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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 NOVEMBER 2009–15 FEBRUARY 2010

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The Quarterly Update is a summary of bilateral, multilateral, regional, and international events affecting the Palestinians and the future of the peace process. More than 100 print, wire, television, and online sources providing U.S., Israeli, Arab, and international independent and government coverage of unfolding events are surveyed to compile the Quarterly Update. The most relevant sources are cited in JPS's Chronology section, which tracks events day by day.

THE PALESTINIAN-ISRAELI CONFLICT

After two quarters dominated by U.S.-Israeli disputes over Israel's settlement construction in the West Bank and East Jerusalem, and the near total suspension of direct dialogue between Israel and the Palestinians (see Quarterly Updates in *JPS* 153, 154), this quarter's highlights included Israel's unilateral imposition of a 10-month partial settlement construction freeze and serious contemplation of indirect ("proximity") peace talks with the Palestinians under U.S. auspices. Intra-Palestinian disputes, the continued division of the West Bank and Gaza between Fatah and Hamas respectively, and uncertainty surrounding overdue Palestinian elections remained issues that fueled instability and hampered peace efforts.

As the quarter opened, the Palestinian Authority (PA) stood firm by its demand for a complete freeze on all settlement construction in the West Bank, including East Jerusalem, as a prerequisite to resuming negotiations with Israel. Israel, meanwhile, firmly rejected any curbs on Israeli actions in East Jerusalem or West Bank settlements that it intends to keep under final status (in fact, it stepped up actions there to assert its control) and resisted U.S. calls to halt construction in outlying West Bank settlements, even temporarily. The U.S. administration of Pres. Barack Obama, unable to broker any compromise after months of pressuring, was deeply frustrated with both sides and increasingly at a loss for how to jumpstart the process. PA Pres. Mahmud Abbas had generated

international concern at the close of last quarter by declaring that if the stalemate continued, erasing hopes of achieving a permanent peace based on 2 states, he would not run for reelection in 1/2010 and might resign early. As of 11/19, Israel's security establishment was reportedly (*New York Times* [NYT] 11/19) "in a state of alarm over [Abbas's] possible departure," with some urging Israeli PM Benjamin Netanyahu to make "far-reaching [peace] offers" to reel Abbas back in, including offering (along with the U.S.) intensified security and economic coordination, more financial aid, invitations to Western capitals, robust statements of support, prisoner releases, and efforts to draw Arab states more fully into the process.

Efforts to broker an Israeli-Hamas prisoner exchange involving the release of captured Israel Defense Forces (IDF) soldier Gilad Shalit and an easing of Israel's siege of Gaza also seemed stymied. Although the Gaza cease-fire that ended Operation Cast Lead (OCL; 12/08–1/09) generally remained in place, Israel allowed almost no exports, limited humanitarian imports, and strictly limited transit of individuals (restricted mostly to medical cases and VIPs), causing Gazans considerable hardship and preventing reconstruction.

In the West Bank, Palestinians' daily life showed marked improvement. Netanyahu supported easing of restrictions on Palestinian movement within the West Bank aimed at (1) improving trade, in line with his goal of achieving an "economic peace" with the Palestinians (as opposed to a comprehensive peace); and (2) showing

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Palestinians that the Fatah-led PA leadership is better able than Hamas to meet people's needs. In this vein, the IDF continued to scale back operations to allow the PA security forces (PASF) to assert some authority. As a result, IDF late-night incursions into Palestinian areas were fewer (though still commonplace) and increasingly involved only searches and not arrests (a trend begun last quarter; see Quarterly Update in *JPS* 154).

Overall, the incidence of Israeli-Palestinian violence was low (excluding Jewish settler attacks on Palestinians). Most Palestinian casualties in the West Bank occurred during clashes with the IDF at weekly demonstrations against the separation wall, whereas most casualties in Gaza occurred in accidents in smuggling tunnels (needed to circumvent the siege) along the border with Egypt. As of 11/15, at least 7,589 Palestinians (including 51 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,091 Israelis (including 348 IDF soldiers and security personnel, 215 settlers, 528 civilians), and 64 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada on 9/28/00.

Israel's Temporary Settlement Freeze

With U.S.-Israeli relations over settlements already very strained, Israel's Interior Min. on 11/17 approved plans for the government-funded construction of 900 new housing units in Gilo settlement in East Jerusalem, precipitating sharp criticism from the White House not only for the Gilo project but for "the continued pattern of evictions and demolitions of Palestinian homes" in East Jerusalem. UN Secy.-Gen. Ban Ki-Moon equally "deplored" (11/17) the decision. U.S. special envoy George Mitchell quickly met (11/17) with Netanyahu rep. Yitzhak Molcho in London to stress the U.S.'s displeasure and to request that Netanyahu personally block the Interior Min. decision. Israeli FM Avigdor Lieberman publicly responded (11/18) to the criticism by stating that Israel had no intention of stopping settlement construction in East Jerusalem, calling East Jerusalem "an integral part of Israel." Pressing the issue later that day, Pres. Obama, on a visit to China, publicly criticized Israel's home demolitions and new construction in East Jerusalem. According to *Ha'Aretz*

(*HA*, 11/2), the Gilo plan was seen by the U.S. as "one more nail in Abbas' political coffin and one more blow to Obama's prestige." There was also stiff international criticism from EU and Arab states.

Over the next week, Israel was under heavy pressure to cease taking provocative actions that jeopardized the peace process and to move decisively to demonstrate willingness to work for peace. As a result, Netanyahu declared (11/25) a 10-month halt to all new residential housing approvals and construction in West Bank settlements, though building in East Jerusalem, work on 2,900 West Bank housing units already under construction (roughly the number that normally would be completed in a 10-month period), and construction of "public buildings essential for normal life" (e.g., schools, synagogues) in West Bank settlements would proceed. (Settler leaders stated on 11/30 that Jewish settlers, expecting that a construction freeze eventually would be imposed, had been racing over the past several months to lay as many foundations as possible to ensure that their projects would not be affected by a freeze.) The U.S. welcomed (11/25) this move as "significant," even though it was essentially the same proposal offered in 6/09 (see Quarterly Update in *JPS* 153), which at the time had been rejected by the U.S. as insufficient, and even though the Gilo project was not withdrawn. (Mitchell stated on 11/25 that the halt fell "short of a full settlement freeze, but it is more than any Israeli government has done before," noting that from 2000 to 2008, Israel logged nearly 20,000 settlement housing starts.) U.S. officials stressed that the decision was taken unilaterally by Israel and was not the product of an agreement with the U.S., though anonymous sources stated (see *Washington Post* [*WP*] 11/26) that "a private understanding was reached that the Israeli government would be expected to maintain the moratorium if peace talks appeared to be making progress." The same source said that the PA had been led to believe that this temporary halt could turn into a permanent freeze if progress in other peace areas was made. In a press statement after his security cabinet approved the halt, Netanyahu said (11/25) that Israel had taken a "difficult" and "painful" step and hoped the Arabs would quickly "seize the opportunity" to take steps toward peace (i.e.,

normalization). Meanwhile, PA PM Salam Fayyad stated (11/25) that the offer was not enough—the PA still insisted on a total settlement freeze that included East Jerusalem and all construction already approved or underway.

In what Israel saw as a slap, U.S. secy. of state Hillary Clinton the same day (11/25) issued a statement describing the “negotiating parameters” being discussed with Israel and the PA, in which she specified that Palestinians sought “an independent and viable state based on 1967 lines, with agreed swaps,” while Israel sought “a Jewish state with secure and recognized borders that reflect subsequent developments and meet Israeli needs.” The U.S. until then had avoided referring explicitly to the 1967 lines as the baseline for final status talks on borders, and Israeli amb. to the U.S. Michael Oren immediately declared (11/25) that Israel “would prefer language that does not predetermine the outcome before negotiations start. One of our objections is that we do not believe that 1967 borders are defensible.” He added that Israel was particularly dismayed that the Obama administration drew this new line just as Netanyahu announced settlement concessions, which he notably said were “a gesture first of all to the president of the United States. I can’t stress that enough.” At the same time, special envoy Mitchell commented (11/25) that the U.S. did not foresee a quick revival of high-level Israeli-Palestinian peace talks but would continue to hold lower level talks and parallel discussions with the parties.

From the outset, the Netanyahu government sought to play up the freeze internationally but downplay it domestically, using the parameters of the freeze (and their endorsement by the U.S.) to expand and deepen Israel’s hold on East Jerusalem and its environs. The day after announcing the temporary freeze, the Netanyahu government issued (11/26) the military order to halt new building starts in the West Bank but simultaneously approved construction of 28 public and educational buildings in settlements across the West Bank. Days later, Netanyahu personally authorized (11/29) construction of 29 housing units in Kedar settlement s. of Jerusalem, while his government authorized (12/2) construction of another 84 structures in West Bank settlements, claiming that these units were approved

before the 11/25 freeze. Meanwhile, Israeli DM Ehud Barak ordered (11/30) his staff to hire and train 40 new building inspectors within 2 weeks (with dozens more to be hired later) to enforce the freeze, supplementing the 14 building inspectors currently working in the West Bank. The Israeli FMin. issued press releases noting that inspectors made initial rounds of 70 settlement communities on 11/30 and 12/1 and delivered 64 stop-work orders. Also on 12/1, however, Netanyahu, speaking at a conference in Jerusalem, assured Israelis that the freeze was a “one time” and “temporary” sacrifice, pledging, “We will go back to building at the end of the freeze.” He repeated these statements in a meeting with settlement leaders on 12/3 and at his weekly cabinet session on 12/6. Meanwhile, in East Jerusalem, Israeli police escorted (12/1) Jewish settlers and private settlement guards as they took possession of part of a Palestinian home in the Shaykh Jarrah neighborhood following an Israeli court verdict against the Palestinian family, which had disputed the authenticity of the settlers’ deeds. On 12/3, IDF soldiers escorted settlers evicting a Palestinian family from another home in Shaykh Jarrah, implementing a similar 10/09 Israeli court ruling.

Netanyahu clearly hoped that settlers would buy into the freeze as a temporary but necessary inconvenience, especially as it did not come as a surprise (as noted above). Still, many settlers, especially the right-wing settler youth movement, were defiant. As inspections got underway, settlers routinely challenged and scuffled with inspectors. Israeli police made their first arrests in enforcing the 10-month ban on 12/2, briefly detaining the mayor of Bet Arye settlement and 2 Jewish settlers in Elon Moreh when they blocked police escorting building inspectors delivering stop-work orders. After YESHA settlers’ council leaders attended (12/2) a high-profile ceremony to start construction of a new synagogue in Efrat settlement (permitted under the freeze), vowing they would continue to settle the West Bank with or without government support, Netanyahu summoned (12/3) them to a meeting at his office to appeal to them personally to observe the 10-month construction freeze, but they flatly refused. On 12/7, settlers launched an organized civil disobedience campaign to protest the freeze, blocking

traffic at major intersections leading into Jerusalem. Israeli police quickly dispersed them without violence, but settlers kept up such actions randomly over the following days. (Settlers had done the same thing in the run-up to Israel's 9/05 disengagement from Gaza.) After some 10,000 Jewish settlers protested outside Netanyahu's Jerusalem residence on 12/9, the PM summoned (12/10) settler leaders again and ordered them to tone down protests, again assuring them that the one-time freeze would last only 10 months, this time specifying that construction would be accelerated when the freeze ended. Settler protests, instigated mostly by settler youths, only escalated, however. In the most extreme incident, settler youths, in line with their "price-tag doctrine" of punishing Palestinians for any effort to curb settler actions, vandalized (12/11) a mosque in Yasuf village near Nablus, burning prayer rugs and Qur'ans, leaving behind Hebrew graffiti protesting the freeze. (Netanyahu denounced the attack on 12/11, and Israel's chief rabbi visited the village on 12/14 to express condolences and condemn the incident as reminiscent of Nazi attacks on Jewish holy places.) Some settler rabbis appealed to IDF soldiers on religious grounds to refuse orders to enforce the freeze. The government cut off (12/13) all funding to the yeshiva of a settler rabbi promoting conscientious objection after he refused DMin. orders to retract publicly his call to soldiers. (Of note: Pinchas Wallerstein, icon of the Jewish settler movement, resigned as dir. gen. and member of the YESHA settlers' council on 1/11, expressing deep misgivings about 2 trends encouraged by YESHA chmn. Dani Dayan—the price-tag doctrine and settler pressure on IDF soldiers to disobey orders to evacuate settlement outposts. By 2/4, YESHA appointed Netanyahu's former chief of staff Naftali Bennett, who did not live in a settlement, as its new director.)

In what some saw as a concession to settlers and others saw as a sign that Israel was not serious about the freeze, the Israeli cabinet on 12/15 approved (21–5) changes to Israel's map of national priority areas to include several isolated West Bank settlements, including several right-wing settlements (e.g., Kiryat Arba and Ked-dumim) that had led protests against the freeze, meaning these newly designated areas would be entitled to millions of dollars

in additional government financing. Under the revised plan, some 100,000 Jewish settlers would benefit from additional funding. Even centrist cabinet members, including DM Barak, criticized Netanyahu for caving to pressure from Jewish extremists angry over the freeze. PA negotiations adviser Saeb Erakat called (12/13) the adjusted plan a "blueprint for further settlement expansion . . . reveal[ing] the extent to which Israel's 'settlement moratorium' is a sham."

Meanwhile, Israeli dep. FM Daniel Ayalon ran (12/15) an open letter to the Arab world in the Arab daily *al-Sbarq al-Awsat* (see Doc. C1 in this issue), calling on Arab states to reciprocate Israel's recent "significant steps to restart negotiations" by taking steps toward normalization and to curb extremist elements within their borders. There was no public response. The next day (12/16), in an interview with the Israeli daily *Ha'Aretz*, Abbas stated that if Israel froze all settlement construction completely (even without formally declaring a freeze), a final status peace deal could be achieved within 6 months, reiterating that if PA elections were called before negotiations with Israel resumed, he would not run, stating: "If I can't reach my goals, I see no reason to hold onto my chair."

Israeli-Palestinian Violence Remains Low

On the ground, Israeli-Palestinian violence remained low between 11/16 and 12/15. In total 9 Palestinians (all Gazans) were killed and at least 88 Palestinians (21 in Gaza, 67 in the West Bank), 4 Israeli border police (in the West Bank), and 2 IDF soldiers (in the West Bank) were injured. As of 12/15, the death toll was 7,598 Palestinians and 1,091 Israelis.

In Gaza, Israel maintained its siege with little change, allowing an average of slightly more than 100 truckloads of humanitarian aid and commercial goods/day to enter, far less than the 500 truckloads/day the UN estimates are necessary to meet Gazans' basic needs. The only notable improvement was to allow Gazans to export (12/10) 1 truckload of carnations (30,000 flowers), marking the first exports permitted since 4/27/09.

Palestinians fired 3 rockets (11/18, 11/21, 11/23) and several mortars (12/12) into Israel, causing no damage or injuries. Israel retaliated to the 11/18 and 11/21

strikes with air strikes on smuggling tunnels, a Hamas training camp, and 2 suspected weapons depots, injuring 8 Palestinians in 1 tunnel strike on 11/21. Concerned about a possible breakdown of the cease-fire, Hamas met (11/21) with the other Palestinian factions and secured their renewed pledges to rein in the fire to preserve Gaza's stability and prevent further Israeli retaliation, though the factions vowed to respond to any IDF ground incursions into Gaza. (Hamas itself had largely observed a cease-fire since OCL ended on 1/18/09.) Unidentified Palestinians fired the 11/23 rocket in an apparent challenge to Hamas's authority, and Israel responded with more air strikes on smuggling tunnels, causing no injuries. Days later, the IDF made (11/27) a preemptive air strike on members of the Salafist Soldiers of the Companions of God (SCG; a rival of Hamas) who were preparing to fire a rocket, injuring 4. Thereafter, rocket fire fell to zero. The sole mortar barrage on 12/12 was likely in reaction to the settler attack on the Yasuf mosque on 12/11 (see above). In response, IDF troops on the Gaza-Israel border fired toward the mortar-launching site, killing 1 Palestinian civilian outside his home in al-Bureij refugee camp (r.c.), some 700 m away from the border. Troops on the border also fired on and wounded a Palestinian near the border on 12/2. The other Gaza casualties during this period included 1 Palestinian killed and 12 injured by Israeli strikes, 5 Palestinians killed and 5 injured in tunnel collapses, and 3 Palestinian militants killed and 4 injured while handling explosives.

Meanwhile, the IDF made 3 ground incursions into n. and s. Gaza to level land along the border fence within the 300 m no-go zone to clear lines of sight for troops operating on the Israeli side of the border. The IDF made a fourth incursion to detain Palestinians scavenging for scrap metal near the border, releasing them after questioning. In addition, Israeli naval forces on at least 4 occasions fired on Palestinian fishermen who strayed near the boundary of the fishing zone permitted by Israel (500 m-1,000 m off the Rafah and Bayt Lahiya coasts, 3 nautical miles elsewhere), causing no injuries.

In the West Bank, IDF arrest raids and house searches (and injuries) continued to decline slightly. UN Office for the Coordination of Humanitarian Affairs (OCHA)

weekly reports (for 11/16 to 12/15) tallied 67 Palestinians, 4 Israeli border police, and 2 IDF soldiers injured, most during clashes at weekly Palestinian demonstrations against the separation wall, where Palestinians often threw stones at troops who typically responded with rubber-coated steel bullets, tear gas, and stun grenades (see Chronology for details). The only major incident occurred on 11/26, when a Palestinian (apparently not affiliated with any faction) stabbed 2 Jewish settler women outside Kiryat Arba settlement in Hebron. IDF soldiers shot and wounded the Palestinian, and then another Jewish settler (husband of one of the wounded women) deliberately drove over him repeatedly with his car as soldiers looked on, seriously injuring but not killing him.

The U.S. Considers Proximity Talks

By mid-12/09 and with the temporary settlement freeze in place, the U.S. began to press hard for resumption of Israeli-Palestinian negotiations, with the focus on convincing Abbas to drop demands for a complete Israeli settlement construction halt in the West Bank, including East Jerusalem, for talks to proceed. Special envoy Mitchell suggested that the U.S. provide the sides with letters of guarantee formally laying out the U.S. understandings and expectations of the talks, while he and his team would hold discussions with both sides on what guarantees they would need to return to the table. By 12/30, the PA and Egypt requested that the PA letter include rejection of Israel's settlement project, a statement of the 1967 borders as the basis of a future peace deal, and a clear timetable and deadline for the talks. In light of this, Israel demanded that its letter reaffirm the U.S. position first stated by Pres. George W. Bush in 4/04 (see Quarterly Update in *JPS* 132) that post-1967 demographic changes be taken into account when agreeing on final borders, thereby implicitly endorsing Israel's position that some settlements would remain under final status. In response, Abbas stated (early 1/2010) that he could not accept a U.S. letter of guarantee as a basis for resuming talks if the pledges it contained were offset by the U.S. understandings given in its letter to Israel.

