the official port of Beirut, and these are mainly bulk goods on which the fee schedule is low and little customs revenue is consequently earned. These include wheat, sugar, and refined petroleum products. Automobiles also continue to be imported by legitimate means because titling processes begin at the customs shed.

25X1

25X1

25X1

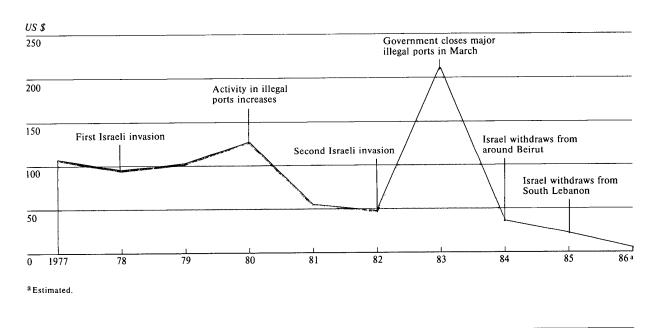
25X1

25X1

Secret

311588 2-87





311589 2-87

25X1

Apart from the immediate impact on the already troubled public finances of the country, most observers agree that the government's failure to control the ports and hence the flow of its commodity imports appears to be further undermining a domestic economy already in havoc because of the continuing civil strife. The combination of a constant round of armed unrest together with the ready availability of cheapand largely untaxed—foreign imports has managed to bring a large portion of local industries to a virtual halt. For both the government and individual firms, rational economic planning has been rendered nearly impossible because sources of supply and prices for raw materials are uncertain. Lacking any effective ability to levy tariffs or import controls, the central government is unable to protect native industries from unrestricted foreign competition. Although in the short run the Lebanese consumer may benefit from the relatively lower prices of foreign imports, in the longer term the critical manufacturing infrastructure of the country is withering, thus undermining exports. If the fighting ever stops, the country will have to confront a massive rebuilding program and huge internal (domestic) public debt with deeply depleted national resources and a devastated productive capacity. The factionalization of the ports is both directly and indirectly a key contributor to this problem.

25X1

The Syrian Economic Connection. Historically, Syria's main route to the sea always has been through the area now occupied by the state of Lebanon, and the Lebanese ports continue to play a critical role in the Syrian economy. These ports are far closer to the major population and economic center of Damascus than are Syria's own ports, and import needs for Damascus are more quickly and easily served by Beirut than the more distant Syrian ports of Latakia and Tartus. Moreover, the physical characteristics of the Syrian coastline are less favorable than those of the coastline to the south and serve to limit the

7

#### Damascus's Access to the Sea

Damascus's access to the sea has been buffeted by geopolitical events since World War I. The Ottoman Empire was dismembered after the War and Greater Syria was divided into mandates under the French and the British. The French controlled Syria, which included Lebanon until the 1920s when it became a separate entity. The main "Syrian" ports of Beirut and Tripoli, to which the rail systems were oriented, were left in Lebanon. In 1939 the distant port of Alexandretta-now Iskenderun-was lost when France returned the Hatay Province to Turkey. Syria lost access to the port of Haifa in 1948 when the state of Israel was created. Today Damascus officially relies on the Syrian ports of Tartus and Latakia, which have neither Beirut's geographical advantage of proximity to the main population of Damascus nor a good natural harbor

number and distribution of Syria's own ports. Before the outbreak of the civil war in Lebanon and in spite of the mountain ranges in between, Beirut was the entrepot for Damascus and southern Syria. As recently as April 1986, about 80 percent of the luxury items imported into Lebanon were destined for Syria, according to Joseph Abud, the Christian entrepreneur who operates the ports system in the Christian ministate under lease from the LF. In 1985 and in early 1986, the US Embassy in Damascus reported that nearly 50 percent of Syria's total imports came through Lebanon—and most of these were smuggled across the border with official acquiescence. Were Lebanon's ports not available, Syria would not be able to replace the lost capacity without inordinate expense or difficulty.

In economic terms, smuggling imported goods from Lebanon into Syria has been a double-edged sword for Damascus. Because of Syria's limited port capacity and the illegality of importing certain types of goods, the Syrian economy is heavily dependent on imports through Lebanon for both staples and luxury goods. The fact that most of the goods move via nominally illicit channels allows the Assad regime to maintain the convenient fiction that its socialistic and ostensibly tightly controlled economy is functioning without

access to key Western goods or luxury items. At the same time, however, this illegal trade and associated black-market currency exchanges deprive Damascus of vital foreign exchange—although the losses would probably be even higher if the goods were imported through Lebanon legally.

A complete and long-term closure of either the Lebanese ports or the Syria-Lebanon border would severely curtail wholesale and retail business in Syria and would add to domestic unrest by depriving Syrians of essential consumer goods. A good case in point occurred between January and April 1986 when Syria tried simultaneously to stop its economic downslide by controlling this flow of smuggled goods and to punish Christian Lebanese entrepreneurs in response to Christian withdrawal from the tripartite agreement signed in December 1985. Reports from the US Embassies in Beirut and Damascus in April and May were skeptical that Damascus could continue to stem the flow once stockpiles of previously imported goods were exhausted. Although some sectors of the Syrian economy probably could last a year before their supplies were fully consumed, by March many Damascene businesses-from bakeries to produce markets and appliance stores—were reportedly trying to maintain stocks by acquiring smuggled goods. Merchants in Christian East Beirut, the source of most of the smuggled goods that enter Syria, continued importing goods at a pace that testified to their belief that the land routes to Syria would soon be reopened. In July the embargo broke and staples undeniably smuggled from Lebanon were displayed openly in Damascene retail shop windows.

