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# QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 AUGUST–15 NOVEMBER 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

This quarter, the Palestinians agreed under U.S. pressure to resume direct peace talks with Israel but suspended them before an agenda was agreed to when Israel allowed its 10-month partial West Bank settlement freeze to expire. With no clear way forward, the U.S. pleaded with Israel for a short-term extension of the freeze to give direct talks a chance to gain traction and entertained Israeli demands for major rewards and guarantees from the U.S. if it would comply. The Palestinians, meanwhile, considered nonviolent alternatives in the absence of negotiations.

As the quarter opened, Israel's easing of its blockade on Gaza had been in place since 6/2010, with the blanket ban on imports replaced by two lists of prohibited and regulated items. More (and more varied) food items, construction materials, and commercial goods were allowed entry, but imports remained only slightly above subsistence and exports were still barred. Since Israel's attack on the Turkish aid vessel *Mavi Marmara* in 5/2010, Egypt had kept the Rafah terminal open 7 days a week for humanitarian and medical cases, but all other movement into and out of Gaza remained highly restricted. The Israel Defense Forces (IDF) enforced a 300-meter-deep no-go zone inside the full length of the Gaza border and limited the Palestinian fishing zone to 500–1,000 m off the immediate Bayt Lahiya and Rafah coasts, and 3 nautical mi. elsewhere—restrictions that placed 17% of Gaza's total landmass (including 35% of its viable agricultural areas

and 85% of the maritime areas allocated to the Palestinians under the Oslo accords) off-limits to Palestinians. In the West Bank, Israel's easing of restrictions on Palestinian movement between major population centers (which began in summer 2009) continued, and IDF operations remained relatively low. As of 8/15, at least 7,682 Palestinians (including 51 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,097 Israelis (including 353 IDF soldiers and security personnel, 216 settlers, and 528 civilians), and 65 foreign nationals (including 2 British suicide bombers) had been killed in Israeli-Palestinian violence since the start of the al-Aqsa intifada on 9/28/00.

### *The Push for Direct Talks*

As the quarter opened, two significant deadlines were set to expire: the PLO's 4-month time limit on indirect talks (on 9/9), and Israel's 10-month temporary West Bank settlement freeze (on 9/26). For months, Palestinian Authority (PA) Pres. Mahmud Abbas had refused to consider moving to direct talks with Israel unless it extended the freeze indefinitely and expanded it to include East Jerusalem and all West Bank construction—demands Israeli PM Benjamin Netanyahu adamantly refused. (Construction already underway, infrastructure projects, and community buildings, such as schools, had been exempted under the 11/2009 freeze.) U.S. Pres. Barack Obama, who had long supported at minimum extending the existing settlement freeze as a way to reinvigorate the peace process, had stopped pressuring

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Israel in 7/2010 and instead urged the Palestinians to resume direct talks to boost Israel's confidence and "create a climate" that could lead to breakthroughs. To this end, U.S. special envoy to the peace process George Mitchell had warned Abbas that if he did not move to direct talks, he risked losing U.S. engagement and backing.

At the same time, the U.S. had been pressing the Arab states to call for direct talks at an Arab League session on 7/29, despite strong opposition within the PLO, which had cautioned Abbas that it would be "political suicide" to move to direct talks without a full settlement freeze. Arab FMs ultimately endorsed the idea of direct talks (to appease the U.S.) but stated that the timing of the resumption was "a matter for the Palestinian side to decide." Without additional leverage to fend off U.S. pressure, Abbas had finally agreed to consider direct talks without a comprehensive settlement freeze provided that he received minimum assurances from the U.S. and/or Israel that (1) direct negotiations would result in a final status agreement within a year; (2) Israel would extend the partial settlement freeze until the 1-year negotiating period ended; and (3) the 1949 armistice lines would be the basis of negotiation (meaning all settlement areas would be on the table). After a round of shuttle talks ended on 8/12, during which Mitchell pressed Abbas to consider written assurances from the Quartet instead of from the U.S. or Israel, Mitchell and the State Dept. had expressed optimism that direct talks would resume shortly.