As exploratory talks continued, Netanyahu requested and received a meeting with Egyptian pres. Husni Mubarak to

discuss the peace process. During a 3-hour meeting in Cairo on 12/29, Netanyahu reportedly (*HA* 12/31) “presented Mubarak with understandings he had reached with the U.S. administration on relaunching peace talks, including his positions on Palestinian refugees, borders (including Jerusalem), territorial exchanges and security arrangements.” Afterward, Egyptian FM Ahmad Abu al-Ghayt publicly praised (12/31) Netanyahu for raising new ideas to advance the peace process, stating “I can’t talk about details, but the prime minister was discussing positions that surpass, in our estimate, what we’ve heard from [Israel] in a long time. I can’t say that he has come with changed positions, but he is moving forward. . . . Everything is on the table.” Mubarak reportedly (*HA* 12/31) urged Israel to resume talks on the border issue first, because resolving it “would remove the current ambiguity over settlement construction, clearly delineating where building is permitted and where it is prohibited.” Mitchell had already stated this preference to the sides, with Obama admin. officials saying that they believed that “significant progress can be made on borders even before the end of the 10-month construction freeze” (*HA* 12/31). Netanyahu also reportedly (*al-Dustur* 1/5) proposed that Egypt host a meeting between himself and Abbas.

Mubarak received Abbas in Sharm al-Shaykh on 1/4 to convey Netanyahu’s positions, but Abbas stood firm that he would not resume peace talks and direct meetings with Israel until a complete settlement construction freeze that included East Jerusalem was in place. The same day, Mubarak met separately with Jordan’s King Abdallah to discuss ways of reviving the peace process; no details were released and there was no indication that Abdallah and Abbas met. At the same time, Netanyahu, speaking to the Knesset, stated (1/4): “I believe the negotiations about entering negotiations have held us up long enough. In recent weeks, I got the impression that there is something of a change in the air. I hope there is a ripening that will allow the peace process to start.”

At this stage, the U.S. State Dept. announced (1/7) that Mitchell would head to Europe and the Middle East in mid-1/2010. Soon after, the first rumors emerged (*HA* 1/10) that in addition to the letters of guarantee, the U.S. was considering proposing

“proximity talks,” since Abbas continued to refuse direct talks. Mitchell and his staff would meet separately with both parties, present each side’s positions to the other, and then encourage them to bridge the gaps, without the U.S. presenting bridging proposals itself. As of 1/10, Abbas was believed to have accepted the idea in principle provided Netanyahu agreed to freeze all construction in the West Bank, including East Jerusalem, for 5 months after talks began, which Israel had refused.

Of note: On 1/6, a day before the State Dept. announced his tour, Mitchell stated in an interview with PBS that the administration had the legal ability to cut loan guarantees or freeze aid to Israel if it failed to advance peace talks, saying the U.S. would consider using economic sanctions and incentives with both sides to move the process forward and that all options must remain on the table (see Doc. D1 in this issue). When Israel protested (1/7), the State Dept. emphasized (1/7) that Mitchell’s comments were in response to a direct question about sanctions and constituted “a statement, not a threat.”

In the run-up to Mitchell’s tour, Secy. of State Clinton received (1/8) Jordanian FM Nasser Judeh and, separately, Egyptian FM Abu al-Ghayt and intelligence chief Omar Sulayman (who oversees Israeli-Hamas and Fatah-Hamas talks) to discuss the U.S.’s new peace efforts. Clinton stressed after her meeting with Judeh that the U.S. was working to restart Israeli-Palestinian peace talks “without preconditions.” She and Judeh agreed that revived negotiations should focus on borders, with Clinton stating, “resolving borders resolves settlements, resolving Jerusalem resolves settlements. I think we need to lift our sights and instead of looking down at the trees, we need to look at the forest.” Abu al-Ghayt and Sulayman briefed Clinton on Egypt’s peace efforts (especially Mubarak’s recent meetings with Abbas and Netanyahu) and reportedly (*Xinhua* 12/30) “probe[d] what the U.S. administration has to offer Arab parties” to move the peace process forward. No further details were released.

Mitchell met with Quartet reps. in Paris (1/12) and Brussels (1/13), including Quartet envoy Tony Blair and new EU high representative for foreign affairs and security policy Catherine Ashton (see “European Union” below), before heading to

the region the following week. En route to Paris, Mitchell stated (1/11) that he was working with the parties to set a clear timetable for negotiations and was pushing for an agreement on borders within 9 months and a complete final status accord within 2 years, which would mesh with PA PM Fayyad's timetable for achieving Palestinian statehood (see Doc. B4 in *JPS* 153). In Paris, he repeated U.S. support for a 2-state solution to the Israeli-Palestinian conflict and a comprehensive peace for the region, without mentioning the 1967 lines.

Meanwhile, Israel continued to exploit its "settlement freeze," further alienating the Palestinian side. While the Israeli DMin. announced on 1/4 that building inspectors enforcing the freeze in the West Bank had now issued some 230 stop-work orders in approximately 150 Jewish settlements and impounded 36 pieces of building equipment used in illegal construction, provocative settlement actions continued in East Jerusalem, where the partial freeze did not apply: On 12/28, Israel announced the approval of 692 new settlement housing units in Jerusalem's Har Homa, Neve Ya'acov, and Pisgat Ze'ev settlements. On 1/5, Israel approved construction of a new Jewish settlement in East Jerusalem funded by U.S. settlement financier Irving Moskowitz, consisting of 4 apartment buildings (24 units total) on the Mount of Olives, creating Israeli territorial contiguity between Mount Scopus and the Mount of Olives, completely surrounding the Old City with Jewish settlements and thereby completing the settlement plan launched by former Israeli PM Yitzhak Shamir 20 years before. (The EU, U.S., and PA immediately criticized the moves, with the U.S. calling the Moskowitz project harmful to the peace process on 1/5.) On 12/17, Israeli authorities in Jerusalem issued fines in the thousands of dollars and demolition orders for 9 Palestinian homes and a mosque in East Jerusalem's Jabal Mukabir neighborhood and later (1/10, 1/14, 1/19) carried out demolitions of 3 other Palestinian homes in the East Jerusalem environs. Israel also continued work on 2 archeological tunnels under Silwan leading to the al-Aqsa Mosque (see Quarterly Update in *JPS* 154).

While Mitchell returned to Washington to brief officials on his European meetings and prepare for his trip to the region, set to begin on 1/21, Abbas issued (1/16) a

statement indicating willingness to renew talks with Israel without a comprehensive settlement freeze if the U.S. guaranteed the endgame of negotiations, stating: "Either Israel commits to a halt of settlement and [defines] the terms of reference [for negotiations], or America comes and says this is the endgame with regard to defining borders, the refugee issue, and other final issues, so we can reach a political solution." Asked by the press to comment, Netanyahu stated (1/17) that unlike the Palestinians, "Israel sets no preconditions whatsoever for the resumption of talks." On 1/20, he stated that under any final status deal, Israel must permanently maintain a presence in the West Bank along the border with Jordan to guarantee that a Palestinian entity would be demilitarized. The PA angrily responded (1/20, 1/21), with Erakat commenting on the day of Mitchell's arrival (1/21): "Netanyahu has said no to a settlement freeze, no to sharing Jerusalem, no to the 1967 borders, no to the rights of Palestinian refugees. Now he wants to retain the Jordan Valley. What are these if not Israeli preconditions on negotiations that erode any foundation of hope for the two-state solution?" Adding to the growing pessimism around the Mitchell visit, *Time* magazine the same day (1/21) released an interview with Pres. Obama in which he stated that his administration had "overestimated our ability" to move the process forward, concluding that "if we had anticipated some of these political problems on both sides earlier, we might not have raised expectations as high" (see Doc. D2 in this issue).

Mitchell's meetings, initially scheduled only for 1/21-22, were largely kept out of the media. After talks with Israeli leaders including Netanyahu, Pres. Shimon Peres, DM Barak, and FM Lieberman on 1/21 (no details released), Mitchell traveled (1/22) to Ramallah where he held a 3-hour meeting with Abbas and his senior officials. Senior PA officials speaking anonymously stated (1/26) that Mitchell was placing heavy pressure on Abbas to resume negotiations with Israel without guarantees and warning that the Palestinians must resume talks with Israel if they wanted U.S. help to achieve their peace goals. Abbas once again refused to resume talks until Israel implemented a complete settlement construction freeze. Afterward, Abbas's negotiation adviser Erakat admitted (1/22) that

Mitchell and Abbas had reached an impasse, stating: "We do not share a common point of view on this issue. . . . We are not obstructing negotiations."

With no progress to report, Mitchell extended his visit for 2 days, regrouping on 1/23 before holding a second round of meetings with Abbas and Netanyahu on 1/24 (with the Netanyahu meeting lasting 3 hours). Mitchell left for Jordan and Egypt later on 1/24 without comment—and notably without any public mention of U.S.-mediated proximity talks. Hours later, Netanyahu attended a tree-planting ceremony at Gush Etzion settlement s. of Jerusalem, vowing that Israel would keep parts of the West Bank forever, stating: "Our message is clear: We are planting here, we will stay here, we will build here, this place will be an inseparable part of the State of Israel for eternity." He said he also planned to plant trees in Ariel and Ma'ale Adumim settlements, to the e. and n. of Jerusalem, to underscore that Israel intended to keep those lands as well. Abbas spokesman Nabil Abu Rudeineh called (1/24) the tree planting "an unacceptable act that destroys all the efforts being exerted" by Mitchell.

Violence Dips, Then Spirals

While the new U.S. diplomatic initiative unfolded from mid-12/09 through Mitchell's departure on 1/24, Israeli-Palestinian violence continued in the background, creating tensions but not swaying discussions. Initially, between 12/15 and 12/31, Israeli-Palestinian violence seemed to be tapering into a new lull. Though in total 10 Palestinians (7 in Gaza and 3 in the West Bank) and 1 Jewish settler (West Bank) were killed during the period, the number of individual incidents of violence was falling. OCHA noted that the week of 12/15–21 marked the first week since the end of OCL that no Gazans were killed or injured in IDF strikes and the first week since the beginning of 2009 without any West Bank Palestinian casualties.

In Gaza, the siege continued, with the rate of imports more erratic than usual from day to day but overall holding to the same (low) average since the start of the quarter. Marking the only positive change: On 12/29, Israel began temporarily allowing imports of glass into Gaza, initially until 1/31 and later extended, conceding the Palestinian argument that windows

constituted a humanitarian necessity during the winter months. (In total, 81 containers were allowed into Gaza between 12/29/09 and 2/9/10, when the ban was reimposed.)

Unidentified Palestinians fired 2 home-made Qassam rockets (12/16) and 1 mortar (12/30) into Israel, causing no damage or injuries; Israel did not respond in apparent recognition that the cease-fire was generally holding. Meanwhile, IDF troops opened fire across the border and then called in an air strike (12/25) on a group of unarmed Palestinian laborers attempting to sneak into Israel to find work, killing 3 and wounding 1. IDF naval vessels fired on Palestinian fishing boats once to force them back to shore, wounding 1 fisherman. The other Gaza casualties included 1 Hamas member killed and 1 wounded mishandling explosives, and 3 Palestinians killed and 1 injured in tunnel-related incidents. The IDF also made an incursion into Gaza to clear lines of sight along the border.

In the West Bank, late-night IDF arrest raids and house searches were few but daily occurrences between 12/15 and 12/31. As of 12/19, the IDF began targeting Bil'in and Ni'lin for late-night incursions, arresting and harassing dozens of organizers of the weekly demonstrations against the separation wall (see Chronology for details). The overwhelming focus was on Ni'lin, where the IDF sealed entrances to the village on 1/29 in an effort to prevent international activists from reaching demonstrations there. Palestinians kept up the weekly, largely nonviolent protests, however. (As of 1/1, Palestinians started a new trend of nonviolent resistance: planting trees on Palestinian land eyed by Israelis—either the government or settlers—for confiscation, since under Israeli law, cultivating land is one method of establishing legal claim of ownership. The IDF quickly caught on to the political nature of the acts and made efforts to block or break up the tree planting ceremonies; see Chronology for details. At least 1 ceremony on 1/28 was attended by the PA agriculture minister, giving subtle official endorsement to the popular initiative.)

The only major incident in the West Bank between 12/15 and 12/31 occurred on 12/24, when an al-Aqsa Martyrs Brigades (AMB) member fatally shot a Jewish settler driving near Nablus. Settlers in the n. West Bank immediately (12/24) blocked

Palestinian traffic, uprooted Palestinian olive groves, and vandalized cars and homes, particularly around Nablus and Tulkarm, and later (12/31) set up a new unauthorized settlement outpost near Nablus in memory of the slain settler (see Chronology for details), implementing their price-tag doctrine of wide-spread retaliation for any actions against settlers. On 12/26, IDF undercover units raided Nablus and assassinated 3 AMB members allegedly behind the 12/24 shooting, also wounding 1 bystander (see “Assassinations and Suicide Attacks” below for details).

The West Bank remained relatively calm through 1/24. Some 47 Palestinians and 1 IDF soldier were injured—the vast majority at separation wall protests and in an incident in which IDF forces assaulted shepherds grazing near Havat Maon settlement near Hebron (exact date not reported). In Gaza, on the other hand, violence took a sharp turn on 12/31, when the Popular Front for the Liberation of Palestine (PFLP) fired 2 manufactured Grad-type rockets that landed inside Israel near Netivot, causing no damage or injuries but marking a significant cease-fire violation that deteriorated into an exchange of Israeli-Palestinian fire across the border lasting more than a week (see Chronology for details). By 1/7, 4 Palestinians had been killed and 7 wounded; Israel reported no casualties or damage. The Israeli attacks included multiple air strikes, a drone attack, and artillery fire, while the Palestinians (the Popular Resistance Committees and PFLP) fired some 12–15 mortars (most landing inside Gaza), 1 antitank missile, 1 homemade Qassam rocket, and a third Grad-type rocket that hit near Ashqelon on 1/7. With the exchanges seeming to escalate, the IDF on 1/7 closed the Kerem Shalom crossing to imports through 1/9 and dropped leaflets over Gaza warning residents that anyone closer than 300 m to the Gaza border fence would be shot; leaflets included a map showing the s. villages of Abasan and Khuza within the no-go area. (By this time, the Nahal Oz crossing had been permanently closed as planned since 1/1, meaning that except for the grain belt operating at Qarni crossing, Kerem Shalom was the sole transit point for goods coming into and out of Gaza, including fuel shipments.)

Overnight (1/7–8), the IDF responded heavily to the Ashqelon strike, making air strikes on a smuggling tunnel on the Rafah

border (killing 3 Palestinians, including a 15-year-old boy; wounding 2), suspected weapons factories in the Shaykh Ajlin and al-Zaytun neighborhoods of Gaza City (causing no injuries but marking the first Israeli air strikes on Gaza City since OCL), and sites in al-Qarara (initially hitting an open area, damaging a house; then targeting and destroying 2 other Palestinian homes, whose residents had fled after the initial strike; no injuries reported). The escalated IDF attacks prolonged the cross-border exchanges (now also involving Islamic Jihad), which lasted through 1/10 before abruptly ending (timed with, though not necessarily related to, the first news of possible proximity talks and Mitchell’s pending arrival), leaving another 6 Palestinians dead and 2 injured and closing the deadliest spate of Gaza violence since OCL. Meanwhile, 1 Palestinian was killed in a tunnel collapse, and 1 Hamas member was killed and 3 injured in an explosion in n. Gaza caused by the mishandling of explosives, bringing the toll as of 1/10 to 7,616 Palestinians and 1,092 Israelis.

Gaza remained completely quiet until 1/23 (nearly the end of Mitchell’s visit) when Israeli naval fire on Palestinian fishing boats began to pick up. Even then, between 1/11 and 1/24 there were no Gazan casualties from direct conflict (2 Palestinians were killed and 7 injured in tunnel collapses), and no Palestinian rockets or mortars were fired. Between 1/12 and 1/26, Israel allowed an average of 1 container each/day of strawberries and flowers to be exported from Gaza, some of the only exports allowed since the siege began.

Hopes for Progress as Violence Rises

Through the end of the quarter, Mitchell continued quiet behind-the-scenes discussions and some hints of progress were reported. Spanish FM Miguel Angel Moratinos swung through the region, meeting with Netanyahu (2/1) and Abbas (2/2) and urging a resumption of talks. Abbas told Moratinos he was “preparing to accept” a U.S. request to open indirect talks with Israel, while Netanyahu told him that for Israel to accept indirect talks there had to be a strict limit of 2–3 months set on the shuttle diplomacy, after which direct negotiations would immediately resume. On 2/8, an anonymous PA official told Agence

France-Pressé that Abbas had given his agreement in principle to open indirect peace talks as early as 2/20, but that he planned to consult with Arab leaders and seek some clarifications from the U.S. before giving a final answer. According to the official, talks initially would be at low levels to flesh out the positions of each side and agree on an agenda for higher level talks. Experts noted (e.g., *HA* 2/8) that while the first peace talks between Abbas and the Netanyahu administration were a positive step, overall they marked a significant step backward, being the first time in 16 years that talks between the sides would be indirect.

Raising speculation that agreement on proximity talks was indeed near, the White House announced on 2/15 that VP Joe Biden would travel to the Middle East the week of 3/8/2010 to meet with Abbas, Netanyahu, Mubarak, and King Abdallah of Jordan in a bid to encourage the resumption of Israeli-Palestinian negotiations, the expectation being that a major announcement would be made during his visit. Meanwhile, Secy. of State Clinton gave (2/14) a cautious speech to the U.S.-Islamic World Forum in Doha, Qatar (see Doc. D3 in this issue), essentially asking for the Muslim world's patience with the U.S. in achieving the goals laid out by Obama in his major Cairo speech to the Muslim world in 6/09 (see Quarterly Update and Doc. D2 in *JPS* 153), which included improving U.S.-Muslim relations, engaging Iran, and securing quick progress toward Arab-Israeli peace.