## Role in Factional Warfare and Terrorism

Economics aside, the factionalization of Lebanon's ports is playing an ever more direct role in the almost daily rounds of armed clashes and terrorism with which the name of the country has become synonymous. Lebanon—and particularly Greater Beirut,<sup>2</sup> which lies about dead center along the coastline and contains seven ports—serves as a land, air, and sea transportation hub for terrorists and fighting groups

<sup>2</sup> By our definition, Greater Beirut extends from Juniyah to Khaldah and inland as far as 'Alayh.

25X1

25X1

25X1

25X1

20/

25X1

Secret

8

operating both in the country and in the Middle East and Europe. By land, for example, Beirut is four hours from Damascus, only about two hours from the Lebanon-Israel border, and within easy access of major Palestinian and Shiite strongholds within Lebanon. By commercial carrier, Lebanon's principal airport at Beirut is four hours from Paris, and travel time to at least a dozen other Middle Eastern and European capitals is even less. By sea, Lebanon's unregulated ports offer most of the armed factions essential resupply points for guns and munitions.

They also give terrorist groups and state supporters like Syria and, to a lesser degree, Iran and Libya, an easy and untraceable method to move personnel, weapons, and logistics between Lebanon and key points in the Middle East and Europe. Above all, the ports as uncontrolled yet conveniently located transit centers provide Syria and major terrorist organizations like Abu Nidal an essential means for doing business on an international scale while concealing their involvement in specific terrorist operations.

The international transfer of personnel and equipment is more anonymously handled through the ports than through the more public and heavily scrutinized air transportation system centered in Beirut. The ports also provide an alternative to air travel, and for groups with no access to Beirut International Airport (BIA) they provide a viable link to air transportation through Cyprus. Without access to the ports and BIA:

- Groups closely aligned with Damascus could probably continue to operate through international flights serving Damascus. To do so, however, would weaken or negate Syria's ability to exercise plausible denial of its involvement in terrorist activities.
- Groups not aligned with Syria would be hard pressed to sustain a safehaven presence in Beirut, especially if their access to BIA were simultaneously reduced or denied. Cut off from the Beirut transportation node, it is unlikely that some of these groups could continue to operate in Lebanon at all without access to the sea.

The ports are not linked equally to all terrorist or fighting groups or their activities:

- The anti-Arafat Palestinian group the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) may have direct access to the sea from the unofficial ports of Nahr al Barid, Al 'Abdah, or Ra's Burj an Nahr in the areas north of Tripoli located near Mukhayyam Nahr al Barid (Nahr al Barid refugee camp) and Mukhayyam Al Baddawi (Al Baddawi refuge camp).
- Pro-Arafat elements of the PLO control no port and have only indirect access to the sea.
- The LF has access to a variety of arms suppliers through the ports it controls along the coastal fringe of the Christian ministate. The official port of Juniyah is a common point of entry for LF arms and munitions, is home port for both their patrol boats and what is left of the Lebanese Navy, is a terminus for regular ferry service between Cyprus and East Beirut, and, since at least July 1986, has been a port of entry for pro-Arafat Palestinians returning to Lebanon. The Fifth Basin, also controlled by the LF, may be an additional entry point for Palestinians in transit from Cyprus to Lebanon. It is unlikely that other groups have used these facilities in the last 12 months.
- Only bulk cargo, such as grains and petroleum, that requires specialized handling equipment moves through the official port of Beirut. This port was essentially taken over by the LF in mid-October 1986 and, although we are unable to gauge their will to do so, they can now exercise the option to control the import or limit the distribution of these important commodities.
- The Amal-controlled unofficial port of An Nabi al Awaza'i (Awza'i), operational since August 1985, is located next to the northern extension of BIA. A variety of arms have moved through this shallow port, unloaded from Syrian-flag and Algerian-flag vessels. Amal is fractious, its members often belonging to a variety of other groups, and through its port

25X1

25X1

25X1

Secret

9

they probably could acquire materiel by purchase or barter, or, barring these cooperative means, through theft or capture.

- The Druze provide access to the sea through Khaldah for any group with the means to pay. The port has reduced Druze dependence on Damascus for personal weapons and munitions provided by the Soviet Union that once passed through Syria. They are building a larger facility farther south near Al Jiyah that could handle deeper draft vessels capable of transporting heavy military equipment to the Druze without going through Syrian hands. The Druze are currently building another port in the Greater Beirut area that, according to press accounts, is intended for pleasure craft. When completed, this facility, called Khaldah North and located near the southern end of BIA, could accommodate small-boat traffic between Beirut and Cyprus.
- The Israeli-backed ASL maintains access to the sea through its port at An Naqurah near the Israel border. The port is used for both civilian and military transportation requirements and the ASL derives both logistic and revenue benefits from it.