After another week of behind-the-scenes diplomacy during which Saudi Arabia reportedly (*New York Times* [NYT] 9/2) threatened to withhold significant donor aid to the PA unless it agreed to direct talks, and Israel's Housing Min. approved (8/25) controversial construction of a new settler-only bypass road linking Ma'ale Adumim settlement deep in the West Bank with the new E1 settlement area in East Jerusalem, U.S. Secy. of State Hillary Clinton announced (8/20) that Abbas and Netanyahu had been invited to Washington on 9/2 for the first direct peace negotiations since late 2008 (just before Israel launched Operation Cast Lead against Gaza). Clinton also stated the U.S. belief that a final status deal could be agreed within a year, a statement denounced by former Israeli negotiator Yossi Beilin as "a huge mistake by the

U.S. administration" since "There is not a chance in the world that in a year—or two or three—peace can be achieved. The gap between the sides is too big." Israeli FM Avigdor Lieberman also called it unwise to raise expectations when gaps were so wide. Clinton acknowledged that "without a doubt, we will hit more obstacles" as the talks moved forward but urged "the parties to persevere" in the face of attempts by "the enemies of peace" to derail the talks, which she specified would cover all issues and take place "without preconditions." Though avoiding explicit mention of settlements or Jerusalem, she urged both sides to "refrain from taking any steps that are not conducive to making peace." Unnamed U.S. officials said (NYT 8/21) that although the U.S. did not go as far as to impose a 1-year deadline for talks, as Abbas had asked, the very fact of stating the belief that the talks could be completed in that time "implicitly [gave] the Palestinian leader the assurance that if the two sides cannot make progress soon, the United States will step in with its own proposal outlining what a peace deal should look like." Indeed, Mitchell said (8/20) that "we have indicated to both parties that, as necessary and appropriate, we will offer bridging proposals."

In another apparent gesture to address Abbas's request for prior guarantees, the Quartet simultaneously issued (8/20) a statement endorsing direct talks for a final agreement that "ends the occupation which began in 1967" and results in the creation of a Palestinian state (without specifying whether the 1949 or 1967 lines would be the basis of talks) and calling on "both sides to observe calm and restraint, and to refrain from provocative actions and inflammatory rhetoric" (without reference to settlements or Jerusalem)—essentially repeating earlier positions. Netanyahu's office quickly accepted (8/20) the U.S. invitation, but Abbas hesitated until 8/23, when he formally accepted in a letter to Obama but added that "if Israel resumes settlement activities in the Palestinian territories, including Jerusalem [on 9/26], we cannot continue negotiations." The U.S. responded (8/23) that extending the settlement freeze should be handled through the negotiations.

Days after the 8/20 Clinton announcement, the White House arranged a conference call where 3 senior officials dealing

with Middle East policy—Dennis Ross, Obama’s senior advisor on the Middle East; Dan Shapiro, director of the Middle East department at the National Security Council (NSC); and David Hale, Mitchell’s dep. special envoy—briefed leaders of American Jewish organizations on the American plan for the talks. The minutes of the meeting as prepared by the White House were leaked to the Israeli daily *Yedi’ot Abaronot* which reported on (but did not reproduce) them on 8/27, stating: “According to the American plan, the negotiating teams of Israel and the PA will conduct intensive talks with the aim of reaching a framework agreement on a final status arrangement within a year. The intensive talks will be held in isolated locations, so that the teams will be able to quietly discuss the core issues of the final status agreement: the future of Jerusalem, borders, settlements, and refugees. [Netanyahu and Abbas] will be called upon to meet frequently in order to resolve problems and move forward the stages of negotiations. At points in which the negotiations meet an impasse, senior administration officials will intervene . . . and will present bridging proposals to the sides. In addition, the U.S. will try to persuade the moderate Arab states to make gestures toward Israel and influence the Palestinians to compromise. At the end of the intensive year, the framework agreement for ending the conflict is supposed to be signed. From that moment onward, the agreement will be implemented gradually over a number of years,” possibly as many as 10. Other sources suggested (*NYT* 8/31) that the U.S. believed that if direct talks could succeed within a year, Abbas would gain political strength as a deal was implemented and could parlay that strength into an election victory that would return Fatah to power in Gaza.