Meanwhile, Israel continued provocative settlement actions that easily could derail the process moving forward: On 1/28, the IDF issued military orders declaring 150 dunams (d.; 4 d. = 1 acre) in Bayt Umar village near Hebron that settlers from nearby Bet Ayn settlement had repeatedly attempted to seize as state-owned land off-limits to Palestinians. Israeli minister without portfolio Benny Begin attended (1/31) the groundbreaking ceremony for a new settlement project to expand Bet Hagay settlement near Hebron, adding 10 new units; Begin stressed that government approval for the project was issued weeks before Netanyahu declared the temporary settlement freeze on 11/25. In early 2/2010, the Israeli DMin. announced plans to resume construction of a 4-km segment of the separation wall s. of Jerusalem that

would place Har Gilo settlement and the Cremisan Monastery's 19th-century cemetery on the w. side of the barrier—within the Greater Jerusalem area that Israel intends to keep under final status. Israeli Interior M Eli Yishai granted (2/8) retroactive approval to a 7-story settler-occupied building in the Palestinian neighborhood of Silwan in East Jerusalem that Israel's High Court had ruled illegal and ordered removed in 7/09. The building, constructed in 2004 by the ultranationalist Ateret Cohanim settler group, housed 8 settler families living under 24-hour government guard.

In addition, Israeli-Palestinian violence began to rise after Mitchell's departure on 1/24, though casualties remained low (a total of 5 Palestinians and 1 IDF soldier dead and 4 Palestinians injured). In Gaza, hardly a day passed between 1/25 and 2/15 without an incident of Israeli cross-border fire (mostly on scavengers and farmers near the border), an air strike, naval fire (to keep fishermen near shore), or an incursion (mostly to clear lines of sight); see Chronology for details. Air strikes and drone and artillery fire came mostly in response to Palestinians firing 3 homemade Qassam rockets (2/2, 2/3, 2/7) from Gaza into Israel, causing no damage or injuries. At least 1 air strike and 1 incident of artillery and cross-border fire were preemptive, killing 2 Gazans preparing to fire rockets and wounding 3 bystanders; the fourth Palestinian wounded was a teenager who strayed into the Israeli no-go zone e. of Gaza Valley village. Another 2 Gazans were killed in tunnel-related incidents. In the West Bank, 1 IDF soldier and 1 Palestinian were killed.

Of particular note: Islamic Jihad and AMB took (2/1) responsibility for releasing 8 floating explosive devices in Gaza's waters, targeting the Israeli navy, in retaliation for Israel's alleged 1/20 assassination in Dubai of Damascus-based senior Hamas commander Mahmud al-Mabhuh (see "Regional Affairs" below). Two floating explosive devices detonated near Israeli naval vessels off the Gaza coast on 1/29, and another 2 devices washed up on Israeli beaches on 2/1, causing no damage or injuries. The other 4 devices the groups claimed to have released were never found. In addition, an International Committee of the Red Cross (ICRC) jeep was damaged (2/4) by a roadside explosion

along a route near the Erez crossing that the convoy travels weekly; no injuries were reported. Hamas rejected (2/4) speculation that the explosion was caused by a roadside bomb, claiming that the jeep accidentally triggered IDF unexploded ordnance (UXO) from OCL. No group claimed responsibility for targeting the ICRC vehicle.

The siege of Gaza remained in place with no significant changes in the low levels of imports, exports, or transit of individuals. More than a year after Israel's assault on Gaza, OCHA reported (2/4) that Gazans were experiencing power cuts of 6–8 hours/day, 4–5 days/week, with 40,000 Gazans still without any power due to OCL damage. Israel still banned imports of construction material necessary for rebuilding from OCL, including regular and adequate supplies of cement, gravel, wood, glass, steel bars, and pipes; spare parts for the sewage, water, and electrical infrastructure remained severely restricted or entirely barred, causing a partial shutdown of Gaza's power plant for several days in late-1/2010 and temporarily increasing rolling blackouts to 12 hours/day.

During this 1/25–2/15 period, only 3 major West Bank incidents were reported: The IDF and Israeli tax authorities staged 2 days of arrest raids in Shu'fat r.c., arresting 92 Palestinians (see "Security Coordination" below). On 2/10, an off-duty Palestinian policeman (not in uniform) stabbed and killed an IDF soldier parked in a jeep at a junction s. of Nablus in Israeli-controlled area C and was detained by an Israeli security guard from a nearby Jewish settlement; the Palestinian did not claim the attack on behalf of a faction and his personal affiliation was not reported. Abbas denounced (2/10) the attack, urging Palestinians to participate only in non-violent protests against Israel. On 2/12, 6 members of an IDF foot patrol in Hebron's city center opened fire on and mortally wounded a 41-year-old Palestinian man who ignored orders to halt; the soldiers barred paramedics from the scene and removed the wounded man in an armored personnel carrier, later reporting that he died.

Prisoner Swap Talks Continue

Throughout the quarter, while Mitchell attempted to secure a resumption of final status talks, indirect talks (mediated

by Egypt and Germany under a media blackout) continued between Israel and Hamas on a prisoner release deal that would free captured IDF soldier Cpl. Gilad Shalit (taken by the Abu Rish Brigades during a joint operation with Hamas in 6/06 and quickly turned over to Hamas) and lift Israel's siege of Gaza. After the Palestinian daily *al-Arabiyya's* Web site issued a rare report on 11/22 that Hamas leaders planned to meet in Egypt on 11/23 to discuss a new Israeli proposal for a swap (possibly including jailed Fatah *tanzim* leader Marwan Barghouti), Israeli pres. Peres acknowledged that talks were ongoing, stating, "everyone knows there [has been] progress, and I hope it will come to something." Netanyahu, however, downplayed (11/24) the possibility that a deal was near, saying that media reports had been deliberately exaggerated and that a deal might not happen.

On 11/29, Israel's state prosecutor revealed that the prisoner release talks with Hamas that resumed on 11/23 were now discussing a release of around 1,000 Palestinian prisoners: 450 in exchange for Shalit and more than 530 as a "gesture" to the Palestinians after Shalit's release. (The information was released during prosecution of a case brought by an Israeli group representing the families of victims of Palestinian violence that had demanded that the government make public the names of Palestinians prisoners being considered for the swap; in rejecting that request, the prosecutor agreed to give out the general numbers being discussed.) After nearly a week of talks, Hamas officials in London stated (12/4) that negotiations had hit snags on 3 points: Israel's refusal to release 50 of the 450 prisoners requested by Hamas; Israel's refusal to include Israeli Palestinian prisoners in the deal; and Israel's insistence on deporting 130 of the prisoners. Hamas reportedly (Jewish Telegraphic Agency, *WP* 12/6) would not make a deal without the release of 15 specific prisoners, including 10 senior members of Hamas's Izzeddin al-Qassam Brigades (IQB), but also emphasized the need to free key members of other factions, such as Fatah *tanzim* leader Marwan Barghouti and PFLP head Ahmad Saadat.

According to Hamas's chief negotiator, acting Gaza FM Mahmud Zahhar (*Der Spiegel* 3/1), German mediators approached him after another 2 weeks of

quiet discussions with their own compromise, which included the release of 1,000 Palestinian prisoners but required Hamas to agree to a small number of West Bank prisoners being exiled to Gaza. As the Germans indicated that they could secure Israel's agreement to the deal if the Hamas leadership endorsed it up front, Zahhar went to Damascus to press Hamas leader Khalid Mishal to accept the offer, emphasizing his personal belief that Germany could close the deal. With Mishal having accepted the deportation provision on condition that those included in the group agree to their deportation, Netanyahu took the offer to his cabinet on 12/20. After intense debate over 2 days, Netanyahu announced overnight on 12/21–22 that he was unable to secure cabinet approval, with some cabinet members firmly opposed to releasing any Palestinians convicted in fatal attacks on Israelis and sticking to demands that more than 100 West Bank prisoners be expelled to Gaza or abroad. Netanyahu's office instructed (12/22) his negotiating team to continue efforts to reach a deal, while DM Barak told (12/22) the press that freeing Shalit was still a "top priority" but "not at any price."

German mediators returned to Gaza on 12/23 with what Israel called its "final offer," which Zahhar described as a much watered-down counterproposal that Hamas could never accept and that was personally embarrassing to him vis-à-vis Damascus and very frustrating to Germany. German mediators continued shuttling between Hamas and Israel without making any reported headway until around 1/26. Egypt hosted a round of Israeli-Hamas negotiations in Cairo ca. 2/12, but Zahhar did not take part. Some sources stated (*HA* 2/26) that Zahhar had either resigned because he thought the Damascus-based leadership was avoiding making acceptable compromises that could close a deal or because he had been forced by the leadership to step down because of the embarrassment caused to Mishal by the Israeli cabinet's rejection of the German proposal. Zahhar himself was vague, stating in his 3/1 *Der Spiegel* interview that it was because of Israel's actions and its "totally unacceptable" final offer that he did not take part in the meetings.

As of 1/31, Hamas-Israeli prisoner release talks were still ongoing but blocked

over Hamas demands for the release of 9 specific prisoners in exchange for Shalit. A senior Hamas official said (1/31) that the IQB particularly refused to release Shalit without the release of Ahlam Tamimi, a TV newswoman who disguised herself as a Jewish tourist to escort into Israel the suicide bomber who targeted the Sbarro pizza parlor in Jerusalem on 8/9/01, killing 15 and wounding 130; she was serving 16 life terms. Days later, on 2/2, Zahhar declared that talks with Israel had collapsed because Israel had hardened its positions, but he gave no details.

Intifada Data and Trends

During the quarter, at least 33 Palestinians and 2 Israelis were killed in Israeli-Palestinian violence or died as a direct result of the conflict (compared to 37 Palestinians and 1 Israeli last quarter), bringing the toll at 2/15 to at least 7,622 Palestinians (including 51 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,093 Israelis (including 349 IDF soldiers and security personnel, 216 settlers, 528 civilians), and 64 foreign nationals (including 2 British suicide bombers).

As 2009 came to a close, OCHA reported (12/31) that 27 Palestinians in the West Bank and Jerusalem died in 2009 of conflict-related injuries, saying this was "probably" the lowest annual record for those areas in at least a decade (though OCHA only keeps statistics dating back to 2005). OCHA reported on 12/9 that 727 West Bank Palestinians had been injured by Israelis since the start of the year (many, if not most, during demonstrations against the separation wall). Separately, OCHA reported (1/6) that as of 1/5, 94 Gazans and 1 Israeli had been killed and 156 Gazans and 7 Israelis injured in direct exchanges since the end of OCL on 1/18/09, while another 65 Palestinians had been killed and 120 injured in tunnel-related incidents. (OCHA did not update these figures to mark the 1-year anniversary of the end of OCL.)

As the first anniversary of OCL approached, *Jerusalem Post International (JPI)* reported (12/25, 12/31) on Israeli military assessments that the operation had been "a definite success and . . . achieved its goals of creating a new level of deterrence." Moreover, *JPI* noted that since OCL, Israel had "enjoyed an unprecedented period of quiet along the border"

and that the operation “has created a semblance of normalcy in the communities along the Gaza border, even leading to a rise in real estate prices.” The IDF estimated that Palestinians had fired around 300 rockets and mortars toward Israel since OCL ended on 1/18/09, nearly 200 of those in the first 3 months after the cease-fire. Israeli military intelligence confirmed that Hamas “has not been involved in a single terror attack since the operation ended.” At the same time, however, the IDF believed that Hamas was heavily rearming via the Rafah smuggling tunnels and stepping up construction of “offensive” tunnels along the Gaza-Israel border that could be used to capture soldiers or strike high-value targets inside Israel. As of late 12/09, the IDF believed that Hamas had 10s of Iranian-made rockets that could reach Tel Aviv, advanced anti-aircraft and antitank missiles (including armor-piercing 9M113 Konkurs), and a few thousand rockets (including manufactured rockets—100s with a range of 40 km and 10s with a range of 60–80 km). As such, the latest IDF assessment suggested that another operation against Gaza “could be just around the corner . . . [and] will likely be far different . . . and likely more lethal” than OCL. In preparation, *JPI* reported, Israel had recently held (no dates) several brigade-level military exercises simulating a second attack on Gaza.

UN agencies reported (OCHA 1/2010) that as of the 1-year anniversary of OCL, they had given mostly cash assistance to Palestinians whose homes were damaged in the fighting to help them find alternative housing or make repairs with locally available goods until Israel permitted imports of construction material for rebuilding: The UN Relief and Works Agency (UNRWA) had provided 3,516 refugee families with \$14.9 m. in assistance, and the United Nations Development Programme had provided 2,201 nonrefugee families with \$8.9 m. in assistance, while “local Gaza authorities” (i.e., Hamas and the PA) had given an additional 6,373 affected families \$32.9 m. in assistance. In early 12/09, UNRWA distributed the first 122 “compressed earth block” (similar to adobe) temporary shelters to Gazan families whose homes were destroyed during OCL. UNRWA resorted to the structures because Israel continued to block the import of standard construction material. UNRWA dir. John Ging called

on Israel to lift the boycott immediately. As of late 1/2010, UNRWA estimated that at least 200 families were still living in tents or makeshift shelters, and it was launching a project to get these families temporary shelter made of compressed earth blocks.

At the same time, OCHA reported (11/09, 1/2010) that 61% of Gazans were food insecure, another 16% were in danger of becoming food insecure, and more than 85% overall received some form of food assistance. Food insecurity was lower (58.1%) among refugees, who receive aid from UNRWA, than among nonrefugees (64.2%).

The Palestinian Central Bureau of Statistics reported (1/4) that the Palestinian population worldwide at the close of 2009 totaled 10.9 m.: including 2.5 m. (22.9%) in the West Bank (including East Jerusalem), 1.5 m. (13.8%) in the Gaza Strip, 1.25 m. (11.5%) inside Israel, and 5.6 m. (51.4%) living in the diaspora. Of those in the diaspora, 3.24 m. (57.9%) lived in Jordan, 1.78 m. (31.8%) in other Arab countries, and the remainder (10.3%) in other foreign countries. Refugees made up 18.8% of the West Bank population and 26.2% of the Gaza population.

Assassinations and Suicide Attacks

This quarter, the IDF killed 3 Palestinians in what may be considered assassinations, marking the first Israeli assassinations since 3/7/09. The killings all took place on 12/26, when IDF undercover units raided the Nablus homes of 3 AMB members (Ghassan Abu Sharikh, Nadir al-Sarkaji, and ‘Anan Sobeh) allegedly behind the fatal shooting of a Jewish settler on 12/24, killing all 3 and wounding 1 bystander. The deaths amounted to assassinations as the men could easily have been detained: 2 of them were called to surrender and were fatally shot as they left their homes unarmed; in the third case, soldiers entered the home, and when the wanted man refused to exit a closet and surrender, soldiers rigged the closet door with explosives and detonated the charge, killing him. Of note: IDF officials said they believed the men “acted as an isolated cell rather than as part of some larger organization,” dismissing any criticism of the larger AMB, its parent organization Fatah, or the PA—in contrast to the IDF view of incidents in Gaza, where Hamas is held responsible for violence by any Gaza faction.

There were no Palestinian suicide attacks this quarter, making 2009 the first calendar year since 1992 that no Palestinian suicide attacks (bombings or other) were recorded. (Suicide bombings targeting IDF troops inside Gaza during OCL were rumored but have not been independently confirmed.) The last confirmed Palestinian attack that could be considered a suicide operation (insofar as the assailant clearly did not expect to survive) took place on 9/22/08, when a Palestinian drove his car into a group of IDF soldiers in Jerusalem, injuring 19. The last confirmed Palestinian suicide bombing was carried out by unidentified assailants on 5/22/08 targeting the Gaza side of the Erez crossing, causing no casualties. The last Palestinian suicide bombing inside Israel proper was carried out by Hamas in Dimona on 2/4/08, killing 1 Israeli and wounding 11.

House Demolitions, Land-Leveling, and Judaization of Jerusalem

Israel's State Attorney's Office reported in early 12/09 that over the previous 12 years, Israel had demolished around 2,450 Palestinian-owned structures in West Bank area C (under full Israeli security and civil control) for lack of building permits. OCHA reported (12/8) that its own figures showed that between 1/1/09 and 7/15/09, Israel had demolished 180 Palestinian-owned structures in area C, displacing 319 Palestinians (including 167 children), but there had been no demolitions in area C since 7/15/09. In a fuller report on Israel's planning and zoning regime in area C released on 12/15 (see Doc. A3 in this issue), OCHA concluded that Palestinian construction was effectively prohibited in 70% of area C and so heavily restricted in the remaining 30% that construction is "virtually precluded." Israel allows Palestinian construction only within the boundaries of Israeli-approved development plans, which cover less than 1% of area C.

On 12/10, the IDF raided Khirbat Tana village in area C, northeast of Nablus and w. of Mehola settlement, searching several homes and confiscating 4 tractors, stating that the area is a closed military zone. (In 2005, the IDF had demolished the entire village except for a 150-year-old mosque on the grounds of illegal construction to make way for the creation of an IDF training camp. Italian NGOs helped Palestinians rebuild while residents appealed, but

in 2/09 an Israeli court gave a final ruling approving the razing of the village and relocation of its residents.) On 1/10, the IDF returned to demolish the village's only elementary school, 11 homes, 10 animal pens, and a greenhouse, displacing at least 120 Palestinians (mostly children) and marking the apparent first stage of Israel's implementation of the 2/09 court order.

In addition to the 11 homes demolished in Khirbat Tana, the IDF also demolished 7 homes in East Jerusalem this quarter, displacing at least 64 Palestinians. The total of 18 houses demolished marked a decline from the previous quarter in which 25 homes were destroyed, but continued the trend of Israel demolishing Palestinian homes in areas it intends to keep under final status.

Regarding Israel's efforts to judaize Jerusalem, Israel's Interior Min., complying with a freedom of information petition by the Israeli human rights group HaMoked, released (12/3) figures showing that Israel revoked the Jerusalem residency status of 4,577 Palestinians in 2008, a number that constitutes more than 50% of the total number of revocations executed between 1967 and 2007. (Figures for 2009 were not yet available.) In some 3,000 cases, Palestinians had their status revoked on the grounds that they did not adequately prove that East Jerusalem was their "center of life," no matter how long they may have resided there or how often they visited. Most Palestinians affected were living abroad at the time, some on visas that had expired, meaning the revocation left them legally "stateless."