# Implications for Regional Security

The situation of nearly unrestricted access to the sea, especially near Beirut, which connects to international air routes, gives Syria and to a lesser degree Libva. Iran, and major terrorist organizations an essential means for doing business on an international scale while concealing their involvement in specific terrorist events. Within Lebanon, unrestricted operation of the ports by various militias institutionalizes the country's chronic chaos and strengthens the process of cantonization. Leaders in the de facto cantons will seek to retain their ports-their access to arms and other international markets—and defend them against any form of revitalized central government. The ability of the United States to protect its interests and to exert influence on events in Lebanon and in the region, consequently, is severely restricted under these conditions.

Instability in Lebanon also is a major obstacle to normalization of relations between Israel and Lebanon, and the uncontrolled coastline is a substantial contributor to the problems. From within this chaotic environment armed factions operate with little fear of police action or reprisal. A few of these groups—including the PFLP-GC, the PLO, and possibly the Syrian Socialist Nationalist Party (SSNP)—periodically attack Israel, at times by sea from the Lebanese coast. These attacks invariably provoke sharp military responses from Israel and have contributed to the establishment of Israel's land and coastal security zones in southern Lebanon.

25X1

25X1

25X1

25X1

25X1

25X1

Because the status quo of the ports provides Syria with leverage in dealing with Lebanon's central government and the various factions, Damascus probably will be content to see the ports remain operational and factionally controlled until it works out a Lebanese solution to its advantage. Such a policy would also serve Syrian interests because it forces Israel to deal with instability on its northern border without having a viable Lebanese authority to negotiate with in an effort to find a solution.

Finally, the port situation has given the Soviets a direct entree into the Lebanese political situation. The Soviet Union has been able to cultivate a relationship with the Druze by providing personal weapons and munitions to them through the Druze port of Khaldah. This relationship represents another step in the Druze quest for independence from their protector, Syria, but it comes at the potential cost of expanded Soviet influence in Druze affairs.

## What If the Ports Were Closed?

It is unlikely that operations in or control of the ports will change during the next 12 months unless there is a major shift in the relative power of the strongest

Chronology of Terrorist-Related Uses of Lebanon's Ports	
• In May 1985 arms provided by Libya and destined for use by the Sunni al Murabitun militia arrived at the northern Lebanese port of Tripoli and were trucked south, according to the Christian-operated Radio Free Lebanon.	
	<ul> <li>During July 1986, Amal established an office in the port area of Sidon to monitor the flow of pro-Arafa Palestinians returning to Lebanon, according to Radio Free Lebanon.</li> </ul>
<ul> <li>On 14 July 1986 three shiploads of weapons and munitions arrived in Sidon for delivery to pro- Arafat Palestinians, according to a Christian- operated Voice of Lebanon radiobroadcast.</li> </ul>	

Declassified in Part - Sanitized Copy Approved for Release 2012/02/16 : CIA-RDP87T01127R001201150001-7

Figure 5
Relative Advantages and Disadvantages of Port Operations
Under a Variety of Closure Scenarios

E=Economic M=Military P=Political B=Best overall ju	● Win ○ Lose ● Draw														
Factions	Location of Ports	Status Quo		Official Ports Revert To the Government			Northern Ports Close		Central		Southern		All Ports		
	Toris			Uı	nofficial orts Close	Ui Po	nofficial orts Remain oen	Ports Close		Ports Close		Ports Close		Close	
Government of	Entire length	E	0	E	•	E	•	Е	•	E	0	E	•	E	0
Lebanon	of coast	M	0	M	•	M	•	M	•	M	-	М	•		0
		P	0	P	•	P	•	P	0	P	0	P	0	P	Ō
		В	0	В	•	В	•	В	•	В	0	В	•	В	0
Syria	North	E	0	Е	•	Е	0	Е	0	Е	•	Е	0	Е	0
		M	•	M	0	M	•	M	0	M	•	M	•	M	•
		P	•	P	•	P	• '	P	0	P	•	P	•	P	•
		В	•	В	0	В	0	В	0	В	•	В	0	В	0
Israel	South	Е	•	Е	•	Е	0	Е	•	Е	0	Е	•	E	•
		M	0	M	•	M	0	M	•	M	0	M	•	M	•
		<u>P</u>	0	P	•	P	0	P	•	P	0	P	•	P	•
		В	•	В	• .	В	0	В	•	В	0	В	•	В	•
Sunnis	North		0		•		•		0		0		0		0
Frangiehists	North		•		0		•		0		•		•		0
Maronites	Central		•		•		0		•		0		•		0
Amal	South		•		•		0		•		•		0		0
Druze	South		•		0		•		•		•		0		0
Hizballah	No ports		0		0		0		0		0		0		0
PLO	No ports		•		0		•		•		0		0		0

The chart expresses our judgments about relative advantages and disadvantages for the 10 major groups in Lebanon, including Israel and Syria, under the status quo and under six plausible scenarios of change to the operations of the ports in Lebanon. Each of the indigenous factions and the PLO were evaluated on a win-lose-draw basis, without regard to how each scenario affects its allies or foes. The three countries most deeply entangled in Lebanon—the so-called central government of Lebanon, Syria, and Israel—are evaluated by a more complete procedure.

Because they are affected economically, militarily, and politically under any scenario, the three were judged in each of these categories. Because wins and losses in one or more categories might not be offsetting (that is, two wins and a loss may add to a loss), after the three initial categories were judged, the three state players were reevaluated for an overall judgment.