In advance of the 9/2 talks, Netanyahu, speaking at his weekly cabinet session on 8/22, stated that a “historic agreement” with the Palestinians must be based on “three initial components”: (1) sustainable security arrangements; (2) recognition of Israel as “the national state of the Jewish people,” meaning that any return of Palestinian refugees would be “realized in the territory of the Palestinian state”; and (3) acceptance that the agreement would mark the end of claims between Israel and “a demilitarized Palestinian state.” Chief Palestinian negotiator Saeb Erakat

criticized (8/22) Netanyahu for violating Clinton’s call that talks be held without preconditions. On 8/30, anonymous Israeli government and military officials stated that if Abbas accepted, even privately in a 1-on-1 conversation with Netanyahu, Israel’s Jewish identity and the idea that direct talks result in the end of claims against Israel, then “the whole conventional wisdom can change very quickly,” and that Netanyahu might then make grander gestures toward peace, such as extending the settlement freeze and lifting more West Bank checkpoints. Alternatively, an IDF officer warned, if direct talks failed to reach a comprehensive agreement, continued West Bank security and economic stability might last only another year.

Meanwhile, Israeli dep. PM Dan Meridor, of Netanyahu’s own Likud party, said (8/27) that Netanyahu had not seriously prepared for direct talks and had made no attempt to achieve consensus within his government about whether to extend the temporary settlement freeze or the general outlines of what Israel would want in a final status agreement. Netanyahu’s FM and coalition partner Lieberman (Yisrael Beitanu) had already denounced the move to direct talks (see above), and on 8/29, the spiritual leader of another coalition partner, Shas, the influential Rabbi Ovadia Yousef, gave a heated sermon (broadcast on Israeli radio) saying that Abbas “and all these evil people should perish from this earth” and calling Palestinians “evil, bitter enemies of Israel.” The PA denounced (8/29) Yousef’s statements as an egregious case of incitement, “literally calling for a genocide against Palestinians” and “for the assassination of Pres. Abbas.” Netanyahu stated (8/29) that Yousef’s comments did not reflect the official stance of the Israeli government, but, significantly, did not denounce them. The Shas party did not comment. The statements reinforced concerns that Netanyahu was not truly interested in peace negotiations and might well not be able to deliver an agreement even if he wanted to.

The Palestinians, meanwhile, began running a series of 1-minute videos by half a dozen Palestinian officials (including chief negotiator Erakat, Fatah Central Comm. member and former West Bank security chief Jibril Rajub, and PLO Exec. Comm. Secy. Gen. Yasir `Abid Rabbuh) with the message “I am your partner. Are you

mine?" and expressing the serious Palestinian desire for lasting peace on electronic billboards across Israel and on Israeli Web sites online. The ads (half of them in fluent Hebrew, the others in English) were funded by the U.S. government. Separately, Abbas continued to reiterate (e.g., 8/30) warnings that he would pull out of direct talks if Israel renewed West Bank settlement construction, while Jewish settler groups warned (e.g., 8/30) that they would attempt to bring down Netanyahu's government if he extended the freeze. By 8/23, Israel's cabinet was debating a draft extension of the settlement freeze under which Israel would pledge to build "only in areas it intends to keep under final status"—a measure proposed by Likud's Meridor in hopes that it would be enough to keep Palestinians at the table and the settlers happy. (Ultimately, the measure was so clearly unacceptable to both that it did not proceed.)

### *The Washington Summit*

Israeli and Palestinian delegations began to arrive in Washington on 8/31 to prepare for the 9/2 summit. While Abbas was holding preliminary talks with Clinton the day he arrived (8/31), members of Hamas's military wing, the Izzeddin al-Qassam Brigades (IQB), shot at a Jewish settler vehicle driving near Hebron (in area C, under full Israeli control, where the PA security forces [PASF] are not allowed to operate), killing 4 Jewish settlers, including a pregnant woman. The shooting marked the deadliest West Bank attack on Israelis in more than 2 years and the first West Bank attack claimed by Hamas since before the 1/2006 elections. Hamas issued (8/31) a statement saying the attack was intended to demonstrate that the "armed Palestinian resistance is present in the West Bank despite the war to uproot it." Both Abbas and Netanyahu vowed (8/31) the attack would not derail talks. On 9/1 and 9/2, IQB gunmen shot at 2 more Jewish settler vehicles in West Bank area C, wounding 2 settlers (1 seriously). West Bank IQB spokesman Abu Ubaidah confirmed (9/2) responsibility for the operations; his statement that they were "in harmony with the attitude of the political wing" suggested that the IQB had not consulted with Hamas's political leadership before staging the attacks. (The last time the IQB had taken major action without consultation was in 6/2007, when