On 12/17, Israeli security forces broke up a public gathering of Palestinians at the Damascus Gate in East Jerusalem to mark the formal end of the Arab League's designation of Jerusalem as the Arab cultural capital for 2009 (the title rotates annually; Doha is the capital for 2010); at least 6 Palestinians were arrested on the charge of undertaking illegal political activity in Jerusalem, and several were beaten.

Of note: In early 1/2010, award-winning architect Frank Gehry withdrew from the project to build Israel's Museum of Tolerance on the site of a historic Muslim cemetery in Jerusalem. Though he officially stated that "unfortunately our staff and resources are committed to other projects around the globe," widespread protests over the planned site were believed to

have contributed to his decision (see Doc. A4 in this issue for details).

Movement and Access Issues

Improved Palestinian freedom of movement within the West Bank, particularly between major population centers, continued this quarter. However, OCHA reported as of 2/3 that there were still 550 manned and unmanned IDF barriers in place across the West Bank, down slightly from the start of the quarter. As was the case last quarter, the IDF kept manned crossings open for longer hours and stopped fewer Palestinian-plated vehicles than was the case before Israeli PM Netanyahu began easing restrictions on movement in summer 2009. Of note: The IDF removed (1/4) an earthen barrier blocking the n. entrance to Halhul n. of Hebron that had been a major impediment to Palestinian movement along Route 60, the main road in the s. West Bank. Israel's High Court had ruled in 10/09 that the closure was illegal. On the negative side, however, the IDF shut (12/10) the Shavei Shomron checkpoint on the Jenin-Nablus route for road repair work expected to take 9 months. The closure created long delays for Palestinians traveling between Jenin and the s. West Bank.

The Israeli High Court ruled (12/29) that the IDF must reopen a 10-mi. portion of a main Tel Aviv-Jerusalem road that falls inside the West Bank to Palestinian access within 5 months, reversing a 2002 IDF ban on Palestinian use of the road. The court agreed that the IDF has legitimate concerns for the security of Israeli Jews using the road but that every Palestinian could not reasonably be considered a security risk. The decision was seen as the Palestinians' greatest victory to date in challenging Israel's policy of creating a separate West Bank road network for Palestinians and Israelis.

Meanwhile, Gazan access to education under the Israeli siege became a major issue this quarter after OCHA reported (11/25) that some 750 Gazan students who had been accepted in study programs abroad had lost the academic year because Israel had denied them permission to leave the Strip on the grounds that education is not a humanitarian necessity. Once the issue gained international focus (including a letter by 33 House reps. to Secy. of State Clinton asking her to intervene; see "Congress and State Assembly" below), Israel

moved quickly to expedite exit visas, allowing 563 Gazan students to travel abroad between 12/10 and 1/6. Meanwhile, Israel's High Court ruled (12/9) legal the IDF's 10/09 arrest and immediate deportation to Gaza of a Bethlehem University student with a Gaza residency permit who had entered the West Bank in 2006 on a 2-week travel permit with the intention to stay on illegally to study. (In 2003, Israel declared the West Bank in its entirety a closed military zone and began requiring all non-residents of the West Bank, including Palestinians from East Jerusalem and Gaza, to seek Israeli permission to enter.) The woman challenged the deportation on the grounds that (1) the 2003 decision was in contravention to the Oslo accords, which state that the West Bank and Gaza are a territorial unit; (2) immediate deportation violated her right to due process; and (3) she was deprived of her right to education (just weeks before she completed her degree). Human rights groups said the ruling could throw into question the legal status of thousands of Palestinians living in the West Bank.

Israel also significantly stepped up enforcement of restrictions on foreigners' access to the occupied territories including East Jerusalem, particularly for activists and individuals working for NGOs supporting Palestinian causes. For example, OCHA reported (12/09) that the Israeli Coordinator of Government Activities in the Territories had begun implementing a new visa policy requiring foreign nationals working for NGOs in the West Bank and Gaza to obtain a B2 tourist visa instead of a B1 work visa. Since the B2 visa forbids the holder from working in Israel, the move was thought to be aimed at cracking down on NGOs based in East Jerusalem but operating in the West Bank and Gaza. B2 visa holders, for example, are not allowed into Gaza through the Erez crossing.

In a notable incident: Israel deported (1/20) American Jared Maslin, chief English editor for the Bethlehem-based Palestinian news agency Ma'an, to the U.S. after detaining him the preceding week at Ben-Gurion Airport, denying him entry to the country and questioning him extensively about his "anti-Israeli" views. Maslin had worked in the West Bank for more than 2 years relying on renewable 3-month tourist visas to extend his stay without an Israeli work permit. Ma'an is a nonprofit

organization funded in part by grants from the EU, the UN, and the U.S. Palestinians and NGOs operating in the occupied territories viewed Maslin's deportation as further evidence that Israel was stepping up its crackdown on individuals and organizations, especially ones with foreign funding, that promote Palestinian interests. Maslin's girlfriend, American Faith Rowold, a volunteer with a Lutheran Church group in Jerusalem, was detained and deported with him.

Separation Wall

There were no reports this quarter of work beginning on new segments of Israel's separation wall or of completion of segments already under construction. As noted above, however, Israel announced (early 2/2010) that it planned to resume construction of a segment s. of Jerusalem that would place Har Gilo settlement and the Cremisan cemetery on the w. side of the barrier, which Israel intends to keep under final status.

Two years after Israel's High Court ruled that a section of the separation wall in Bil'in must be rerouted, the IDF began work (2/11) to move the barrier. Residents welcomed the change but stressed that it fell far short of their demands that the wall be removed altogether.

As noted above (see "Violence Dips, Then Spirals"), in 12/09, the IDF launched arrest raids targeting Palestinians involved in the Stop the Wall campaign, which organizes the weekly demonstrations against the separation wall in Ni'lin and Bil'in, in a bid to crush the protest movement. As of 12/31, at least 34 organizers and participants had been arrested. In addition, the IDF raided (2/6) an apartment building in al-Bireh near Ramallah that housed international activists working with the International Solidarity Movement, searching for individuals "known to have been involved in illegal riots [e.g., weekly separation wall protests] that interfered with Israeli security operations," checking visas and passports, and arresting 1 Spanish journalist and 1 Australian activist. The PA called (2/7) the arrest raids a violation of the Oslo interim accords, which gave the PA full security and civil control of Ramallah.

Settlers and Settlements

Settler violence this quarter was about the same as last quarter. The number of individual incidents of settler violence

reported this quarter was 40 (down from 53 last quarter), not including a spate of vandalism incidents in East Jerusalem between 12/2 and 12/9 as part of the settler protests against Netanyahu's settlement construction freeze. Incidents included at least 5 attempts (most foiled) to seize Palestinian land to set up new enclaves or expand existing settlements (12/4, 12/31, 1/31, 2 on 2/4), settlers rampaging through or attempting to enter Palestinian population centers (1/23, 1/26, 2/6); vandalizing Palestinian property (11/20, 11/23, 11/30, 12/2-9, 12/11, 12/19, 2 on 12/23, 1/14, 1/19, 1/27); uprooting trees and damaging crops (11/26, 12/6, 12/23, 12/31, 1/14, 1/23, 2/4, 2/5); beating, harassing, or chasing off Palestinians, particularly farmers and shepherds (11/20, 11/30, 12/10, 12/13, 12/16, 1/6, 1/9, 1/11, 1/16, 1/27, 2/9); blocking or stoning Palestinian cars (12/23, 1/1); opening fire on Palestinians (12/19, 12/27, 12/29, 2/9, wounding 2 Palestinians); and a stabbing (11/18, injuring 1 Palestinian). Also included was a 12/31 incident in which settlers leveled 1,500 d. of Palestinian crop land near Hebron to create a park and pools. This quarter, most incidents occurred in Nablus (13) and Hebron (12). The remaining incidents took place in East Jerusalem (3), Qalqilya (3), Ramallah (3), Salfit (3), Bethlehem (1), Tulkarm (1), and near the Israeli settlement of Homesh (1).

Of note: Some time in 12/09, an Israeli municipal court in Jerusalem ruled that Jewish settlers could take up residence in the front half of a Palestinian home in Shaykh Jarrah—the portion built by the Palestinian family (the Kurds) in 2000 and later sealed by the IDF for being constructed without a permit. The Kurds, 1948 refugees from Haifa, were among 28 refugee families relocated to UNRWA-built homes in Shaykh Jarrah by the UN in 1956 in exchange for giving up their UN ration cards. The UN at the time pledged to give the families title to the properties, but papers were not issued before Israel occupied East Jerusalem in 1967. Jewish groups contested the ownership of the 28 properties in 1967, but in 1982 reached an agreement with a lawyer for the Palestinian families (unbeknownst to the families themselves) to consider the lands Jewish owned but allow the families to stay as "protected tenants." (A new lawyer for the families immediately appealed the deal,

but the issue was not resolved.) After the addition to the Kurd home was sealed in 2000, settler groups filed suit and won by claiming the addition was Jewish property based on the 1982 deal. Before the end of 12/09, the settlers moved in and immediately started harassing the Kurds in hopes of driving them out (cursing at the women and children, throwing trash, spray painting graffiti, deliberately making noise, ostentatiously holding prayer services, etc.). Fist fights between the family and settlers were frequent through the end of the quarter, with Israeli police saying they were called to the residence about every other day to break up a dispute.

Similarly, on 1/25, an Israeli municipal court in Jerusalem ruled that Jewish settlers could take possession of the top floor of a Palestinian home in Aqabat al-Saraya in the Old City of Jerusalem, warning the Palestinian family (the Daoudis) that it would be fined nearly \$5,500 if they blocked the settlers. The Daoudi family had lived in the house since 1931. In 1988, the family expanded the house, adding a second floor with 2 rooms. Jewish settlers raided and occupied the 2 rooms in 6/08, claiming the new construction as Jewish property. The court ordered that the rooms should be sealed until the court ruled on their legal standing. On 9/10/09, settlers raided and occupied the entire home while the Palestinian residents were away. The court ordered the settlers to evacuate pending a ruling and sped the trial process, culminating in the 1/25 verdict. Settlers moved into the second floor on 1/29.

A week after receiving a scathing letter from Israeli state prosecutor Moshe Lador demanding implementation of 4 outstanding High Court orders to evacuate 8 Jewish settler families from an illegal outpost called Beit Yonatan set up in a building in East Jerusalem's Silwan neighborhood in 2005, Israeli mayor of Jerusalem Nir Barkat pledged (2/4) to do so but said that because of Lador's decision, he would also be "forced to take action" to carry out demolition orders against some 200 Palestinian buildings erected without permits. Barkat personally opposes sharing Jerusalem with Palestinians under a final status deal.

Palestinians of Israel

Of note: On 1/26, a Knesset committee voted (9-2) to strip Druze MK Said Nafa of his parliamentary immunity so he could

be prosecuted for visiting Syria (an enemy state) illegally, meeting with "foreign agents," and organizing a visit of 300 Druze religious leaders to Syria in 9/07.

In an address to a rabbinical conference in Jerusalem, Israeli Justice M Yaakov Neeman called (12/8) for Jewish law to become legally binding in Israel, raising a furor among secular Israelis and concerns among Israeli Palestinians. His office later issued a clarification stating that Neeman's views were personal and that the government had no intention of implementing such a plan.

INTRA-PALESTINIAN DYNAMICS

No Palestinians were reported killed or injured in interfactional fighting this quarter (compared to 36 killed and 177 injured last quarter), keeping the total number of Palestinians killed since 10/06 in such fighting to around 470 (not including those killed in internal fighting during OCL, when cases were hard to confirm; see Quarterly Update in *JPS* 151). Intra-Palestinian affairs focused on Hamas-Fatah reconciliation, PA presidential and legislative elections, and legitimacy issues.

PA Elections Point Up Broad Legitimacy Concerns

This quarter marked a decisive point for the PLO and PA, as the term of the PA's legislative body, the Palestinian Council (PC), was set to run out on 1/25/10. Abbas's official term as PA president had already officially expired on 1/9/09 and been extended to the end of the PC's term on questionable legal grounds, raising legitimacy concerns (see Quarterly Update in *JPS* 150). Abbas had hurriedly tried last quarter to organize presidential and legislative elections to be held before 1/25/10 in hopes of avoiding a bigger constitutional crisis, officially setting a 1/2010 date that the Central Elections Committee deemed logistically unfeasible and that most Palestinians from the outset expected would not be met (see Quarterly Update in *JPS* 154). Adding to the uncertainty, Abbas had declared (11/5) at the close of last quarter (and reiterated on 12/16) that he would not run for reelection as president. As the quarter opened, everyone braced for the PA to move into uncharted constitutional territory, some fearing violence could erupt if elections were not held.

The PA legitimacy crisis also pointed up serious legitimacy issues within Fatah (the de facto ruling party) and the PLO (the parent organization of the PA, which was created under the Oslo process as the PLO body representing Palestinians in the West Bank, including East Jerusalem, and Gaza), undermining their claims to speak for the Palestinian people. Fatah, which held internal elections in 8/09 cementing Abbas's control (see Quarterly Update in *JPS* 153), was still deeply divided on many levels, with strongly pro- and anti-Abbas camps. Fatah had conceded to Hamas in national unity talks in 2005 (see Quarterly Update in *JPS* 136) that the PLO could not be considered truly representative of the Palestinian people unless serious internal reforms were undertaken, including bringing Hamas and Islamic Jihad into the organization and acknowledging them as representing a significant portion of the Palestinian populace. While backtracking on this point had been too politically sensitive, Fatah had paid only lip service to the principle since the 6/07 Gaza takeover. In the absence of serious PLO reform, Fatah dominated the umbrella organization, and with Abbas now serving simultaneously as Fatah chairman (since 8/09), PA president (since 1/05), and PLO chairman (since 11/04), the lines of decision-making authority among Fatah, the PA, and the PLO were increasingly blurred.

Meanwhile, indicative of concerns within Fatah that Abbas was acting without adequate consultation with the party leadership, the Fatah Revolutionary Council (FRC; Fatah's legislative body) convened an "urgent" meeting at the PA presidential compound in Ramallah on 12/1. Attended by Abbas and a majority of Fatah Central Council (FCC; Fatah's executive body) members, the meeting was called to discuss Abbas's recent decisions to explore seeking immediate UN recognition of a Palestinian state on 1967 borders (see Quarterly Update in *JPS* 154) and to endorse a draft EU statement calling for East Jerusalem to be the capital of a future Palestinian state (see "European Union" below). These moves had been discussed internally within Abbas's PA leadership circle and by Abbas and Erakat with foreign diplomats (to gauge international support) but not with the Fatah leadership. Of note: One key player opposed to pressing the statehood issue in such a confrontational

manner was PA PM Fayyad, who preferred to stick by his recommendation, presented in detail last quarter (see Doc. B4 in *JPS* 153 and Quarterly Update in *JPS* 154), that the Palestinians simply work to reform the PA and build state institutions, creating a de facto state within 2 years. (See *WP* 11/17, *NYT* 11/19, and Fayyad interview in *JPS* 153 for more detail.)

Participants at the FRC meeting also discussed the status of PA elections and national unity talks with Hamas. Though no details were released, one item of discussion reportedly (*al-Quds al-Arabi* 12/8) was Abbas's informal announcement to aides in the run-up to the FRC meeting that he would endorse PA negotiations adviser and veteran PLO negotiator Saeb Erakat to replace him as PA president. The move angered several FCC members, who felt that Abbas was usurping the FCC's job of picking the party's candidate and some of whom were interested in replacing Abbas themselves.

The FRC meeting was followed immediately by a 2-day (12/15-16) session of the PLO Central Council (PLOCC; the PLO's legislative body), also at the presidential compound in Ramallah, to discuss the pending constitutional crisis if elections could not be held by 1/24/10. Members had feared that Abbas would officially announce his resignation at the session, but he did not. Instead, he gave a speech firmly stating his refusal to negotiate with Israel unless it froze all settlement construction, including in East Jerusalem—a position that PLOCC members formally endorsed. While some (unnamed) Fatah officials called on the PLO to dissolve the PC as of 1/25/10 and have the PLOCC assume the PC's duties until new legislative elections were held, this was quickly dismissed, with many arguing that there was no legal or political justification for such a move. (Of note: Israel and Hamas allowed PLOCC reps. from Gaza to travel to Ramallah for the meeting.) Ultimately, the PLOCC unanimously voted (12/16) to extend Abbas's presidency until the next presidential and legislative elections, the date of which was left unspecified.

Ca. 12/21, the PA officially postponed the 1/2010 elections, without setting a new date. Thereafter, the unofficial target date for elections became 6/28/10, in accordance with a draft national reconciliation agreement proposed by Egypt last

quarter that Fatah accepted but Hamas did not endorse (see Quarterly Update in *JPS* 154). The 1/25/10 expiration date of the PC passed unmarked, with no violence.

On 2/8, the PA announced that municipal elections would be held in the West Bank in several stages beginning on 7/17/2010. These would mark the first elections held since Hamas took office in 1/06. Hamas indicated it would not participate.

National Unity Talks

While elections spurred debates on many levels, all Palestinian factions agreed that the precondition for elections that would strengthen PA legitimacy was a national unity agreement between Fatah and Hamas before elections. Reconciliation efforts mediated by Egypt continued behind the scenes from the opening of the quarter. With talks deliberately kept out of the media spotlight, no significant news was reported until 1/3, when Hamas leader Khalid Mishal stated that talks with Fatah in Cairo had made “big strides” and were “in the final stages,” though Hamas still had reservations about Egypt’s latest proposal, including proposals to hold elections in the first half of 2010 and reorganize Palestinian security services under Abbas’s authority. (Mishal did not explain Hamas’s specific concerns.) When he made the statement, Mishal was in Riyadh briefing Saudi Arabian FM Prince Saud al-Faisal about the talks, following Abbas’s briefing to Saudi Arabia’s King Abdallah in Riyadh a week earlier. (On 1/5, Saudi Arabia briefed Egypt on the recent meetings with Abbas and Mishal, informing Cairo that the kingdom had no plans to play a further mediating role in reconciliation talks between Fatah and Hamas.)

Of note: Senior Fatah member Nabil Shaath traveled (2/4) to Gaza for the first time since the 6/07 Hamas takeover to meet with Hamas officials, including acting FM Zahhar, in connection with the Fatah-Hamas reconciliation talks.