311590 2-87

25X1

factions or change is imposed by an external force. The central government lacks the political or military clout to bring the ports under its jurisdiction. Without new incentives for compromise or the formation of alliances between factions, the present chaos in the country is likely to worsen and the government to remain weak. Nevertheless, changing the status of the ports could represent a potentially potent instrument for influencing the balance of power in Lebanon as well as that country's role in Middle Eastern terrorism. Each of the neighboring countries and internal political factions would experience positive or negative impacts from any change in control over the ports and it is worthwhile to speculate what these might be. Figure 5 presents several scenarios for change in control of the ports and gives our assessment of the resulting impact on each party involved in the current chaos in Lebanon.

If the northern ports were closed, Syria's political and military involvement in Lebanon and its home economy would be harmed—more so under this than any other scenario. Although only part of Syria's black market is fed through northern Lebanese ports, we judge that Tripoli is an important entry point for smuggled Syrian imports. Although it is difficult to accurately measure the dependence of Syrian surrogate groups on access to the sea in either economic or logistic terms, denial of such access would affect their relationship with their sponsor. They would look to Syria to supplement their losses, thus eroding what independence they now have from the Assad regime and fostering a relationship that may be too close for comfort for Damascus. The Frangiehists would lose greatly because they would be forced into a more dependent relationship with Syria. The Maronites and Israel would stand to gain the most, while the other significant players would experience little change from the status quo

If the central ports were closed, the Maronites would be hurt the most, while the Druze, Amal, and Syria would benefit, thus unpredictably changing the political-military balance. Israel would also stand to be a loser, while Hizballah would derive moderate gains. If the southern ports were closed, the Druze and Amal would suffer while the Maronites gained, precipitating a shift in the political-military balance in their favor, at least for the near term. The PLO would likewise be hurt, but Israel would gain significantly. The prestige of the central government would drop with the closing of the ports in Sidon and Tyre, but these ports are economically insignificant and the government would gain militarily.

25X1

If all the ports were closed, all but possibly one of the major groups would be harmed. Syrian intrigue in Lebanon could continue relatively untouched, but Syria's ability to use Lebanon—particularly if BIA were closed—as a staging area for terrorist activities would be seriously weakened. This scenario might also strike a significant blow to the Syrian economy. Israel would make marginal gains by the weakening of the PLO's overall military capabilities, but the Hizballah—which does not currently have direct access to the sea and, thus, has little to lose—as the only indigenous faction not directly harmed by this scenario might derive some relative advantage.

25**X**1

25X1

25X1

25X1



# **Appendix**

# Where the Ports Are and Who Operates Them

The 33 ports in this study are controlled by an assortment of factions, each of which occupies parts of Lebanon's coast. This appendix is geographically organized, with Lebanon divided into three general areas—the North, Central Lebanon, and the South—using boundaries that separate factional areas along the coast. The accompanying maps and photos use a north-south numbering system to simplify cross-referencing the ports; the number for each port appears after the first reference to it in the following text. Not all ports are mentioned in the text, but each port is identified on the maps and is represented in the imagery section.

#### The North

Ambiguous Syrian Control. Syrian military and surrogate forces, including anti-Arafat Palestinian groups, occupy much of northern Lebanon, including the coastal area from the Lebanon-Syria border in the north to the mouth of the Nahr al Jawz (Jawz River). Although this presence implies control over access to the sea, the Syrians directly exercise this control only at the port of Tripoli (5). North of Tripoli, four unofficial ports operate with little Syrian interference.

we judge that two of these—Nahr al Barid (1) and Ra's Burj an Nahr (4)—are linked to Palestinian Front for the Liberation of Palestine—General Command (PFLP—GC) units in nearby Palestinian refugee camps that were purged of pro-Arafat elements by Syrian-backed forces in 1983 and again in 1985.

The two other ports, Al 'Abdah (2) and Al Minyah (3) are operated by Christian and Sunni merchants principally for normal commerce, but they are also used for the export of narcotics, according to press reports. Because of its proximity to the Nahr al Barid

refugee camp, it is likely that Al 'Abdah would be used by those in control of the camp.

The port of Tripoli fell to the Syrians in October 1985 with the eviction of the Islamic Unification Movement (IUM), fundamentalist Sunni allies of Arafat. Both general cargo and passenger traffic now move through the port. Press reports sourced to Tripoli port authorities claim ship visits to Tripoli in 1985 increased by 32 percent over 1984 (979 versus 739 port during the calls). same period offloaded tonnage decreased by 48 percent and exports dropped by about 16 percent. We judge that actual import-export volumes correlate with the increased ship visits and the decrease in reported volume reflects the collapse of governmental control and a rise in false cargo declarations in the port during 1985. The latest import volume figures derived from press reports suggest that the Syrians have reinstituted at least part of the cargo declaration process that collapsed in 1985 and the government of Lebanon may be collecting some revenue at Tripoli.

25X1

Sunnis: Troubled Militias and Urban Merchants.3

The Syrian-backed purges of Tripoli effectively expelled the IUM organization. Only small cells of the formerly dominant organization continue limited activity in the city. If these cells have any access to the sea at all, it is through the makeshift port on the Al Mina' Peninsula (6) increased activity at this port since the IUM's expulsion from Tripoli's main port in October 1985.