it seized control of Gaza; see Quarterly Update in *JPS* 145.) The IDF quickly clamped down on Hebron and surrounding areas, while the PASF arrested 100s of suspected Hamas members. Meanwhile, Jewish settlers across the West Bank, implementing their "price-tag" doctrine to exact punishment for acts against settlers, stepped up attacks on Palestinians, stoning cars, vandalizing homes, and beating Palestinians (see Chronology for details). Settlers also deepened their determination to resume rapid settlement expansion as soon as possible, with the YESHA settlers' council vowing (8/31) to start construction even before the temporary freeze ended to demonstrate Israeli "resolve against terrorism."

The Hamas attacks underscored Palestinian discontent and frustration going into the Washington summit, best summed up in an op-ed in the *Washington Post* (9/2) by Robert Malley, senior Middle East adviser at the NSC during the Clinton-era negotiations, and analyst Hussein Agha as follows: "Most recent Palestinian decisions have been made in conformity with international demands, against the leadership's instinctive desires and in clear opposition to popular aspirations. Despite such deference, Palestinian leaders cannot count on international support. They feel betrayed by Arab allies and let down by Washington. In contrast, Israel has defied the Obama administration without endangering close ties to Washington. . . . If [Abbas] reaches a deal, many will ask in whose name he was bartering away Palestinian rights. If negotiations fail, most will accuse him of once more having been duped. If Netanyahu comes back with an accord, he will be hailed as a historic leader. . . . If the talks collapse, his followers will thank him for standing firm, while his critics are likely in due course to blame the Palestinians."

Despite the rising tensions on the ground, the parties in Washington forged ahead. On the eve of ceremonies reopening direct Israeli-Palestinian talks, Obama held (9/1) separate meetings with Abbas, Netanyahu, Egypt's pres. Husni Mubarak, and Jordan's King Abdullah, pressing Israel to find a way to extend the existing settlement construction freeze but urging Abbas and the Arab states to be flexible on the issue. Afterward, the 5 held a joint press conference, during which Netanyahu called Abbas his "partner in peace" and said he came to negotiations "to find

a historic compromise,” but warned that any agreement must ensure Israel’s security. Abbas said that he would push hard for peace but that Netanyahu must freeze West Bank settlement activity. In the evening, Obama hosted the leaders for a “working dinner” at the White House.

Direct Israeli-Palestinian negotiations were formally launched, as planned, at a State Dept. ceremony on 9/2, but the U.S. goals and positions presented were markedly different from those stated by Clinton on 8/20. Inaugurating the session, Secy. of State Clinton stressed that peace “is in the national security interests of the United States . . . but we cannot and we will not impose a solution,”—no mention was made of possible bridging proposals. After the public remarks, a meeting between Clinton, Abbas, Netanyahu, and Mitchell was followed by a private 90-minute “ice-breaking session” between Abbas and Netanyahu that Israeli officials said went “relatively well.” Abbas and Netanyahu then pledged to meet again on 9/13–14 in Sharm al-Shaykh, Egypt, and every 2 weeks thereafter to “keep [the] momentum going.” Mubarak offered to host further rounds provided Obama take a direct personal role in the process. The sides agreed to keep details of their talks confidential, giving Mitchell, as special envoy overseeing the process, the role of spokesman. In that capacity, Mitchell reported that the leaders had decided to work toward a “framework agreement” outlining “the compromises each side must be ready to make” to achieve peace as a first step before attempting to iron out a comprehensive peace treaty, thereby providing an important clarification concerning timing. (Clinton had stated on 8/20 that a final deal could be reached in a year.) Thus, Mitchell’s “framework agreement,” clearly the same as the “framework agreement on final status” referred to in the leaked White House minutes reported in *Yedi’ot Abarot* on 8/27 and Netanyahu’s 8/22 “three initial components” of a “historic agreement” (see “The Push for Direct Talks” above), made clear that it was not the final agreement that was to be completed within a year, but only a *prelude* to it, in other words, a new *interim agreement* that would give the sides as many as 10 years to finalize a comprehensive final status treaty.