Abbas/PA Governance in the West Bank

On 12/8, the PA declared a boycott against Israeli goods made in Jewish settlements, with National Economy M Hassan Abu-Libdeh stating that the government had already confiscated \$1 m. worth of settlement-made products, including foods,

cosmetics, and hardware. He said that the PA’s goal was to remove all settlement-made goods from West Bank stores by the end of 2010, which would be a significant move, since the West Bank economy is largely dependent on Israel for basic goods. The Israeli FMin. called (12/8) the move “unproductive” and damaging to the peace process. On 1/12, PA PM Fayyad announced the launch of the PA’s National Dignity Fund, which has been allocated over \$60 m. to increase Palestinian produce in local and global markets as an alternative to goods made in settlements, with the aim of strengthening the Palestinian economy and reducing dependence on Israel.

PA Religious Affairs M Mahmud al-Habash stated (ca. 2/10) that all the West Bank’s 1,700 mosques were now “in government hands,” with his ministry “issu[ing] scripted weekly sermons and [sending] censors to monitor mosques and verify compliance.” The takeover and monitoring of the mosques began after Hamas’s takeover of Gaza in 6/07 and has included “dispatch[ing] 200 new imams, armed with security clearance, to manage mosques hitherto run by . . . pro-Hamas rivals.” As part of the effort to undermine Hamas’s power structure in the West Bank, the PA also dissolved 92 religious charities that constituted Hamas’s social and patronage network, replacing them with 12 committees funded by Western and Arab (predominantly Gulf) aid and run by PA-appointed boards that provide the same services (e.g., schools, bakeries, and subsidized housing for the poor).

In a major political scandal, Abbas suspended (2/14) his influential chief of staff Rafiq al-Husseini amid allegations in the Israeli media that Husseini was engaged in influence peddling and financial corruption. (Former PA intelligence officer Fahmi Shabaneh told Israeli TV’s Channel 10 that after PA officials refused to take action against Husseini, he leaked a 2-year-old undercover video footage by a PA intelligence unit showing Husseini in a hotel room offering a woman a job in exchange for sex.) Husseini denied the allegations, claiming he was set up by local gangs connected to Israeli intelligence. Of note: At the time of his leak to Israeli TV, Shabaneh was under arrest in Israel for membership in a PA security service while living in Jerusalem and attempting to recruit agents in

Jerusalem to look for Palestinians who had sold land to Israelis. Before the Husseini story even broke publicly, the PA had issued (2/10) an order to arrest Shabaneh for collaborating with Israel and undermining the PA if he returned to PA territories in light of a 2/9 *Jerusalem Post* interview in which Shabaneh accused the PA of widespread corruption and alleged that Fatah officials had misappropriated \$3.2 m. of U.S. aid. Shabaneh warned (2/14) that he had kept personal copies of all his files as an intelligence officer, documenting financial corruption during the Arafat era and nepotism in the current PA government, and would leak documents even more damaging if necessary.

Hamas Governance in Gaza

The Gaza-based Palestinian Center for Human Rights reported (12/6) that Gaza's Hamas-run Interior Min. had started requiring Palestinians wishing to exit Gaza to obtain an exit permit from the ministry's new Office of Travel Registration. It further reported that Hamas-affiliated police had begun enforcing the order on Palestinians exiting through the Erez crossing but not at the Rafah crossing. The same day (12/6), Hamas-affiliated police manning the Gaza side of the Erez crossing blocked the exit of 37 Palestinian medical patients granted permission by Israel to leave the Strip, stating they had not obtained the proper exit visas.

As the quarter came to a close, OCHA reported (2/11) that several Palestinian human rights groups in Gaza had expressed concerns in the previous week that Gaza's internal security situation was deteriorating, with an increase in bombings of stores and organization offices (affiliations unclear), explosions and gunfire targeting Hamas officials, and abductions and beatings of individuals (affiliations unknown). It was unclear to what extent the attacks were politically motivated or personal.

Security Coordination

The PASF and the IDF continued to coordinate security operations in the West Bank in politically motivated ways broadly aimed at supporting Abbas's rule and guaranteeing Israeli security. The PASF, allowed to operate only in Oslo areas A (and in some parts of area A only during daylight hours), particularly targeted Hamas. The IDF, while giving the PASF increasing responsibility for maintaining West Bank

calm, continued to act in areas A without coordination if it felt this was necessary.

On 12/14–15, the PASF rounded up approximately 300 Hamas members across the West Bank to prevent any public rallies marking Hamas's 22nd anniversary. Shin Bet and IDF military intelligence praised (ca. 12/31) the effort, noting their pleasant surprise at the PASF's ability to uncover "dormant Hamas cells . . . whose existence was unknown even to the Israeli defense establishment." On 12/21, the PASF arrested another 15 Hamas members across the West Bank and fired on a car carrying Hizb al-Tahrir's senior spokesman, arresting him; no explanation was given. On 1/15, the PASF conducted late-night arrest raids in Hebron, Nablus, Tubas, and Tulkarm, detaining at least 15 senior West Bank Hamas officials and local council heads affiliated with Hamas, in 1 incident sparking a heavy exchange of gunfire (no injuries reported). Between 1/20 and 1/27, the PASF arrested at least 6 aides to Hamas-affiliated PC speaker 'Aziz Dwayk.

Though politically motivated arrests continued, Hamas officials, inmates in PA prisons, and Palestinian human rights groups confirmed on 1/3/2010 that since 10/09, the PASF had stopped torturing Hamas members in West Bank prisons, ending a pattern of abuse prevalent since Hamas's 6/07 takeover of Gaza. (Between 6/07 and 1/10, an estimated 4,000 Hamas members were arrested by the PA in the West Bank, with 500 still in detention as of 1/3.) Denying that torture was ever a PA policy, PM Fayyad said (1/3) that the order to crack down on "excesses" was given to "make sure a future state is built on the right foundations," saying 43 PASF officers were recently jailed, fired, or demoted for abusing prisoners.

On 11/19, the IDF staged synchronized late-night raids on the homes of 5 PA intelligence officers in villages near Nablus and Salfit, detaining the men (including the PA's Salfit regional intelligence commander Lt. Col. Muhammad 'Abd al-Hamid Bani Fadil), marking Israel's first arrest of senior PA security officials in 3 years; the IDF also requested that the PA turn over a sixth intelligence officer, but the PA did not comply. The Israeli DMin. confirmed (11/19) the arrests but refused to comment, with Palestinian security sources speculating (*Yedi'ot Abaronot* [YA] 11/20) that Israel was pressuring the PA to back

off investigation of a suspected collaborator. The 5 officers were released on 11/20 after talks between Israel and the PA.

Fayyad denounced (12/26) the IDF for failing to coordinate its 12/26 Nablus raid (in which 3 AMB members connected with the shooting death of a settler on 12/24 were killed; see "Assassinations" above) with the U.S.-trained PASF units responsible for security in Nablus, saying the raid undermined the PA's public standing and its ability to provide security. The PASF was already in the process of conducting a police investigation of the shooting and had detained and interrogated some 150 Palestinians when Israel carried out its raid.

IDF troops with helicopter cover escorted Israeli tax authorities into Shu'fat r.c. (sealed on 2/7) in 2 separate incursions on 2/8 and 2/9, raiding dozens of homes and shops and several medical centers, arresting 92 Palestinians, firing warning shots at residents (wounding a 14-year-old boy), and allowing tax authorities to confiscate cars and furniture. The camp falls within Jerusalem municipal boundaries and residents must pay taxes to Israel. The raids ostensibly were to collect delinquent taxes, though Palestinian security sources noted (2/22) that many of those arrested were teenagers and individuals affiliated with Fatah or Salafist groups, suggesting that the impetus may have been to break up resistance cells.

PALESTINIAN OPINION

The excerpts below are from the only poll published this quarter—a survey of 1,450 Gazans (men and women) conducted by the Palestinian Center for Public Opinion (PCPO) on 1 February 2010. The poll, the 169th in a series, was taken from PCPO's Web site at www.pcpo.org.

1. What do you think, generally, is more important: Palestinian reconciliation and, subsequently, the end of the Palestinian schism, or the opening of the border crossings?

	Percentage
a. Reconciliation and the end of the schism	74.4
b. Opening the border crossings	23.9
c. Don't know/No answer	1.7

2. What is more important from your point of view: Palestinian reconciliation or negotiations with Israel for achieving peace and the establishment of the Palestinian state with Jerusalem as its capital?

	Percentage
a. Reconciliation	51.1
b. Negotiations	10.5
c. Both are equal	36.3
d. Don't know/No answer	2.1

3. There are a lot of strategic concepts for the resolution of the conflict in the region and the self-determination of the Palestinian people. [What is your preference?]

	Percentage
a. One democratic state on the soil of the whole historical Palestine, in which all its citizens should enjoy the same rights without religious, ethnic, racial, or gender discrimination.	62.5
b. Two states, one Palestinian, the other Israeli, living in peaceful coexistence side by side as good neighbors.	36.8
c. Don't know/No answer	0.7

4. Do you support or oppose the stay of Mahmud Abbas in his office as president of the Palestinian Authority until new presidential elections are held?

	Percentage
a. Support	57.6
b. Oppose	28.3
c. Don't know/No answer	14.1

5. If the possibility of emigrating to the West would be open to you, would you emigrate or stay in your country?

	Percentage
a. I would stay	57.4
b. I would emigrate	40.2
c. Don't know/No answer	2.5

FRONTLINE STATES

JORDAN

Though King Abdallah continued to keep in regular contact with Israeli, PA, Egyptian, and U.S. officials regarding the peace process, Jordan's main focus this

quarter was on internal political issues. On 11/24, a day after dissolving his “rubber stamp” parliament, King Abdallah ordered the government to begin drafting a new, more democratic election law. The king gave no reason for his actions, but there had been increasing public criticism of parliament for blocking free-market reforms (including cutting spending and reducing business taxes) that could spur the economy. The government had 4 months to set new elections, but on 12/6, as widely expected, the king postponed (as the constitution permits) legislative elections indefinitely. The reason he gave was that elections would first be held for local councils, which have only an administrative function and no decision-making authority. (An anonymous official in the Municipal Affairs Min. attributed [12/6] the government’s decision to hold local elections first to its desire to gauge voting trends ahead of the general election.) Many Jordanian commentators expressed concern (*NYT* 12/23) about the move’s implications for democracy in the kingdom. On 12/9, King Abdallah tapped former palace aide Samir al-Rifa’i as PM to form a new government, approving his cabinet on 12/15. (Rifa’i’s father and grandfather had both served as PM.)

Of note: Human Rights Watch issued (2/1) a report criticizing Jordan for revoking the citizenship of about 2,700 Palestinians originally from the West Bank since instituting its 2004 policy of revoking citizenship of Palestinians without Israeli West Bank residency permits.

Also of note: On 1/14, unidentified assailants detonated a roadside bomb near a convoy of Israeli diplomats heading home for the weekend, causing no injuries. Israeli amb. Daniel Nevo was not in the convoy. No group took responsibility.

LEBANON

Lebanon’s new government under PM Sa’ad Hariri continued to settle in this quarter. Its main priority was delineating its relations with Damascus. To this end, Hariri traveled (12/19) to Syria for the first time since his father’s 2005 assassination to hold talks with Pres. Bashar al-Asad regarding warmer bilateral relations. Afterward, the 2 leaders announced plans to work more closely together on defining borders and other issues that have traditionally

led to instability; no details were released. Some analysts (e.g., *NYT* 12/21) believed that recent moves by Saudi Arabia, the U.S., and others to reengage with Syria (see Quarterly Update in *JPS* 153) had strengthened Syria’s regional position and effectively forced Hariri “to reconcile with Syria if he wanted to continue playing a political role.” Lebanese commentator Michael Young called (*NYT* 12/21) the visit “a severe setback to everything that happened starting in 2005 [in terms of pro-Western reform]. . . . I think he [Hariri] did it reluctantly, but he never had a choice.”

Also significant for Lebanese internal affairs: Hizballah announced (11/19) that Shaykh Hasan Nasrallah had been reelected for a sixth term as the movement’s head in closed-door elections.

With regard to Palestinian refugees in Lebanon, official reconstruction of Lebanon’s Nahr al-Barid r.c. began on 11/25, more than 2 years after its destruction during 5 months of clashes (5–9/07) between the Lebanese Army and Fatah al-Islam members holed up in the camp (see Quarterly Updates in *JPS* 145, 146).

Israel Discusses Withdrawal from Ghajar

The only movement this quarter on the Israel-Lebanon front was made public on 11/23, when the Israeli daily *Ha’Aretz* broke the news that Israel planned to withdraw from the n. half of the disputed village of Ghajar, which straddles the blue line (the unofficial international boundary) between Israel and Lebanon, in compliance with UN Res. 1701, which ended the 2006 Lebanon war. The UN Interim Force in Lebanon (UNIFIL) quickly stated (11/23, 11/27) that it had not been informed of any such Israeli plans. *Ha’Aretz* later revealed (12/6) that French FM Bernard Kouchner had pressed Israel on the withdrawal when he met with Israeli FM Lieberman and DM Barak during his visit to Israel on 11/17. France then pursued the issue in coordination with the U.S., which had been pressing Israel privately, arguing that a withdrawal in compliance with Res. 1701 would improve security on Israel’s n. border, strengthen Hariri and his moderate camp, and improve Israel’s standing in the international community.

Thereafter, Israeli FMin. dir. gen. Yossi Gal met three times (12/3, 1/7, 1/25) with UNIFIL commander Claudio Graziano to

discuss “the conditions which would enable Israel’s pullout.” (Graziano consulted separately with Lebanese forces about transferring n. Ghajar to UNIFIL control.) Since Res. 1701 had called on Israel to cease all operations (especially military) n. of the blue line, Israel envisioned turning over security responsibility for n. Ghajar to UNIFIL but retaining control of civilian affairs, allowing the Alawi population of the village to retain their Israeli identity cards. A UNIFIL plan on the table for more than a year recommended that UNIFIL help residents with civilian matters and oversee security in coordination with the Lebanese army. Under this plan, 100s of UNIFIL soldiers would be stationed in and around the village, along with a liaison officer from (and some small joint patrols with) the Lebanese army; UNIFIL soldiers would operate in the village in patrols of no more than 12 soldiers at a time. Ghajar residents, meanwhile, demanded that under any deal they maintain the ability to move between the n. and s. parts of the village and retain water and electricity services provided by Israel as well as access to Israeli education and healthcare. At the close of the quarter, efforts to reconcile these plans into a mutually acceptable agreement were still underway, with the sides pledging to continue the talks.

Security Issues

Hamas officials in Lebanon confirmed (12/26) that 2 senior Hamas bodyguards and a third person (possibly a Hamas member) were killed and 5 people wounded late on 12/26 when as many as 3 bombs tied together and weighing a total of 30 lbs exploded at a Hamas office in the Dahiya neighborhood of s. Beirut (Hizbullah’s stronghold). Initially, reports speculated that the explosion may have been an attempt to assassinate one of Hamas’s top 2 officials in Lebanon, Usama Hamdan or Ali Baraka, neither of whom was injured. Conflicting reports said the device may have been discovered and detonated accidentally as Hamas members attempted to defuse it and that it may have been placed under a Hamas vehicle or in the basement of the Hamas office. Detailed rumors in the Israeli press (e.g., *YA* 12/28) said the bomb had been placed in a donations box that was being delivered to Hamas’s Beirut headquarters and was detonated as 2 Hamas members unloaded and carried it

through a parking lot where Hamdan’s convoy usually parks; Hamdan was out of the city at the time. Hamdan repeatedly refused to speculate on who may have been behind the incident, stressing the importance of allowing Lebanese authorities to investigate the incident without jumping to conclusions so as to protect Lebanon’s stability and security. (Progressive Socialist Party head Walid Jumblatt, however, immediately accused Israel of an assassination attempt, while a few others accused Fatah; no one claimed responsibility.) Adding to speculation: The attack came just as German-mediated Hamas-Israeli talks on a prisoner swap to free Shalit appeared to be nearing an agreement (see “Prisoner Swap Talks Continue” above). Moreover, it occurred as Hizbullah leader Nasrallah was giving a speech several blocks away, marking the evening of ‘Ashura; fearing an attack, Hizbullah security forces initially denied Lebanese authorities access to the area. As the explosion investigation unfolded over the next 10 days, the Arab media reported (e.g., Ma’an News Agency, *al-Nabhar*, *al-Sbarq al-Awsat* 1/6) that Hamas had been conducting military training exercises inside the building where the explosion occurred at the time of the blast, raising speculation that it was the result of mishandling explosives. *Al-Nabhar* cited (1/6) unnamed Hizbullah officials as having “communicated ‘deep disappointment’ to the Hamas leadership over the discovery that [Hamas] was conducting military drills in a residential building in Lebanon without [Hizbullah’s] knowledge.” *Al-Sbarq al-Awsat*’s version (1/6) was that “[an] attack was carried out as Hamas members received live ammunition training in the basement of the building under Hamas control.” The matter was never fully clarified.

Israel accused Hizbullah of undertaking major efforts to rearm after UNIFIL reported (12/27) that its investigation of the “suspicious movement” of 5 individuals near the Israeli border in s. Lebanon near Khiyam had uncovered a large quantity of explosives in violation of UN Res. 1701 of 2006. UNIFIL believed the men (who evaded capture) were moving the cache. The investigation into their identity was still open at the end of the quarter.

The *Washington Post* ran (1/23) a special report on Hizbullah activities since the 2006 war with Israel. It cited analysts

who stated that because UN Res. 1701 restricted Hizballah armaments in s. Lebanon as part of the cease-fire deal ending the war, Hizballah had rearmed and relocated its arms to various areas around n. Lebanon and the Biqa' Valley, meaning that a future military conflict with Israel would be, in one analyst's words, "a much more expanded battle in all senses of the word." The paper quoted Israel's military intelligence as saying that UNIFIL's heavy and effective patrols of s. Lebanon are "almost beside the point," stating that in effect, "the 'border' is now the Litani River." Former Israeli national security adviser Maj. Gen. (ret.) Giora Eiland concurred that if a new military conflict was to break out, "Israel will not contain that war against Hizballah. . . . [T]he only way to deter the other side . . . is to have a military confrontation with the State of Lebanon."

Meanwhile, Israel continued near daily surveillance overflights of Lebanese territory in violation of UN Res. 1701. Increasingly frustrated by the routine incursions, the Lebanese army directed anti-aircraft fire at an Israeli surveillance drone entering Lebanese air space over s. Lebanon on 11/21. Though the fire was symbolic and incapable of hitting the drone, the latter climbed quickly and returned to Israeli air space. The Lebanese army also directed symbolic anti-aircraft fire at 4 Israeli warplanes that violated Lebanese air space in s. Lebanon on 12/29.