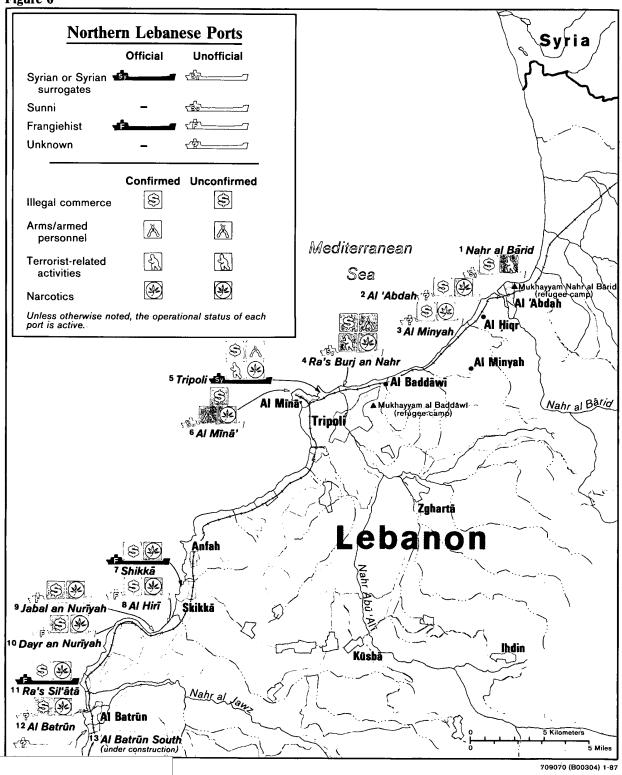
The Sunni merchants of Lebanon have been deeply affected by the proliferation of illegal ports and the absence of a strong Sunni militia. Sunni merchants throughout the country probably have consequently suffered in competition with merchants of other confessions who enjoy access to the sea provided or protected by their militias.

<sup>3</sup> The distribution of Sunnis in Lebanon does not conveniently fit the geographic regions listed here. For additional information on Sunni shipping activity, see also the portion of this appendix titled "The South."

25X1

15





25X1

Frangieh's Area of Influence. The Frangiehists have access to the sea from at least five ports located between Tripoli and south of Al Batrun. Two of the ports controlled by the Frangiehists are chartered by the central government to handle selected commodities. Ra's Sil'ata (11), probably the deepest port in Lebanon, handles grain and Shikka (7) handles cement. Another unofficial facility—Jabal an Nuriyah (9)—is being upgraded. Because of limited water depths, smuggling in volume through the unofficial facilities probably is best accomplished by shuttling small craft to mother ships waiting offshore and is further hampered by limited access to roads.

Frangiehists may be using the ports to export narcotics, but we also judge that they are not used for arms shipments.

# Central Lebanon

25X1

25X1

25X1

Maronite Heartland: Commercial Center for Lebanon. Of the many ports in the coastal zone controlled by the Maronite Christians between the Jawz River and the Green Line in Beirut, nine are known or suspected to be operating illegally. President Gemayel shut down the Maronite-controlled ports in November 1984, apparently hoping that public pressure would force other port operators to follow the Christian lead. Unconfirmed reports of nighttime activity in the Maronite ports persisted throughout the closure period, and many of the smaller non-Christian ports also continued to operate. Most of the Christian ports resumed full operations by May 1985.

The majority of Lebanon's seaborne commerce today moves through the Maronite ports, where the charges for handling cargo probably set the standard for all of Lebanon. The charges are per container, providing an incentive for importation of luxury goods over bulk items. When the state was capable of enforcing customs fees, luxury items were taxed at higher rates than basic goods.

<sup>4</sup> A triangularly shaped Syrian-free territory inland from the coast—with the towns of Kusba, Ihdin, and Zgharta at the three corners—is controlled by the Marada, the Frangiehist militia. Vehicular traffic into and out of the zone is nominally controlled at roadblocks manned by Syrian forces, but, as with many other places in Lebanon, passage is negotiable in return for money or favors.

Aquamarina port (19), located about midway between Jubayl and Beirut, was one of the first ports to be pressed into service by Christian militias for logistic purposes after the beginning of the civil war. During the late 1970s it evolved into a facility for smuggling commercial goods as well as narcotics and arms. It has probably seen its heyday, however, because the docking facilities are small and shallow, requiring that goods or personnel be shuttled between it and ships waiting offshore. A number of small buildings associated with the facility are occupied by a minor contingent of LF troops. Other than anecdotical accounts of nighttime operations at Aquamarina, we have no evidence that the facility has been used for shipping during recent months.

Just south of Aquamarina on the opposite side of Jun Juniyah (Juniyah Bay) is Juniyah port (20), an official general cargo port and passenger terminal. Patrol boats belonging to the Lebanese Navy, all antiquated and some in chronic disrepair, are still home-ported at Juniyah. Some boats belonging to the LF navy are also stationed here. A commercial ferryboat service operates between this port and Cyprus. Juniyah has limited facilities for handling cargo and a small basin used for pleasure craft and a basin for fishing boats.

Ad Dubayyah (21) and the Fifth Basin (22) 5 now probably handle more than 50 percent of the maritime trade for all of Lebanon, including containerized and break-bulk cargo of all types. Commercial helicopter service between Ad Dubayyah and Nicosia began in mid-1985, but was too costly to make a profit and the venture failed in less than two weeks. The helipad remains in place and is used as a parking lot near the port's open storage area.