In the immediate wake of the summit, Clinton convened (9/3) Israeli and Palestinian reporters for a private interview to

emphasize the new agenda as a positive step forward. In separate public statements, Netanyahu and Erakat stated (9/5) that the opening of direct talks in Washington was positive and that they believed there was hope that a framework agreement could be completed within a year. Back home, Netanyahu briefed (9/5) members of his government on the talks, with sources stating (*Jerusalem Post International* 9/17) that he revealed that Washington had informed him that some Arab states had expressed willingness to “warm up” ties with Israel soon to encourage the direct talks. No details were given except that Saudi Arabia was not among them. (Indeed, Saudi Arabia’s influential Prince Turki al-Faisal affirmed on 11/4 that Saudi Arabia would refuse to “directly or indirectly engage Israel” until Israel returned all Arab lands it occupied in 1967.) Other Israeli sources said (*NYT* 9/6) that the Netanyahu government still opposed extending the temporary settlement freeze but that “efforts were underway to find a formula to keep the process going after the deadline.” Asked about this, Erakat said (9/5) that “the Israelis have to choose between settlements and peace. They can’t have both.”

In the run-up to the Sharm al-Shaykh meeting, Obama on 9/10 again publicly called on Israel to extend the settlement freeze as a goodwill gesture and reiterated the U.S. recommendation (see Quarterly Update in *JPS* 157) that negotiators open talks on borders first as a way of resolving borders and settlements simultaneously. Nonetheless, Netanyahu issued his final decision against renewing the freeze on 9/12, though he added somewhat ambiguously that Israel would not build “tens of thousands of housing units that are in the pipeline, but we will not freeze the lives of residents of the settlements.” En route to Egypt, Clinton said (9/13) that she would continue to press Netanyahu to renew the freeze but ultimately did not think settlement expansion should be a stumbling block to direct negotiations. Meanwhile, Peace Now released (9/12) a report saying that construction in at least 2,066 settlement housing units in 42 settlements was set to begin as soon as the freeze was lifted (settlers having obtained government approval and construction licenses before the freeze), while another 11,000 units had already received full government approval

and 25,000 units were in the planning and approval process.

### ***The 2d Round of Direct Talks***

In the days following the Washington summit, the format for the Sharm al-Shaykh follow-up session was changed to a high-profile one-day-only (9/14) summit at the Egyptian resort followed by substantive talks in Jerusalem on 9/15 and Ramallah on 9/16, with participants again agreeing to observe a media blackout, including press statements and press conferences before and after sessions, with all press briefings left to Mitchell. Likely because of the lack of positive movement on settlements, expectations for the second round of direct talks seemed to wane as the start date approached. (Observers commented [*NYT* 9/16] on the “notably lackluster” coverage by the Israeli news media, which buried the story deep within their pages and program line-ups.) When the Sharm al-Shaykh summit opened on 9/14, Mubarak held 1-on-1 meetings with Clinton, Netanyahu, and Abbas. (Jordan’s King Abdullah did not participate.) Clinton then met separately with Netanyahu and his chief negotiator (and personal confidant) Yitzhak Molcho and with Abbas and his chief negotiator Erakat. Afterward, Molcho and Erakat jointly convened the Israeli and Palestinian teams, while Clinton, Netanyahu, and Abbas met for nearly 100 minutes. After lunch, Clinton, Netanyahu, and Abbas held another unscheduled meeting of about 20 minutes. Abbas and Netanyahu never met alone together.