Of note: Lebanese authorities identified (11/23) remains found in the Biqa' Valley the previous week as that of British journalist Alec Collett, who was on assignment in Beirut for UNRWA when he was kidnapped by the Abu Nidal Organization in 1985. At the time, the organization claimed to have killed him in retaliation for U.S. air strikes on Libya.

SYRIA

The indirect Israeli-Syrian peace talks did not resume this quarter. Five rounds of indirect talks mediated by Turkey had been held between Syria and the government of former Israeli PM Ehud Olmert, but Syria suspended further talks on 12/28/08 to protest Olmert's launch of OCL (see Quarterly Update in *JPS* 151).

On 12/7, Israeli PM Netanyahu told the Knesset Foreign Affairs and Defense Comm. that he recently informed French

pres. Nicholas Sarkozy that Israel was ready to enter direct negotiations with Syria without preconditions and that he would like France to take over the mediating role from Turkey; he claimed that Sarkozy had told him that Syria had dropped its precondition that Israel agree that the endgame of negotiations would be Israeli withdrawal from all of the Golan Heights. Neither Syria nor Turkey commented.

In a press conference on 1/8 before traveling to the region, special envoy Mitchell told a different story, stating that the U.S. had undertaken intense efforts to revive Syrian-Israeli negotiations but that the issue remained blocked because Syria wanted to complete indirect talks mediated by Turkey, while the new Netanyahu government wanted immediate direct negotiations and did not want resume the indirect process. Mitchell met with Syrian pres. Asad on 1/20 in Damascus for talks on reviving peace talks with Israel and on U.S.-Syrian bilateral relations.

Israeli DM Barak, speaking (2/1) to senior IDF officers, cautioned that "in the absence of an arrangement with Syria, we are liable to enter a belligerent clash with it that could reach the point of an all-out regional war." The comments were intended for an Israeli audience to urge Israel to move toward resuming peace talks, but were taken as a threat by the Syrian government. Syrian FM Walid al-Moualem responded (2/3) directly to Barak's comments, warning that "Israel should not test Syria's determination," adding that "Israel knows that war would move to the Israeli cities." Meanwhile, Asad told (2/3) visiting Spanish FM Miguel Angel Moratinos that Israel was not serious about peace and was "pushing the region toward war."

Soon after, in a speech at Bar-Ilan University on 2/4, Israeli FM Lieberman warned Asad that the Asad family would be removed from power if it engaged in a war with Israel. Alluding to IDF intelligence reports that the Syrian military was focusing less on preparing for conventional war and working more on missile technology capable of striking Israel, Lieberman said that Syria had "crossed a line" and effectively issued a "direct threat" to Israel, which therefore "cannot continue with business as usual." Netanyahu attempted (2/4) to water down Lieberman's remarks by issuing a statement expressing willingness "to

go anywhere in the world, at any time, to open peace talks with Syria without preconditions.” He repeated these statements at his weekly cabinet meeting on 2/7, but Syria did not respond.

Meanwhile, the U.S. State Dept. announced (2/4) that it had submitted the name of Robert Ford, the current U.S. amb. to Iraq, to Syria for approval as its proposed envoy to Damascus. (The U.S. withdrew its ambassador in 2005 after the assassination of former Lebanese PM Rafiq Hariri, suspecting the Syrian government of involvement.) The decision to return the ambassador was the most recent step by the Obama administration to rebuild ties with Syria (see Quarterly Update in *JPS* 153).

REGIONAL AFFAIRS

This quarter Egypt continued as the regional actor most involved in the peace process, mediating talks between Israel and Hamas and between Hamas and Fatah (see “Prisoner Swap Talks Continue” and “National Unity Talks” above). Egypt’s involvement was largely driven by domestic security issues, in turn affected by geographic proximity. The proximity factor came to the fore on 12/29, when some 1,000 international activists gathered in Egypt to prepare for a 12/31 solidarity march to the Rafah border to mark the 1-year anniversary of OCL, demanding that Egypt allow them to carry 10,000s of dollars of humanitarian aid into Gaza and staging protests outside the U.S. and French embassies in Cairo, asking these governments to demand an end to Israel’s siege. On 12/31, Egypt allowed a token delegation of around 85 international activists to march to the Rafah border crossing and cross into Gaza to demonstrate with Gazans for an end to Israel’s siege, but barred passage of the aid without Israeli permission. Meanwhile, in Cairo, Egyptian authorities dispersed another 1,000 international activists demonstrating there. Inside Israel, about 1,000 Israeli Palestinian and Jewish peace activists marched to the Erez crossing in solidarity with the internationals from Egypt. On 1/6, Egyptian border police clashed with 100s of Palestinians protesting Egypt’s continued refusal to allow the humanitarian aid convoy through the Rafah crossing without Israeli authorization and its plans to build an underground wall along the border to deter

smuggling (see below). Clashes left 1 Egyptian border officer dead and 10s of Palestinians injured.

Driving the protests was news first reported by the BBC on 12/9 that Egypt had begun clearing trees for construction of a steel wall along the Rafah border that was designed by the U.S. Army Corps of Engineers to deter smuggling into Gaza. The report stated that when completed (estimated 18 months), the wall would stretch 6–7 miles and run more than 30 feet underground. Egyptian security officials later confirmed (12/21) that Egypt was building an underground steel barrier along the Rafah border to prevent smuggling but gave no other details. After some politicians in Cairo and Gaza accused (12/21) Mubarak’s government of helping Israel tighten the siege, the Egyptian FMin. issued (12/22) a statement saying that Egypt was engaged in construction along the border “that is related to Egypt and Egyptian national security. We refuse to call the construction a ‘steel wall’ and wonder where such a name came from.”

In addition, the Israeli cabinet approved (1/10) plans to build 2 barriers outfitted with surveillance equipment along approximately half of Israel’s 150-mi border with Egypt to prevent illegal border crossings. One segment would be near the Rafah border with Gaza and the other would be near Elat. Construction was expected to take several years and cost more than NIS 1 b. (\$268 m.).

Also of note: On 1/20, Syrian-based senior Hamas commander Mahmud al-Mabhuh, a founder of Hamas’s Izzeddin al-Qassam Brigades, was found murdered in his hotel room in Dubai. Hamas accused Israel of assassinating him. Israel did not acknowledge any role in the slaying but stated on 1/31 that Mabhuh had played a central role in smuggling rockets and other weapons from Iran to Palestinians in Gaza. The UAE blamed a “professional criminal gang” and vowed an international search for the killers, stating that INTERPOL had immediately been involved since most of the assailants had carried European (possibly British, German, and Irish) passports. The assailants killed Mabhuh within minutes of his arrival at his hotel and left almost immediately on separate international flights. Mabhuh’s family revealed (ca. 1/30) that he had been the target of two previous assassination attempts by poisoning, one 3 months

before that left him in a 24-hour coma and another in 2008 in Beirut that left him comatose for 36 hours. Thousands of Palestinians, including Hamas's Gaza head Ismail Haniyeh, turned out for Mabhuh's funeral in al-Yarmuk r.c. in Damascus on 1/29. On 2/15, Dubai police announced that they had identified 11 individuals who took part in the assassination, including 2 Palestinians who had been detained in Jordan and extradited to Dubai.

Also regarding Hamas: Damascus-based Hamas leader Khalid Mishal met (12/13) in Tehran with Iranian pres. Ahmadinejad to offer to mediate an end to the war in Yemen between Iranian-supported Houthi rebels and Saudi-backed government forces. Ahmadinejad rejected the offer.

The Office of the UN High Commissioner for Refugees (UNHCR) closed (2/1) the al-Tanf r.c. between the borders of Syria and Iraq, relocating the last 60 Palestinian refugees (who had been stranded in the no-man's land for nearly 4 years) to al-Hul r.c. inside Syria. Al-Tanf was set up by the UN in 5/06 to shelter longtime Palestinian residents of Iraq fleeing persecution in the wake of the 2003 U.S. invasion. The al-Hul camp, created around the same time, still houses more than 600 Palestinians. Another 1,400 Palestinians are housed in al-Walid r.c. on the Iraqi side of the border. UNHCR hoped to find permanent homes abroad for all the Palestinian refugees still stranded in camps before the end of 2010. To date, Belgium, Britain, Chile, Finland, Italy, Norway, Sweden, and Switzerland have served as host countries for Palestinians fleeing Iraq.

INTERNATIONAL

UNITED STATES

The one-year anniversary of Obama's presidency (which fell during this quarter) was marked by disappointment within the administration and in the Middle East that the pledges of change and quick progress had not borne more fruit. As such, U.S. peace efforts were focused on getting beyond the Israeli-Palestinian stalemate over settlements and pressing for the resumption of peace talks in some form.

CENTCOM Expresses Concerns

With the stagnation of the peace process at the end of last quarter pointing up the administration peace team's initial

policy failures and lack of direction moving forward, the head of U.S. Central Command (CENTCOM, responsible for most of the Arab and much of the Muslim world), Gen. David Petraeus, sent (1/16) a team of senior military officers to brief Joint Chiefs of Staff (JCS) head. Adm. Michael Mullen on his growing concerns that the stymied Israeli-Palestinian peace process was directly responsible for a rising number of U.S. casualties and setbacks in Iraq and Afghanistan. The team relayed CENTCOM's assessment, based on a 12/09 tour of its area of operations, that there was a growing perception among Arab leaders that the U.S. was incapable of standing up to Israel, that it was unable to fulfill its pledges in the region, and that "its military posture in the field was eroding." They also assessed special envoy Mitchell as "too old, too slow, and too late," giving vent to long-standing grievances held by senior military officers against the State Dept.'s perceived lack of long-range, visionary thinking and its dismissive attitude toward the military's role in foreign affairs in general, but especially in the Middle East.

In light of the serious concerns expressed in the briefing, the JCS forwarded (1/18) the CENTCOM assessment to the White House along with a recommendation by Petraeus that the administration place Israel under his area of operations (it was currently under the U.S. European Command), reportedly arguing that "the U.S. military had to be perceived by Arab leaders as engaged in the region's most troublesome conflict." (The Defense Dept. later downplayed this, saying benefits and drawbacks of reorganizing the commands is under discussion constantly.) The White House denied the request but was reportedly taken aback by Petraeus's dire assessment and vowed to "redouble" its efforts on the peace process, including having Mitchell relay Petraeus's concerns to IDF Chief of Staff Lt. Gen. Gabi Ashkenazi when he traveled to the region days later—a response not warmly welcomed by CENTCOM, which had already expressed its lack of confidence in the special envoy. Petraeus's moves marked the first time that CENTCOM had ever weighed in on a predominantly political issue, and, as such (and given the forcefulness of his opinions), the exchanges were never intended to be made public. Details of the events were told in confidence by a member of

Petraeus's staff to *Foreign Policy* Online (FPO) blogger Mark Perry, who later (3/13) prominently leaked the story.

Ultimately, in addition to having Mitchell transmit a message to Ashkenazi during his 1/22–24 visit, Pres. Obama dispatched Adm. Mullen to Israel to meet (2/15) with Israeli DM Barak. With news of the CENTCOM assessment still not public, the visit was billed as consultations on Iran. However, according to the Perry FPO piece, Mullen “actually carried a blunt, and tough, message on the Israeli-Palestinian conflict: that Israel had to see its conflict with the Palestinians ‘in a larger, regional, context’—as having a direct impact on America’s status in the region.”

U.S. Military Relations and Sales

On 12/24, *Washington Jewish Week* reported that Israeli officials, while critical of Obama’s settlement policy, had been “singing the praises” of the Obama administration for its willingness to enhance Israel’s qualitative military edge (QME), particularly by “adjust[ing] . . . a massive arms deal that the Bush administration made with the Arab Gulf states in response to Israeli concerns” (see Quarterly Update in *JPS* 147 and Selections from the Press in this issue) and by upgrading missile defense cooperation. Based on talks then underway, the officials expected that in 2010 the U.S. would agree to sell Israel its most advanced warplanes and most sensitive new technology. Analysts believed that the current administration supported enhancing Israel’s QME in the belief that if Israel felt more secure, it would be less likely to attack Iran. Of note: U.S. legislation passed in 2008 and supported by the American Israel Public Affairs Comm. (AIPAC) requires the president to report to Congress periodically about actions taken by the administration to guarantee Israel’s QME; Obama made his first classified report in summer 2009.

On 1/8, the U.S. and Israel reached (1/8) an agreement for the U.S. to double its stockpile of weapons kept in Israel. The stockpile, currently valued at \$400 m., included missiles, armored vehicles, aerial ammunition, and artillery ordnance. The weapons are intended for U.S. military use in the region, though Israel is allowed to use them in an emergency.

While willing to consider reducing sales of offensive weapons and weapons

systems to the Gulf to preserve Israel’s QME, the U.S. took significant steps to bolster the defensive capability of its Arab allies. U.S. administration and military officials revealed (1/31) that the Obama administration was working closely with Saudi Arabia and other Gulf states to speed military sales to its allies and upgrade defenses for oil terminals. U.S. officials said the move was intended, in order of priority: (1) to pressure but not threaten Iran, (2) to make Arab states feel secure and to convince them they do not need to pursue nuclear weapons themselves, and (3) to convince Israel that there is no immediate need to stage a preemptive strike on Iran. Plans reportedly included tripling the size of a 10,000-man protection force in Saudi Arabia, unprecedented coordination of air defenses, and expanded joint exercises. The officials noted that in the previous 2 years, Saudi Arabia had purchased \$25 b. of U.S. military equipment and the UAE \$17 b., including sophisticated warplanes and massive antimissile systems that enhance “interoperability” with U.S. defensive systems. (Petraeus stated in early 12/09 that thanks to U.S. military sales, the UAE air force “could take out the entire Iranian air force, I believe.”) During 1/2010 alone, Bahrain, Kuwait, and Qatar accepted the deployment on their soil of U.S. defensive systems and the troops to operate them. In addition, by 1/31, the U.S. had started keeping Aegis class cruisers equipped with advanced radar and antimissile systems on patrol in the Persian Gulf at all times. Iran accused (2/2) the U.S. of trying to sow division in the region, appealing to Gulf leaders to reject U.S. interference.

Also of note: U.S. national security adviser (NSA) Gen. James Jones and his adviser on Middle East affairs and Iran, Dennis Ross, made (1/14) a quiet trip to Israel reportedly (*NYT* 1/31) aimed at gauging Israel’s current views on Iran and “to review both economic and covert programs now underway against the Iranian [nuclear] program.” Talks also addressed Israeli concerns that U.S. military equipment and technology provided to Lebanon could fall into Hizbullah’s hands. Jones’s tour included stops in Riyadh to meet with Saudi Arabia’s King Abdallah (1/12), touch-base talks with Abbas in Ramallah (1/14), and consultations with Lebanese pres. Michel Suleiman in Beirut (1/15).

Congress and State Assembly

On 12/30, Obama signed the omnibus foreign operations bill covering the period 10/09–9/2010. The bill allocated \$2.22 b. of military assistance to Israel, which, combined with \$555 m. of earlier supplemental assistance, kept U.S. defense aid for 2007–17 in line with agreements reached between Israel and the previous Bush administration. The bill also included \$25 m. for Israel to resettle Jewish immigrants but added text explicitly prohibiting Israel from spending the money in Jewish settlements. The bill also authorized \$400 m. in assistance to the Palestinians, including up to \$150 m. of direct aid to the PA, in addition to another \$100 m. previously pledged for Dayton's training of the PASF. These figures were consistent with the Bush administration's aid to the Palestinians. The bill also continued a high level of funding (\$129.3 m. in military and security aid, and \$109 m. in economic aid) for the Lebanese army and Lebanese institutions controlled by Pres. Suleiman.

On 12/15, the House approved (412–12) H.R. 2194, its version of the Iran Refined Petroleum Sanctions Act (IRPSA; drafts were first introduced in the House and Senate in 4/09) to reduce the threshold triggering U.S. economic sanctions against foreign companies doing business with Iran's energy sector. The measure was opposed by the White House, which wanted to hold off on new unilateral U.S. sanctions until the year-end 2009 deadline for Iran to show positive movement toward curbing its nuclear program had passed and until the U.S. had first tried to rally the international community to agree to a broader international sanctions package (see "Iran" below), but House reps. were eager to pass a text before their winter recess. At the time, the Senate was also discussing an IRPSA measure but was moving slowly, in coordination with the administration. The Senate ultimately incorporated its IRPSA language into the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009 (S. 2799), which passed on 1/28 by voice vote, after the U.S. year-end 2009 deadline for Iran had passed without progress (see "Iran" below). At the close of the quarter, the Senate and House planned to meet in 4/2010 to reconcile their texts and send a joint text to Pres. Obama for ratification.

Reps. Jim McDermott (D-WA) and Keith Ellison (D-MN) sent (1/21) a letter to Pres.

Obama signed by 54 House reps. urging him to press Israel and Egypt to allow humanitarian aid into Gaza, calling Israel's blockade "de facto collective punishment" leading to the "unabated suffering of Gazan civilians." The letter also expressed sympathy for Israelis "who have suffered from abhorrent rocket and mortar attacks." There was no Senate version of the letter. Groups endorsing the letter included: American Near East Refugee Aid, American Task Force on Palestine, Friends Committee on National Legislation, Holy Land Christian Ecumenical Foundation, J Street, Methodist Church, and Rabbis for Human Rights.

On 12/23, Reps. Jim Moran (D-VA) and Bob Inglis (R-SC) sent (12/23) a letter signed by 33 reps. to Secy. of State Clinton, urging her to "press the Israeli government to end the ban on student travel from Gaza to the West Bank." There was no Senate version of the letter.

A bipartisan group of 10 senators led by Sens. Bill Nelson (D-FL) and Susan Collins (R-ME) sent (12/7) a letter to the Turkish amb. to the U.S. Nabi Şensoy expressing concern about the "downward trend of relations between Turkey and Israel this past year," but supporting Obama's call to expand relations with Turkey, calling Turkey a "vital leader" in regional security. The letter was timed with a meeting (12/7) between Turkish PM Recep Tayyip Erdogan and Pres. Obama at the White House (see "Turkey" below).