The term Fifth Basin is somewhat misleading. Three fully formed basins exist in the port. A fourth is planned and when complete will be formed by the 13th, 14th, and 15th (not yet built) quays. Construction activity in the port between 1975 and 1984 was staged from a small, unnumbered basin built at the easternmost end of the port. The area extending along the 14th quay to the contractor's basin and all the space between has been referred to as the Fifth Basin.

20/1

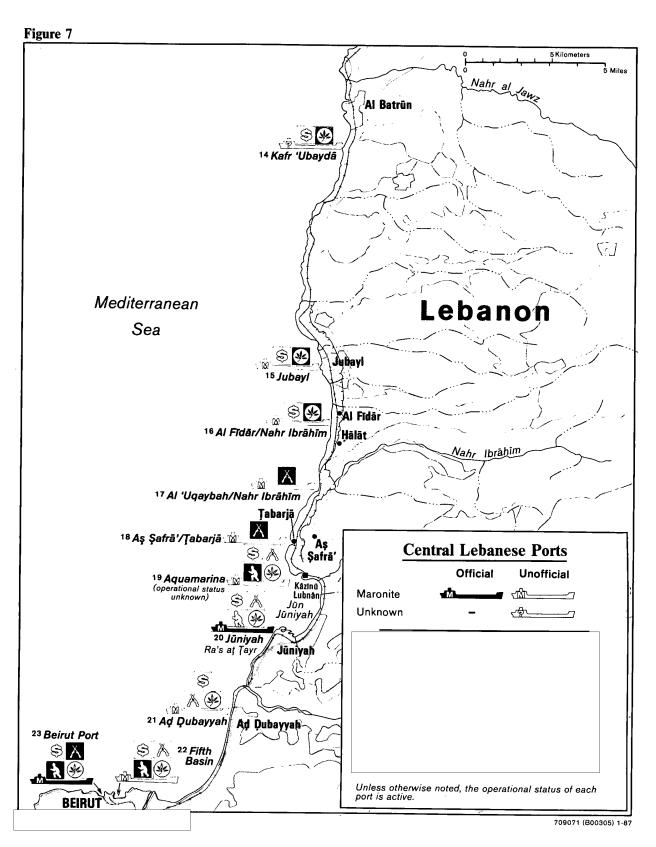
25X1

25**X**1

25X1

25X1

17



25X1

25X1

Secret

18

All of the Maronite ports came under the control of the LF and Christian elements of the LAF after January 1986. Soon thereafter, Christian leaders decided to relieve the LF and the LAF of the responsibility to operate the ports and to consign port operations instead to a consortium of Christian businessmen and port operations professionals headed by Joseph Abud. The ports now presumably are run more efficiently, but a large part of their import market—Syria—at least temporarily has shrunk substantially and the expected surge in profitability may be delayed.

25X1

Beirut's Fallen Port. Once the most important port for commerce between the Arabian and the Western worlds, Beirut port (23) generates practically no official revenues today. The port has been at the vortex of hostilities for over a decade because it is located just east of the Green Line, which divides Muslim West from Christian East Beirut. Although it is nominally a legal port controlled by the central government, it is occupied by the LF and Christian elements of the LAF. The LF collects duty on cargo as it leaves the port regardless of the official government customs duties that may have been paid within the port,

These double payments on goods imported through the legal port encourage importers to use the unofficial Fifth Basin. Bulk imports of refined petroleum products and grains cannot be imported through the Fifth Basin because of equipment limitations, so these goods continue to arrive through the vestigal ("legal") sections of the port of Beirut. Customs duties are collected against these low unit value goods. In addition, vehicles—autos, busses, and trucks—come into Lebanon only through the "legal" port in Beirut because the process of vehicle titling begins at the customs shed. The active quays in Beirut portnumbers 11, 12, and 13—came under the control of the LF after they reasserted control of the port in October 1986, according to press reports. Quay number 14 has been actively used for months as part of the Fifth Basin. Much of the first basin remains littered with partially submerged vessels. The special bulkhandling quays are still operating, certainly under direct control of the LF, putting them in a position to control the flow of basic foodstuffs into the city, particularly important in regard to the flow of these commodities into Muslim West Beirut.

#### The South

Beginnings of Shia Access to the Sea. Amal has controlled the former legal port in Tyre (32) since mid-1985 and began construction of a new port at Awza'i near BIA in late 1984. Some improvements to expand wharfage at Tyre began in July 1986, but the Awza'i facility (24) is far more important to Amal because of Israel's near blockade over the south Lebanon coastline. Construction on a third port under Amal's control, Mazra'at 'Ayn al Qantarah (Qantarah) (31), started, probably during October 1986. Amal is continuing construction of Awza'i, although the facility became operational in August 1985. A small-boat basin that was used for PLO naval activity before the 1982 invasion has been filled in by the construction. Syria has provided munitions to Amal through Awza'i.

In recent press reports Barri has claimed official status for the port of Awza'i, but we have no evidence that this claim is valid.

Druze Tighten Control. Druze chieftain Walid Junblatt controls access to the sea along a section of the coast extending from a point near the southern extention of BIA to the mouth of the Awwali River. The Druze have established or are building four ports along the portion of the coast they control—Khaldah, Al Jiyah, Khaldah South, and Khaldah North.