The U.S.’s goal for this round was to get the Israeli and Palestinian negotiating teams to agree to an agenda. Whereas Abbas and the U.S. wanted to discuss borders, Netanyahu was insisting that borders could be discussed only after the Palestinians: (1) recognized Israel’s right to exist as a Jewish state, (2) agreed that creation of a Palestinian state would end all Palestinian territorial claims, and (3) gave Israel assurance about security arrangements—the same initial positions the sides had presented at the opening of proximity talks in 5/2010 (see Quarterly Update in *JPS* 157). Mitchell confirmed that Abbas and Netanyahu had also discussed extending the temporary settlement freeze, but gave no details beyond emphasizing the U.S. belief that Israel should extend the moratorium and that Abbas should take steps

(undefined) “to help encourage and facilitate that process.” Mitchell also announced that Abbas and Netanyahu had agreed that the Israeli and Palestinian teams would hold direct negotiating sessions alternately in Jerusalem and Jericho, with Abbas and Netanyahu attending the first session in Jerusalem on 9/22 (4 days before the expiration of the settlement freeze).

On 9/15, Abbas, Netanyahu, Clinton, and Mitchell continued debating the negotiations agenda during a 2-hour meeting at Netanyahu’s residence in Jerusalem, apparently without resolution. They allowed a joint photo opportunity but did not address the press. Later, Mitchell played down any expectations, saying Abbas and Netanyahu were discussing the most decisive and politically sensitive issues, but “I do not want to suggest or imply that discussing the issues seriously is the same as agreeing on a resolution to them.”

Meanwhile, Israelis and Palestinians traded provocations on the ground. On 9/14, as the parties met in Sharm al-Shaykh, the Israeli construction company Na’out HaPisga resumed (9/14) construction halted under the freeze of 2,400 housing units in Mod’in Ilit settlement west of Ramallah, announcing that the government had denied its request for \$45 m. compensation for losses incurred by the stoppage; the company specified that its decision to violate the freeze was purely economic and not political. Israeli authorities did not intervene. In addition, Israel’s Jerusalem city planners scheduled (9/14) a meeting for 10/7/2010 to debate construction of 1,362 new housing units in Givat HaMatos settlement south of Jerusalem’s Old City, between Gilo and Talpiot settlements. Just as the 9/15 Abbas-Netanyahu-Clinton meeting began, Gaza’s Popular Resistance Committees (PRCs; an ad hoc group comprising members of most armed factions) fired 1 rocket and 9 mortars from Gaza into Israel (the highest 1-day total since 3/2009), causing no damage or injuries. The IDF retaliated (9/15) with 3 air strikes on s. Gaza, killing 1 Palestinian civilian, wounding 3, destroying 2 targeted buildings, and causing significant collateral damage (see Chronology for details).

The 9/16 Ramallah meeting ultimately involved only Clinton and Abbas; no details were released. Clinton then left for Amman to brief King Abdullah before heading back to Washington. Capping the visit, Clinton

and Mubarak separately stated (9/16) that they had jointly recommended a short 3- or 4-mo. extension to the settlement freeze during which Israel and the PA would focus on border issues in hopes of resolving which settlements would remain or go under final status. Despite this implicit endorsement by Clinton and Mubarak of Israel's position that some settlements would remain with Israel under final status, the lack of tangible progress on the agenda for direct talks (much less the substance of negotiations), and Israel's continued settlement activities, Abbas stated (9/16): "We all know there is no alternative to peace other than negotiating peace, so we have no alternative but to continue peace efforts."

Meanwhile, Mitchell headed to Damascus (9/16) and Beirut (9/17) to brief Syrian pres. Bashar al-Asad and Lebanese pres. Michel Suleiman on the talks, announcing for the first time the administration's decision to revive its push for a comprehensive Arab-Israeli peace that would include Lebanon and Syria; in Washington's view, talks on the Israeli-Syrian and Israeli-Lebanese tracks would complement rather than obstruct simultaneous Israeli-Palestinian talks. The following week Clinton met with Lebanese and Syrian officials on the sidelines of the UN General Assembly (UNGA) opening session in New York to press home the same message (see the sections on Lebanon and Syria below). Back in the West Bank, the IDF raided Nur al-Shams refugee camp (r.c.) near Tulkarm and assassinated (9/17) the local IQB commander, whom the PASF had detained in connection with the 8/31-9/2 IQB shootings and released only days before. Hamas vowed revenge against Israel and the PA, accusing the PA of collusion in the killing.