Also of note: New York State assemblyman Dov Hikind led (11/18) a delegation of 50 Jewish Americans to lay the cornerstone of the next phase of a new settlement housing project in Nof Zion in the Palestinian neighborhood of Jabal Mukabir in East Jerusalem. (The first phase was inaugurated on 10/7/09; see Chronology in *JPS* 154, Quarterly Update in *JPS* 153.) Hikind's group was on a 4-day tour of settlements in Arab neighborhoods of East Jerusalem and the West Bank "with a view toward buying houses or trailers to rent to settler families" (including in Silwan; see Quarterly Updates in *JPS* 152, 153). Hikind, who was launching a move to lobby American Jews to shift from renting time-shares in the U.S. and Caribbean to buying in Israel, stated, "This tour is a reaction to the Obama administration's attempts to tell Jews where they can and cannot live in Israel," adding that it is one thing for American Jews to support Israel emotionally but "when you

buy something, you're making the ultimate statement."

Lobbies

AIPAC briefed and dispatched (ca. 12/1) 250 U.S. college students to visit their congressional reps. in Washington for a lobbying day on the hill to press for sanctions on Iran.

The critically pro-Israel lobby J Street, which previously opposed sanctions, issued (12/7) a press release also calling on Congress to support a House measure (see "Congress" above) that would increase sanctions on Iran's energy sector. Israeli amb. to the U.S. Michael Oren, who earlier called J Street a "unique problem" and "significantly out of the mainstream," welcomed the statement. *Washington Jewish Week* noted (12/17) that in the current situation "many major Jewish groups—including [AIPAC, the Conference of Presidents of Major American Jewish Organizations, J Street] and the Reform movement—are pushing hard for bills [sanctioning Iran] that Obama and [head of the Senate Foreign Relations Comm., Sen. John] Kerry would prefer to work slowly and carefully. Only Americans for Peace Now is publicly aligned with the administration."

Legal Actions

The U.S. filed (11/24) federal charges in Philadelphia against 10 men, including Hizballah official Hassan Hodroj, suspected of organizing a criminal smuggling ring that engaged in laundering counterfeit money, forging passports, trafficking in stolen cars and electronics with the aim of funneling money, and smuggling 1,200 machine guns to Hizballah via Syria. None of the 10 was in custody; all were assumed to be abroad.

RUSSIA

Russia largely confined its Middle East activity this quarter to Quartet and P5+1 meetings (for the latter, see "Iran" below). Israeli FM Lieberman traveled (12/2) to Moscow to attend an Israeli-Russian joint economic committee meeting (12/4) addressing bilateral economic and trade issues. Lieberman also met with Russian Dep. PM Viktor Zubkov to brief him on Israel's positions on the peace process, Iran, and the UN's 9/09 Goldstone report (see Quarterly Update in *JPS* 154). Netanyahu followed up with a trip to Moscow

on 2/15 where he discussed with Russian pres. Dmitry Medvedev ways of improving bilateral issues, especially economic relations, and issues related to Iran; no details were released.

EUROPEAN UNION

On 11/16, the PA asked the EU if it would back an idea being discussed by the PA since last quarter (see Quarterly Update in *JPS* 154), namely, for the PLO to ask the UN Security Council (UNSC) to recognize an independent Palestinian state unilaterally without Israeli consent. The EU advised against the move.

At the same time, a classified EU annual report on regional events of 2009 (dated 11/23) drafted by the EU heads of missions in Jerusalem was circulated internally that strongly criticized Israel for actively seeking to annex East Jerusalem by expanding Jewish settlements, demolishing and evicting Palestinian families from their homes, and actively assisting efforts by private right-wing Jewish organizations to strengthen the Jewish presence in and around the old city. The report concluded that "Israel is . . . actively pursuing its illegal annexation of East Jerusalem by weakening the Palestinian community in the city, impeding Palestinian urban development, and ultimately separating East Jerusalem from the rest of the West Bank" and stated that Israel's policies in East Jerusalem "are undermining prospects for a Palestinian capital in East Jerusalem and incrementally render a sustainable two-state solution unfeasible." (The report, dated 11/23, was never released; the quotes were reported by Agence France-Presse, which broke the news of the report on 12/2.)

In this context, the EU revived (by late 11/09) discussion of issuing a statement recognizing East Jerusalem as the capital of a future state of Palestine. While the EU had never recognized Israel's annexation of East Jerusalem, had always supported Jerusalem as the capital of 2 states, and has continued to urge the Palestinians not to declare unilateral statehood, EU diplomats argued that explicitly calling for division of Jerusalem under final status and using the name "Palestine" would mark a significant change of policy that could "push the parties back to negotiations, while also spelling out a unified position among the

union's 27 members." When Israel learned (12/1) that EU FMs planned to debate a text at their next meeting in Brussels on 12/8, it formally protested (12/1) and began lobbying EU states against the move.

Under heavy criticism from Israel, EU FMs opted at the 12/8 Brussels meeting to moderate their statement, removing some controversial language, but still restating the EU's existing policy position more forcefully than Israel desired, calling for a negotiated resolution to claims over Jerusalem and upholding support for a 2-state solution (see Doc. A1 in this issue). The statement stressed that "the European Union will not recognize any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties" and "recalls that [the EU] has never recognized the annexation of East Jerusalem," adding that "if there is to be a genuine peace, a way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states." At Israel's request, wording acknowledging Israel's 10-month freeze on new West Bank settlement construction was strengthened, by calling the move a positive, concrete confidence-building gesture, and new text was added reiterating the EU's commitment to Israeli security, support for full normalization, and praise of Israel for taking steps to improve the West Bank economy. The statement also called for an immediate lifting of the siege on Gaza and resumption of Israeli-Syrian peace talks. While Israel billed the changes as a major political victory, it was also reportedly (*JPI* 12/18) displeased that the text did not mention Jerusalem as being the capital of a Jewish state.

On 12/1, Britain's Catherine Ashton (who previously served as a member of parliament, a minister in PM Gordon Brown's cabinet, and in various EU positions) replaced Javier Solana as EU high representative for foreign affairs and security policy (essentially the EU's FM). Scarcely a month into her tenure, Israeli dep. FM Ayalon publicly reprimanded (12/30) her in an op-ed in the *Wall Street Journal* for referring to the West Bank as "occupied" instead of "disputed" territory (see Doc. A2 in this issue for Ashton's statement), stressing that "there is this perception that Israel is occupying stolen land and that the Palestinians are the only party with national, legal, and historic rights to it. Not only is this morally

and factually incorrect, but the more this narrative is being accepted, the less likely the Palestinians feel the need to come to the negotiating table."

Meanwhile, in an 11/24 briefing to the European parliament's working group on Middle East affairs, EU special rep. for the Middle East peace process Marc Otte noted significant economic improvement in the West Bank, primarily caused by the removal of checkpoints.

EU heads of state separately reinforced the call for positive steps to resume Israeli-PA talks in their bilateral meetings. When Netanyahu and German chancellor Angela Merkel took part (1/18) in the second German-Israeli intergovernmental consultations (the first were held in 3/08; see Quarterly Update in *JPS* 148), held in Berlin and aimed at reviewing and deepening bilateral cooperation, Merkel acknowledged Israel's temporary settlement freeze as an "important measure" but said that on many points related to settlements, "Germany would have expected more from Israel." On 2/1, Merkel received Abbas and informed him that Germany expected the PA to resume negotiations with Israel as soon as possible. Abbas, who also stopped in London, received (1/29) the same message from British PM Gordon Brown.

Also of note: During their 1/18 meeting, Merkel made clear to Netanyahu with regard to security coordination that if Iran's position on its nuclear program did not change, Germany would support Israel's call for tough international sanctions. On the sidelines of that meeting, the Israeli cabinet convened in joint session with Germany's government to highlight 60 years of strong bilateral relations since the Holocaust.

Also on a bilateral level: In early 12/09, Israel's former FM Tzipi Livni canceled plans to attend a meeting in Britain after a British magistrate issued a warrant for her arrest on war crimes charges stemming from OCL. In light of her cancellation, the warrant was withdrawn. Israel formally protested (12/15) to Britain, which pledged to change the universal jurisdiction laws that permit judges to issue warrants for foreign politicians and military officials on behalf of foreign nationals. British FM David Miliband stated (12/15) after meeting with Israel's amb. that "Israel is a strategic partner and a close friend of the United Kingdom. We are determined to

protect and develop these ties. Israeli leaders, like leaders from other countries, must be able to visit and have proper dialogue with the British government." The next day (12/16), Brown personally phoned Livni to say she was welcome in the country. Nonetheless, 4 senior Israeli military officers canceled (ca. 1/1) a planned trip to London out of lingering concerns over Britain's universal jurisdiction laws.

UNITED NATIONS

The UN's main focus this quarter was to follow-up on recommendations made last quarter by the Goldstone mission investigating Israeli and Palestinian conduct during OCL (see Quarterly Update in *JPS* 154). Hamas and Israel, given until 2/5 to respond to charges made in the Goldstone report that they had committed war crimes and possibly crimes against humanity during OCL, both delivered their formal responses this quarter. On 1/28, Hamas issued a 55-page formal reply rejecting the accusations, asserting that the leadership had warned members against harming civilians and stating that 3 Israelis killed by Hamas fire during OCL had been hit "by mistake." Rejecting Hamas's stand, Human Rights Watch issued (1/28) a statement reiterating its assertions that Hamas targeted civilians during OCL. Israel submitted its 46-page official response on 1/29, similarly rejecting charges against it. Israel's report was based on an IDF internal investigation that focused on rebutting UN allegations that strikes on 7 specific sites were premeditated with the aim of harming the civilian population, seeking to show that damage was either accidental or caused by Palestinian militants. To demonstrate that Israel was taking action on UN complaints, the report noted that the IDF had disciplined 2 IDF officers in 1 incident "for exceeding their authority in a manner that jeopardized the lives of others" for directing artillery fire (including white phosphorous shells) at a densely populated section of Gaza City's Tal al-Hawa neighborhood. (The Israeli human rights group B'Tselem criticized [1/29] the officers' low-level punishment as amounting to a "cover-up" given the extent of IDF shelling of residential areas during OCL.) Notably, Netanyahu's government after long debate refused to allow independent scrutiny of the IDF's evidence, a key demand of the Goldstone

team, giving the UN the opening to request an international war crimes inquiry. Hamas similarly ignored a 1/18 call by 11 Palestinian human rights groups to allow an independent investigation of its conduct during OCL.

Israel paid (1/21) the UN \$10.5 m. in compensation for damage to UN facilities in Gaza during OCL but continued to deny legal responsibility for the damage. The UN welcomed the payment but noted that "the money will not itself repair the buildings and facilities damaged," highlighting that Israel still banned the import into Gaza of basic construction materials needed for renovations.

In late 1/2010, Israel was granted permission to participate in Geneva meetings of the UNHRC's regional grouping of non-EU democracies, JUSCANZ (including among others Japan, the U.S., Canada, Australia, New Zealand, Norway, and Switzerland, from which it derives its acronym). JUSCANZ is a consultative body to the UNHRC that also holds meetings in Nairobi, New York, and Vienna. Israel welcomed the move, believing that its inclusion in regional groupings allowed it fuller participation in the UN and that inclusion in JUSCANZ was a further step toward "ending systemic discriminating against Israel within the UN system."

IRAN

This quarter, international focus remained on guaranteeing that Iran would not militarize its civilian nuclear program. Entering office in 1/09, Obama had declared a break with the two-pronged policy that had characterized international engagement on the issue during the previous George W. Bush administration, where the EU generally played the good cop, offering diplomatic inducements to Iran to halt its program, while the U.S. played the bad cop, threatening sanctions. Obama had stated that his administration would lead a serious international effort to engage Iran diplomatically to find a mutually agreeable solution, with the expectation that Iran would respond positively by the end of 2009 at the latest.

A Slide toward Sanctions

As the quarter opened, U.S. frustration over Iran's failure to respond positively to diplomatic efforts over the year was

growing. Iran still had not responded to a 10/09 proposal by the P5+1 states (Britain, China, France, Germany, Russia, and the U.S.) that Iran send 70% of its low-enriched uranium to Russia and France for conversion into fuel rods for Tehran's nuclear medicine program, which would guarantee Iran nuclear fuel for civilian use while ensuring that Iran would not have enough uranium for a nuclear weapon for at least a year (see Quarterly Update in *JPS* 154). Meanwhile, in the wake of Iran's 9/09 revelation that it had been working on a secret bunkered nuclear site near Qom since 2007 and the International Atomic Energy Agency's (IAEA) chance discovery of 600 barrels of heavy water used to make plutonium in 10/09 during a routine inspection of Iran's small, declared nuclear facility in Khonab (see Quarterly Update in *JPS* 154), the IAEA stated (11/16) that it now feared that Iran could be hiding more nuclear sites. The agency also announced it had evidence that Iran had been working on the Qom site as early as 2002 and, after visiting the site at Iran's invitation in 10/09 (see Quarterly Update in *JPS* 154), believed that the size of the site would make it suitable only for enriching uranium for a weapons program. (This news swayed U.S. officials working this quarter to draft the U.S.'s 2010 National Intelligence Estimate [NIE], who stated later on 1/19 that in light of the spate of new revelations, experts were likely to reverse the controversial opinion of the last NIE in 2007 that Iran had halted its weaponization program in 2003, concluding instead that efforts had never ceased.)

U.S. officials tried to use the new evidence to pressure China and Russia to sign onto a new UN sanctions resolution if Iran failed to accept the Russian-French compromise by year's end, but they refused. When the P5+1 met (11/20) in Brussels to draft a sanctions package, China refused to attend in protest of the Western countries' hardening line. Medvedev, meanwhile, personally stressed (11/16) to the U.S. that the Bushehr nuclear plant being built by Russia for Iran was for civilian use only and should not be restricted by sanctions. That plant was to go online by the end of 2009, but in what may have been a subtle nod to U.S. and Israeli pressure, Medvedev said it would not meet the deadline, citing unspecified technical setbacks. (The *Washington Post* on 2/10 noted that other

plants were experiencing unexplained setbacks possibly resulting from sabotage.) Russia also continued to delay delivery of an advanced S-300 surface-to-air antimissile system that it had promised Iran (see Quarterly Update in *JPS* 153), though without linking the delay to the nuclear issue. Nonetheless, Iran warned Russia (mid-11/09) that continued delays could harm bilateral relations.

Iran responded to the stepped-up sanctions talk at the 11/20 P5+1 meeting in two ways: First, it made a show of force by holding (11/22-26) a 5-day air defense drill simulating defense against an attack on its nuclear sites and by giving the Iranian Revolutionary Guard Corps (IRGC) naval forces more operational control of the Persian Gulf and Strait of Hormuz, thereby strengthening Iran's ability to shut the waterway through which nearly 30% of the world's oil and natural gas and around 40% of all seaborne oil exports are transported (see *WP* 11/30 for analysis). Second, Iran stated (11/22) that it would consider the Russian-French offer for uranium swaps and enrichment abroad if it received solid guarantees that it would receive nuclear fuel on time to keep its medical facilities functioning. The Iranian FMin. later stated (ca. 11/25) that Iran viewed the only "solid guarantee" as being a concurrent fuel swap on Iranian soil, which Russia and France had already rejected. The IAEA asked (ca. 11/25) Iran to accept the swap, which would take place in a "neutral country" such as Turkey as a compromise, but Iran's failure to respond immediately was interpreted by the IAEA and many members of the P5+1 as more foot dragging.

In a meeting of the IAEA governing board on 11/26, Mohamed ElBaradei, normally not one to paint a grave picture or assign blame, declared just 4 days before ending his 12-year tenure as IAEA chief, that the IAEA probe of Iran's nuclear facilities was at an impasse because of Iran's refusal to cooperate. Warning that Iran's recent disclosure of the secret Qom facility and refusal to sign onto the Russian-French enrichment deal had undermined international confidence in Iran's peaceful intentions, he stated that the IAEA estimated that Iran currently had enough enriched uranium for 2 nuclear bombs. Diplomats later revealed (*NYT* 12/15) that when Iran's chief nuclear official Ali Akbar Salehi had been asked by IAEA officials at the

11/26 session about the origins of the 600 barrels of heavy water found in Khonab in 10/09, he told them “we made it”—a surprise, since Iran was not believed to have the knowledge to manufacture it and was presumed to have acquired it from abroad. In this light, the IAEA’s board, including China and Russia, passed (11/27) a resolution demanding that Iran immediately freeze construction of its Qom facility and halt uranium enrichment.

At nearly the same time (on or before 12/2), the UNSC agreed to convene a special panel on 12/10 to discuss reports of a surge in Iranian smuggling of missiles and weapons components over at least several months aimed at rearming Hamas, Hizballah, and Iranian forces operating in Iraq—transfers that would constitute violations of UN resolutions and lend weight to calls for additional international sanctions on Iran. The smuggling allegedly included materiel that originated in China, North Korea, Russia, and possibly Germany. (The 12/10 meeting was only a briefing and was not intended to decide on action against Iran.)

In response to the 11/27 IAEA censure, Ahmadinejad declared (11/29) that Iran would build 10 new uranium enrichment facilities across the country, vowing to begin work on 5 sites within 2 months, though experts (*NYT* 11/30) did not believe Iran could complete the project for years or even decades. After plans for the 12/10 UNSC meeting on smuggling were announced, Ahmadinejad gave (12/2) a televised address stating that Iran would no longer notify the IAEA of plans to build enrichment facilities because of the agency’s “bad behavior.” He added that sanctions would have no effect on Iran’s decision making and warned against punitive military strikes, saying “aggressors will regret their action as soon as they put their finger on the trigger.” Separately, Iran’s parliamentary speaker Ali Larijani threatened (11/29) that Iran’s cooperation with the IAEA could “seriously decrease” in the near future, while Iranian legislator Mohammad Karamirad stated (11/28) that Iran might pull out of the Nuclear Non-Proliferation Treaty (NPT) in protest, in which case its facilities would no longer be monitored by the international community. The U.S. warned (11/29) that construction of new facilities would mark “another serious violation of Iran’s clear obligations under

multiple [UNSC] resolutions” and further isolate Iran. Within days, the P5+1 agreed to meet in mid-12/09 to discuss new sanctions.

After a week of escalating verbal exchanges and signs that the P5+1 might unite in support of a stronger UN sanctions package, Iran backed away from its threats, with Salehi declaring (12/5) that Iran would not pull out of the NPT or stop complying with IAEA inspections. Iran then agreed in principle (12/12) to the Russian-French proposal to swap uranium for nuclear fuel for its medical research reactor, but only if it could exchange the fuel in stages—conditions that the international community had already rejected, since this would leave Iran always with enough enriched uranium to create a nuclear bomb. Iran’s aim appeared to be to show enough movement to reopen divisions within the P5+1 over approval of additional sanctions.