25X1

25X1

25X1

25X1

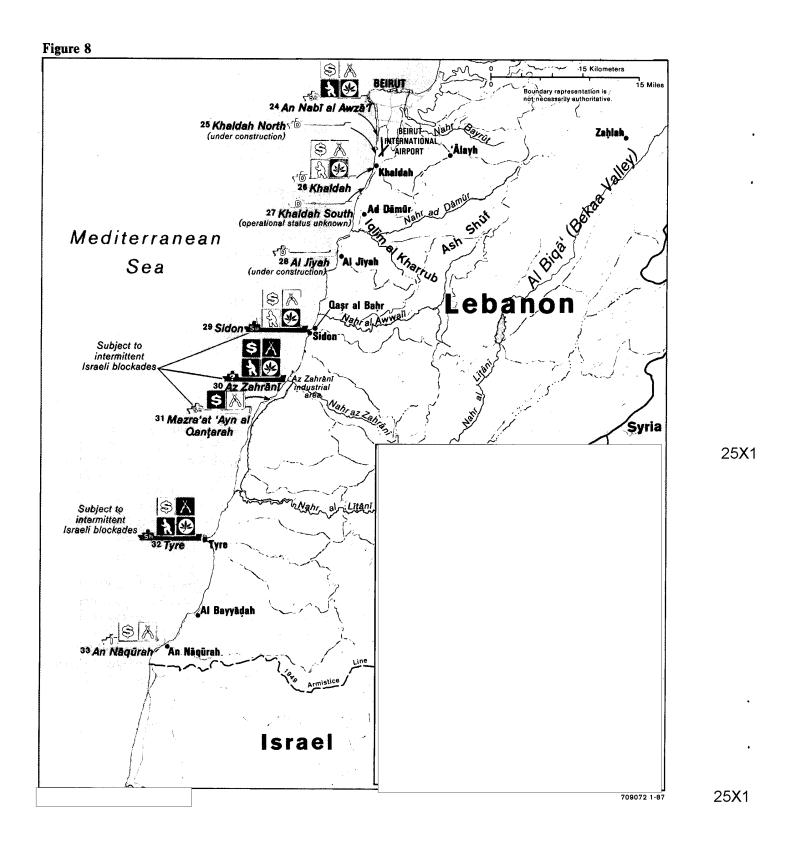
25X1

25X1

25X1

25X1

19



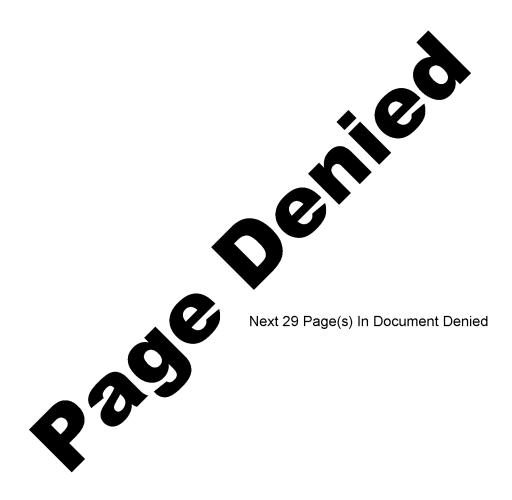
	In the past Junblatt has exhibited a willingness to sell to anyone port services through Khaldah (26). Ships flying Libyan, Greek, and Cypriot flags reportedly brought Soviet-made arms to Khaldah for delivery to pro-Arafat Palestinians and to Amal before Awza'i opened. Both factions used this port when they were		25X <sup>-</sup>
	fighting each other. Palestinian armed personnel have moved through the port also  In July		25X1 25X1 25X1
	1986, Israeli Naval units intercepted the Cypriot yacht Anton with five Fatah persons aboard during its transit between Limassol, Cyprus, and Khaldah. Israeli press reports indicate that a ship carrying arms	The Druze operate at least one and perhaps two other	
	and Fatah personnel from Cyprus to Khaldah was intercepted by the INF in late August 1986.	ports. A fully constructed but as yet unused port is less than 1 kilometer south of the port of Khaldah. Khaldah South (27) was built between mid-1984 and the summer of 1985, the same period during which	25 <b>X</b> 1
	The port of Khaldah serves a variety of Druze military and commercial purposes. Using the Khaldah facility, Junblatt has achieved a degree of independence by acquiring Soviet arms and munitions without using Syria as a middleman. Because of limited water depth, however, ships transporting heavy military	the Druze built Khaldah port. We cannot determine who built Khaldah South or why, but it is in Druze-controlled territory. Another port (Khaldah North, 25) is currently under construction about 1 kilometer north of Khaldah across the coastal highway from the southern end of the BIA. This facility is near the ill-	
25 <b>X</b> 1	equipment are unable to call at Khaldah.  Water depths at Al Jiyah (28) exceed those at Khaldah, and larger vessels carrying heavy military equipment may be able to call there. The Druze captured the Al Jiyah oil-fired power plant and its port facili-	defined boundary that separates Amal and Druze areas of control and near a recently established Syrian roadblock. The facility is ostensibly planned for pleasure craft, according to September 1986 press accounts, but it probably will be put to use for Druze logistic requirements	25X <sup>2</sup>
	ties from the Christians in May 1985. The small port	logistic requirements.	
	formerly had been used to link local Christian villages to the Christian heartland. Since November 1985,		25 <b>X</b>
	the Druze have been expanding the port to include extensive mole works with what appear to be two quays and a large open storage area. Although not yet completed, the facility may already be in use for moving break-bulk cargo or personnel.	construction is under way, but we are unable to confirm that POL storage facilities are part of the port enlargement plans. Such a development would further strengthen Junblatt's position within his de facto canton if he can obtain a stable source of	2:25X <sup>2</sup> 25X1
25X1	The Druze could use Khaldah and Al Jiyah ports to support boat patrols along the coast. To do so would speed the process of cantonization and make the Druze the second indigenous faction to control both land and sea along stretches of the Lebanese coast.	refined petroleum products. The exact location of the proposed facility remains unclear. It could be located at either Al Jiyah or Khaldah, and, while both have advantages and disadvantages, we judge Al Jiyah to be the likely location because of its more defensible geography.	25 <b>X</b> ′
25 <b>X</b> 1	<u> </u>		
20/(1			
		-	