### ***U.S. Bartering for a Freeze Extension***

The next step envisioned by the U.S. was for Abbas and Netanyahu to meet 1-on-1 in Jerusalem on 9/22 to demonstrate their desire, independent of a high-profile U.S. presence, to work on direct talks before the settlement freeze ran out. As attention shifted to securing a short settlement freeze extension (as called for by Clinton and Mubarak on 9/16), the Jerusalem meeting quietly dropped off the agenda in favor of back-room bargaining on the freeze in the U.S., given the presence of many Israeli

and Palestinian officials in New York for the UNGA session. (Israeli DM Barak was set to speak on 9/23, Netanyahu on 9/24, and Abbas on 9/25.) Barak arrived early and spent 9/20 shuttling between New York and Washington with an Israeli offer to extend the freeze in exchange for a lucrative "incentives package" from the U.S., meeting with Secy. of State Clinton, presidential adviser Ross, Defense Secy. Robert Gates, Joint Chiefs of Staff head Adm. Mike Mullen, and National Security Advisor Gen. Jim Jones. Giving a sense of the magnitude of Israel's demands, Israel's Army Radio reported (9/20) that 1 item requested was the release of jailed spy for Israel Jonathan Pollard, while another source claimed (*Washington Times* [WT] 9/22) Israel wanted U.S. guarantees that Israel would keep a long-term military presence in the Jordan Valley under final status. An anonymous senior U.S. official acknowledged (9/20) that Israel had asked for Pollard, though Israel did not officially confirm or deny. (Netanyahu had attempted to secure Pollard's release in exchange for concessions to the Palestinians in 1998 peace talks, during his first term as PM; see Quarterly Update in *JPS* 110.)

With U.S. midterm elections set for 11/2, the U.S. by all accounts was eager to broker a deal to keep direct talks going. According to details later released by the *Washington Post* (10/6), Ross quickly took the lead by interjecting himself as the U.S. back channel to Netanyahu, Barak, and Molcho to an extent seen by many as undercutting Mitchell's role. (Insiders said that since his transfer to the White House in 2009, Ross, aware of the Israeli preference for dealing directly with senior White House officials rather than the State Dept. and special envoys, had been cultivating a back channel via Molcho, with whom he had worked in the late 1990s, since his transfer to the White House in 2009. It was further reported that Ross had no qualms about "in effect, subverting Mitchell and Clinton," with whom he had never gotten along.)

Palestinians were aware of the talks but not involved, with Palestinian officials anonymously stating on 9/23 that they expected to receive a U.S.-brokered compromise soon and would seriously consider it. As time ran out on the settlement freeze and a deal took shape, Clinton (9/24 in Washington) and Mitchell (9/25 in New

York) met with Abbas to brief him for the first time on the Israeli-U.S. bartering and to urge him not to quit direct talks immediately if the freeze was allowed to expire before a deal could be sealed.

U.S. officials, variously described as “scrambling” for (*NYT* 9/27) and “desperately seeking” (*WP* 9/27) a deal, worked down to the wire on 9/26 to secure it, but without success. Netanyahu allowed the 10-month partial freeze on West Bank settlement construction to expire at the end of the day (midnight local time; 6:00 P.M. EDT), though he publicly urged settlers to show “responsibility and restraint” as building resumed. Even before the freeze lapsed, Abbas announced (9/26) that he would not follow through on threats to halt direct talks immediately to give U.S. diplomacy more time to work, and instead planned to consult with Fatah and PLO leaders, as well as the Arab League, on how to move forward. An Arab League session was duly set (9/26) for 10/4, thus giving Israel and the U.S. a week to resolve the issue. On 9/27, State Dept. spokesman P.J. Crowley said the U.S. was “disappointed” by Netanyahu’s decision to let the freeze lapse, noting that Mitchell had already phoned Abbas to praise him for his restraint and that Clinton had held a “businesslike” phone conversation with Netanyahu concerning “the implications of the Israeli decision.” In Israel, Quartet envoy Tony Blair met (9/27) with Netanyahu to urge him to agree to a compromise on settlements that would allow direct talks to move forward.