With the U.S.’s self-imposed 12/31/09 deadline for diplomatic progress approaching, a frustrated Secy. of State Clinton concluded (12/14): “I don’t think anyone can doubt that our outreach [to Iran over nearly a year] has produced very little in terms of any kind of a positive response.” At this stage, U.S. focus increasingly shifted to pressing for new international sanctions, with Obama administration officials explaining (12/29) that the U.S. aim was to craft a package that would create enough domestic pressure to force the Iranian government to return to the negotiating table, leaving the possibility open for a diplomatic resolution, while not punishing the Iranian public for the government’s wrongdoing. As such, the administration was opposed to the draft legislation working its way through Congress, which would impose punitive bilateral economic sanctions on Iran’s petroleum sector (see “Congress and State Assembly” above). Analysts noted (e.g., *WP* 12/30, 1/10) that the Iranian government was already facing escalating opposition protests (including fatal clashes with government forces) for purely domestic political reasons (see Quarterly Update in *JPS* 154), marking the worst internal political crisis since the 1979 revolution, which arguably made it harder for the Iranian government to make gestures to the West on the nuclear issue.

By way of demonstrating the new approach to sanctions on a bilateral level,

the U.S. Justice Dept. revealed (12/16) that Swiss bank Credit Suisse Group and Britain's Lloyds TSB Bank had agreed to pay the U.S. \$536 m. and \$217 m. in fines, respectively, for helping Iranian banks skirt U.S. sanctions barring Iranian access to the U.S. banking system. (Lloyds paid \$350 m. to the U.S. earlier in 2009 for similar violations.) Both banks' violations took place between the mid-1990s and early 2000s. (Lloyds halted all contact with Iranian banks in 2003, Credit Suisse in 2007.) In keeping with the aim of harming Iran's government and not its public, however, the U.S. waived (12/17) sanctions on Iran barring Iranians from downloading U.S.-made software from social networking sites such as Twitter and Facebook, saying the move was to encourage the free flow of information to the Iranian people. (U.S. intelligence services had also found that monitoring Twitter and Facebook was useful last quarter in following events in Iran during the violence surrounding elections; see Quarterly Update in *JPS* 154.)

As the year came to a close without a deal to curb Iran's nuclear program, Iran once again responded to the increased threat of sanctions with a carrot and a stick. First, it made another show of force on 12/16 by test firing an upgraded version of its Sijil-2 rocket capable of hitting Israel and parts of Europe. (The White House issued a statement on 12/16 stating the test "undermine[s] Iran's claims of peaceful intentions.") Iran then stated (12/25) that it would consider the IAEA's compromise proposal of a month earlier (see above) to exchange nuclear fuel in Turkey. Still, nothing definitive was agreed to.

Obama Moves to Phase 2

Obama's self-imposed deadline passed without any appreciable movement on the nuclear issue. Asked by the media how the U.S. planned to handle the situation moving forward, Secy. Clinton stated (1/4) that the U.S. remained open to negotiating with Iran and had no "hard-and-fast deadline" for reaching a deal but would move toward sanctions if Iran did not respond positively.

In the absence of diplomatic progress, the U.S. had little leverage to pressure Iran as long as the P5+1 remained divided. China, which was expanding trade relations with Tehran, stated (1/5) that it was not ready to impose new sanctions on Iran

and (as rotating UNSC head for 1/2010) had no intention of convening a UNSC debate on the issue. On 1/6, Iran's chief rep. to the IAEA, Ali Asghar Soltanieh, formally presented Iran's response to the Russian-French offer, telling the P5+1 that it could accept the deal if implementation were delayed for a year but even then it would want to deliver the uranium in stages. Iran then declared (1/8) that as a goodwill gesture to the U.S. it had halted uranium enrichment for 2 months. The U.S. called (1/6) the counterproposal inadequate and did not acknowledge the 1/8 gesture.

Instead, the U.S. revived the postponed mid-12/09 P5+1 session, despite China's protests, convening a senior-level meeting in New York on 1/16 to hear a U.S. appeal for additional sanctions. In a diplomatic snub, China sent a low-level FMin. official as a sign of its resistance to punishing Iran. Though the move meant that no formal decisions could be taken at the session, the other parties went ahead with the meeting "to send a message to Iran that we're not dropping this issue." Afterward EU rep. Robert Cooper stated that the nations "will continue to seek a negotiated solution, but consideration of appropriate further measures has begun."

Despite the strong words, the P5+1's clear lack of resolve seemed to embolden Iran and agitate Israel. When Iran test launched (2/2) a Kavoshgar-3 rocket capable of carrying a satellite into space—technology that could just as well be used to launch long-range rockets with nuclear payloads—Israel weighed in (2/4) with its own show of force, sending 2 nuclear-capable Israeli missile ships through the Suez Canal en route to the Persian Gulf. (Israel last sent vessels to the Gulf in 6/09 and 7/09.)

On 2/9, Iran apparently reversed the enrichment freeze announced on 1/8, declaring that it had begun enriching uranium to a higher grade than previously (from 4% to 20% purity, the minimum needed to produce fuel for Iran's medical reactor). Netanyahu publicly warned (2/9) that Iran was "racing forward to produce a nuclear weapon" and that "crippling sanctions . . . must be applied right now." Experts said (*NYT* 2/10) that Iran's ability to enrich to 20% purity still left it far shy of having the capability to produce a nuclear weapon (which required enrichment to 90% purity) but demonstrated significant

technological advancement toward producing weapons-grade uranium and making the program easier to hide (since fewer centrifuges are needed as purity levels increase). The IAEA had complained (2/11) that Iran was starting the new enrichment process in the absence of inspectors, something the IAEA specifically asked Iran not to do and which it considered a violation of existing agreements. At this stage, the U.S. offered (ca. 2/10) to provide Iran with a regular supply of medical isotopes for its medical nuclear program, so that it could close its aging U.S.-built research reactor that now makes the isotopes for medical research and halt its uranium program altogether, but Iran refused (2/10).

By mid-2/2010, the U.S. administration had begun articulating a set of short-term goals, which the administration called phase 2 of Obama's "engagement effort" with Iran: (1) win international support for tougher sanctions on Iran, while making sure that sanctions do not stifle a budding antigovernment movement; (2) convince China to back and observe sanctions; and (3) dissuade Israel from attacking Iran. A senior administration official speaking anonymously said (*NYT* 2/11), "this is about driving [Iran] back to negotiations, because the real goal here is to avoid war."

On 2/10, the U.S. Treasury Dept. announced new bilateral sanctions against 4 Iranian companies affiliated with Iran's IRGC and Gen. Rostam Qasemi, who oversees them. The U.S. first imposed sanctions on companies tied to the IRGC more than 2 years ago, but the IRGC had been able to circumvent them by establishing new subsidiary front companies. The 2/10 measure was a step to close that loophole. In billing the sanctions in a way to appeal to Iranian antigovernment protesters, Treasury Under Secy. for Terrorism and Financial Intelligence Stuart Levey noted (2/10) that the IRGC had "consolidate[d] control over broad swaths of the Iranian economy, displacing ordinary Iranian businessmen in favor of a select group of insiders."

As the quarter came to a close, the U.S. was reportedly (*NYT* 2/10) finalizing a draft sanction package against Iran for presentation to the UNSC before the end of 3/2010. The aim of the new sanctions, which would target companies, banks, and other entities tied to Iran's IRGC, would be to create a "systematic" effort "to drive a wedge between the Iranian population and

the Revolutionary Guards," which was responsible for overseeing Iran's nuclear program as well as supporting militant Islamic groups such as Hamas and Hizballah and cracking down on internal dissent. Obama stated (2/9): "We have bent over backwards to say to the Islamic Republic of Iran that we are willing to have a constructive conversation about how they can align themselves with international norms and rules and re-enter as full members of the international community. They have made their choice so far." He added that the U.S. was working on "developing a significant regime of sanctions that will indicate to them how isolated they are from the international community as a whole" and increase the costs for those still doing business with Iran to the point that they would cut off ties. While previous sanctions resolutions named a handful of specific individuals and companies, the new resolution would name "dozens, if not hundreds." The EU pressed for the individuals listed to include more names of Iranian diplomats who should be denied visas for travel.

The new sanctions would work only if Russia and China were on board, since they did the most business with Iran. While the U.S. believed it had Russian support, it was still unsure about China, given its multibillion dollar investments in Iran's oil and natural gas sectors. In an effort to sway Beijing, Secy. Clinton met (2/10) with Chinese FM Yang Jiechi in London to press the idea that a nuclear Iran would be far more destabilizing to the region and the world than any potential disruption of Chinese-Iranian trade relations. At the same time, the U.S. was working to secure pledges from Saudi Arabia and the UAE that they would offset cuts in oil deliveries to China if Iran retaliated against China for supporting UN sanctions.

Another item of note this quarter: Iran declared (12/14) that it would put on trial for espionage 3 Americans (2 men and a woman) who entered Iran illegally in 7/09 during a hiking trip in the Kurdish region along the Iran-Iraq border. The U.S. denied the 3 were spying or were connected to the U.S. government. Their families stated they crossed the border accidentally. The announcement came a week after Iran demanded the release of 11 Iranians believed to be held in U.S. prisons (some of whom, including a nuclear scientist, were captured abroad).

Also of note: On 1/12 in Tehran, Iranian scientist Massoud Ali-Mohammadi, who represented Iran on a major regional scientific research project (Synchrotron-light for Experimental Science and Applications in the Middle East, or SESAME) that also involved Israeli scientists, was assassinated by a remote-controlled bomb planted outside his home. Participants described the SESAME project as purely scientific and apolitical, with applications in industry, medicine, and nanotechnology but no nuclear applications; Ali-Mohammadi had no known connection to Iran's nuclear program. Nonetheless, Iran's media described him as a nuclear scientist, and the Iranian government accused the U.S. and Israel of assassinating him, charges both countries denied. No group claimed responsibility.

TURKEY

As the quarter opened, Israel made gestures to improve relations with Turkey, which had cooled significantly after OCL. Israel's Industry, Trade, and Labor M Benjamin Ben-Eliezer made (ca. 11/24) a trip to Turkey on a mission to repair bilateral relations. Dep. FM Ayalon also received (12/6) a delegation of leading Turkish journalists to emphasize that Israel's relations with Turkey were back on track after serious strains. Ayalon praised Turkey's efforts to mediate peace talks with Syria, stating that Israel hoped to open direct talks with Syria soon. (The next day, Netanyahu indicated that he wanted France to take over the mediating role from Turkey, but Turkey did not comment; see Syria section above.)

In early 1/2010, however, Turkish-Israeli relations were strained again, when Turkish PM Recep Tayyip Erdogan, in a press conference in Beirut following a meeting with Lebanese PM Hariri, criticized (1/11) Israel's routine violations of Lebanese air space, accused Israel of destabilizing the region, and called on the UN to put the same pressure on Israel to curb its nuclear program as it does on Iran. (The statements were seen as carrying extra weight since Turkey was currently a rotating member of the UNSC. Moreover, Erdogan had told Obama at the White House on 12/7 that Turkey was hesitant to press Iran on the nuclear issue, especially by imposing additional sanctions.) Israel criticized (1/11) Erdogan, reiterating its

right to defend itself and stating that "Israel respected Turkey and was interested in continued normal relations between the states, but expected the Turkish side to reciprocate with a similar approach towards Israel."

Almost simultaneously on 1/11, Ayalon, outraged over a Turkish TV show that portrayed Israelis as ringleaders of a child abduction scheme, summoned Turkish amb. Oguz Celikkol to a meeting and, unbeknownst to him, invited the media. When Celikkol arrived, Ayalon, in front of the camera, refused to shake hands, directing the ambassador to sit in a chair that placed him below him across a table with only an Israeli flag displayed and stating in Hebrew to the press that "the important thing is that people see that he's low and we are high." Turkey denounced (1/12) Ayalon for having "ostentatiously humiliated" Celikkol and threatened to recall the ambassador. Under pressure from Netanyahu and Israeli pres. Peres, Ayalon issued (1/12) a statement saying that in the future he would express himself more diplomatically. After Turkey rejected (1/12) the apology as insincere and repeated threats to withdraw Celikkol, Ayalon apologized (1/13) formally in writing and Erdogan said Turkey was satisfied.

The Celikkol incident did not affect a visit by Israeli DM Barak to Turkey on 1/17 that had been planned to improve bilateral relations. Barak met first with Turkey's DM Vecdi Gönül, with both men afterward praising Israel and Turkey's strong defense ties (noting the pending delivery of 10 Israeli unmanned aerial vehicles commissioned in 1996 and a possible joint project to modernize Turkey's tank fleet). Talks on Iran, however, were described as tense, with Turkey stressing Iran's right to pursue civilian nuclear projects. Barak then met with Turkish FM Ahmet Davutoglu for talks on Gaza and the peace process, with focus on Turkey's mediation of Syrian-Israeli talks; no details were released. (For more on the fate of the Turkish-mediated peace talks, see "Syria" above.)

VATICAN

Pope Benedict XVI signed (12/19) a decree extolling Pope Pius XII's virtues in a step toward beatifying him. The move sparked outrage among Jewish groups

who contended that Pius failed to sufficiently denounce the Holocaust. In a fence-mending gesture, Benedict issued a statement on 12/23 stressing his respect and friendship toward Jews and announcing plans to make his first visit to Rome's synagogue in 1/2010. (Pope John Paul II was the first to visit in 1986.) That visit took place on 1/7 and included talks with local Jewish leaders that were described as cordial but tense, with discussion focused on the differing views of the Vatican's role during the Holocaust. The sides acknowledged the meeting as an opportunity, in the pope's words, to overcome "misconception and prejudice" and to work to strengthen Christian-Jewish relations. At least 1 prominent Italian rabbi boycotted the pope's visit to protest his steps to beatify Pius.

On 1/18, the Vatican released a document citing the Israeli-Palestinian conflict and Muslim extremism as major challenges facing Christians in the Middle East and criticizing the Israeli occupation's negative impact on Palestinian daily life, the Palestinian economy, and religious freedom. The document also noted that "certain Christian fundamentalist theologies use Sacred Scripture to justify Israel's occupation of Palestine, making the position of Christian Arabs even more sensitive."

OTHER

In 12/09, an Israeli missile ship joined NATO's ongoing Active Endeavor naval force patrolling in the Middle East to prevent the movement of terrorists and weapons of mass destruction. Israel considered this a major step forward in its efforts to build relations with NATO. NATO launched Active Endeavor in response to the 9/11/01 attacks on the U.S.; the operation was not related to international efforts to increase naval monitoring to prevent the influx of weapons to Gaza, which Israel demanded to end OCL in 1/09.

Angel Gurría, the secy.-gen. of the Organization for Economic Cooperation and Development (OECD), was in Israel (1/19) to discuss Israel's application to join the international organization. The OECD was in the final stages of approving Israel's inclusion but had serious technical questions on 3 issues: (1) whether Israel had adequate anticorruption policies,

specifically targeting bribery related to its weapons trade; (2) whether Israel was in compliance with international patent and intellectual property rights laws, especially in Israel's pharmaceutical industry; and (3) how Israel defined its territory for economic purposes (specifically whether Israel violates trade agreements by classifying products made in the occupied territories as made in Israel). Gurría anticipated that Israel would miss its target date of 5/2010 for joining the body but would ultimately receive approval as long as "technical issues [are not] used as masks for something that is in reality a political issue." OECD member states must unanimously approve Israel's application. OECD membership is considered an endorsement of a nation as a fellow market-oriented democracy that promotes good business and economic practices; nations seek membership in hopes of generating employment and international trade. During the visit, Gurría and Israeli FM Lieberman signed an agreement regulating the OECD's activities in Israel—a procedural step necessary for Israel to become a full member of the OECD.

DONORS

While there were no major donor pledging or strategy meetings this quarter, a significant move was underway to rally donors to direct aid toward PA institution building in support of PA PM Fayyad's call to prepare for a de facto Palestinian state within 2 years (see Quarterly Update in *JPS* 154). A high-level World Bank Group delegation visiting (12/5-6) the West Bank announced that the World Bank would give the PA \$64 m. toward institution building. Shortly after, special envoy Mitchell met with European and other international donors in Brussels on 1/12 to stress the importance of donor "coordination and working together to support the Palestinian Authority's program to build the institutions of a future state." Mitchell and Quartet envoy Tony Blair, whose focus has been on Palestinian governance and economic development, met separately on 2/12 and agreed to more closely coordinate their missions to this end.

The only significant donor meeting this quarter took place in Paris on 1/27, where the Ad Hoc Liaison Committee

chair, Norwegian FM Jonas Gahr Støre, led a meeting of the follow-up committee to the 12/07 Paris donors conference to assess receipt and disbursement of the \$7.7 b. pledged at the session to support the PA over 3 years (2008–10), noting that \$5.5 b. had been disbursed during the first 2 years of the program. Participants also discussed the status of PA reforms and PA budget needs for 2010. Senior officials attending included French FM Kouchner, Fayyad, Blair, EU foreign policy adviser Ashton, and Egyptian FM Abu al-Ghayt. A full press conference was not held at the close of the session, though host Kouchner gave a brief press statement saying that the parties had decided that “to build optimism we must continue to support the plans, the program of the Palestinian prime minister.”

The donors’ Local Development Forum, responsible for regular coordination of donor affairs on the ground in the territories (including delivery of aid and follow-up on

the PA’s national development plan), held a regular strategy assessment meeting on 1/14 to discuss the PA’s reform and development priorities and budget issues. Of the 4 main donor “strategy groups” (SGs), the economic policy SG met on 2/3, and the governance and reform SG met on 2/3; the social development and humanitarian assistance SG and the infrastructure SG did not meet. Various SG subcommittees also held regular follow-up meetings. These included the economic SG’s fiscal sector working group (SWG; 12/14), agriculture SWG (12/3), and micro and small finance task force (1/13); the governance SG’s elections working group (2/10); the infrastructure SG’s municipal development and local governance SWG (11/16) and solid waste thematic subgroup (12/4); and the social and humanitarian assistance SG’s education SWG (12/16, 2/9) and “social protection” SWG (which addresses the Social Safety Net Reform Project funded through PEGASE; 12/16).



Heavy machinery is seen working to construct Egypt’s underground steel barrier on the Egyptian-Gazan border, 10 February 2010. It is estimated that the barrier, which is meant to deter smuggling, will be completed in 18 months. (Said Khatib/AFP/Getty Images)