25X1

Secret

	The PLO's Slow Return. PLO naval personnel expelled from Beirut in 1982 and from Tripoli in 1983 have since returned to Lebanon,	We judge, however, that Sidon probably remains the most desirable point for PLO access to the sea.	25) 25)
	and anadyally		25)
	and gradually moved them south to Beirut, Ad Damur, and possibly into Sidon by November 1985. Before their 1982	In July 1986 Amal established an office in the area of Sidon port to monitor the return	25)
1	expulsion from Lebanon, PLO naval units operated at least two vessels out of the small-boat basin in Awza'i and two other vessels out of Qantarah. Amal seized	of Palestinian fighters, according to a Lebanese press source.	25)
	these assets after the 1982 PLO expulsion,	The Israeli Coastal Security Zone. Israel currently	
	Because of Qantarah's relative isolation and its former use by the PLO, we judge it likely that the PLO would want to reestablish naval units here. We judge that the facility is currently under the control of Amal, however, and, thus, it may become the focus of future PLO-Amal fighting.	patrols the coastline between the mouth of the Awwali River and the Israel-Lebanon border for a distance at least six miles to seaward. Operating on a round-the-clock basis, the patrols seek to interdict arms and personnel posing a threat to northern Israel and the security zone in southern Lebanon. A squad of Fatah fighters was captured by the INF in transit to Sidon in mid-August 1985. Less than a week later, elements	
	We have no convincing evidence that the PLO—despite its repeated efforts—has secured independent access to the sea from anywhere along the Lebanese coast. Consequently, it now must rely on ad hoc arrangements for the use of facilities controlled by other factions in Beirut or elsewhere. On a routine basis since June 1985 Khaldah served as such a port. This access probably remains possible only on a	of Fatah's Force 17 were intercepted by the INF while aboard a yacht en route from Larnaca, Cyprus, to an undisclosed location in southern Lebanon. In July 1986 the coastal patrol system was instrumental in preventing four terrorists who were probably Syrian backed from reaching northern Israel. Forced ashore south of An Naqurah, the terrorists and two Israeli Defense Force soldiers were killed in an ensu-	05)
	selective, high-cost basis. PLO personnel have returned to Lebanon by sea through Juniyah since the summer of 1986. The PLO also used Sidon 6 rather freely until September 1985 when the INF increased its patrols off the Lebanese coast and sank in Sidon harbor a merchant vessel suspected of involvement with PLO activity. Since the sinking of the merchant vessel, the organization nominally in control of the port, the Sunni Popular Nasserite Organization (PNO), has repeatedly and publicly denied that it provides the PLO access to the sea via Sidon. In August 1986 the PNO claimed through Christian-controlled Radio Free Lebanon that Fatah elements were not returning to Lebanon through Sidon port.  6 In the southern city of Sidon (29) the PNO maintains tenuous control over the port area, but its influence is challenged by rival Sunni factions in the city. The PNO's control of the port is also vulnerable to the increasing strength of pro-Arafat Palestinians.	Israeli patrol craft challenge all vessels approaching or departing the Lebanese coast anywhere in the Israeli coastal security zone. Vessels are visually inspected and photographed, and through radio contact vessel masters are questioned regarding crew, nationality, cargo, and last port of call. Decisions regarding "authorization" for vessels to freely enter or depart port or to have these "privileges" denied are made by watch officers at INF headquarters in Haifa. Delays encountered by some vessels awaiting "authorization" for movement have exceeded two weeks, including vessels calling at An Naqurah (33), which the Israelis built for their surrogate ASL. The authorization process can be streamlined, however, perhaps to as little as a few hours, if permission for vessel movement in the coastal security zone is secured by	25>
	We judge it unlikely that the PNO could withstand a determined effort by Arafat's forces to take over the port area. Moreover, access to the sea from Sidon is strictly controlled and inhibited by the blockade-like conditions imposed by the INF along the coast.	shipping agents before the vessel enters the zone. Shipping agents capable of making these arrangements operate from offices in Cyprus.	25)

22



	itized Copy Approved for Release 20	12/02/16 : CIA-RDP8/10112	/R001201150001-/
Secret			
			•
			•
Secret			