Meanwhile, settlers geared up to launch new construction, positioning equipment in a number of West Bank settlements so as to begin work the moment the freeze expired. Even before the moratorium ended, settlers near Salfit and Bethlehem seized (9/25) over 30 dunams (d.; 4 d. = 1 acre) of Palestinian land and installed 5 mobile homes to expand 3 existing Jewish settlements. During the day of 9/26, Israel’s dep. PM Silvan Shalom (Likud) laid the cornerstone for a new yeshiva at a ceremony in Beit Romano settlement inside the city of Hebron attended by settlement leaders and right-wing Knesset members. The same day, Likud party members and 1,000s of settlers from around the West Bank attended a celebration in Revava settlement near Nablus to count down the end of the moratorium. In nearby Kiryat Netafim

settlement, settlers held a ground breaking ceremony for construction of a new day-care center. Dozens of armed Jewish settlers from Ma’on settlement near Hebron, guarded by IDF soldiers, began laying the foundations for new homes at the Havat Ma’on outpost nearby. In the first full day after the end of the freeze (9/27), the Israeli government approved a new settler-only bypass road linking Kiryat Arba to the Tomb of the Patriarchs/al-Ibrahimi Mosque in c. Hebron that would likely require demolition of 10s of Palestinian homes and confiscation of Palestinian agricultural land. Settlers began construction of 56 new houses in Karne Tzur near Hebron. Armed Jewish settlers accompanied by IDF soldiers began leveling 8 d. of Palestinian land in the Wadi al-Hussein neighborhood in Hebron seized by settlers in 2008. Construction starts were expected to accelerate as of 9/30, when the week-long Sukkoth holiday ended.

Fearing a cascade of new settlement construction, Britain, France, the UN, and the U.S. issued (9/28) appeals to Israel to reimpose the freeze. Israeli and U.S. officials stepped up discussions in New York and Washington aimed at brokering a deal, while Blair shuttled (9/28) between Israeli officials in Jerusalem, and French pres. Nicholas Sarkozy received (9/28) Abbas in Paris. Mitchell broke off from U.S. talks to return (9/28) to the region for planned meetings with Netanyahu (9/29) and Abbas (9/30).

It was at this juncture that David Makovsky, senior analyst at the Washington Institute for Near East Affairs (the American Israel Public Affairs Committee [AIPAC]-affiliated think tank), published (9/29) an online article listing the inducements the White House offered Israel in exchange for extending the partial settlement freeze for a mere 60 days (see Doc. D2). According to Makovsky, and confirmed by anonymous administration sources on 9/30 (see *WP* 10/1), the incentives included U.S. pledges (1) to support a long-term Israeli presence along the eastern border of a future Palestinian state as part of a final status agreement, (2) to veto any UN Security Council (UNSC) resolutions relating to Arab-Israeli peace for 1 year, (3) to provide the IDF advanced military hardware (missile systems, aircraft, satellites), (4) to work for a regional security agreement that would defend Israel against threats

from Iran, (5) to help enforce the ban on weapons smuggling into a Palestinian state (i.e., endorsing Israel's final status demand for a demilitarized Palestinian state); and (6) not to ask for any further extensions of the settlement freeze. Within the 60 days gained, the U.S. intended (see U.S. sources in *WT* 10/13) to focus all efforts on securing an agreement on borders. Dan Kurtzer, a former U.S. amb. to Israel and U.S. negotiator, called the U.S. offers (*NYT* 10/7) "an extraordinary package for essentially nothing." Yet, according to an anonymous Israeli official (*NYT* 10/1), Netanyahu was holding out for an extension of only 30 days and Pollard's release. Publicly, Palestinians were incensed about the plan, calling it (e.g., *al-Arabiya* 10/6) "Obama's Balfour Declaration," where 2 parties negotiated over what rightfully belonged to a third. Palestinian politician Mustafa Barghouti likened (9/30) the U.S. offer to "giving a prize to a thief. . . . Palestinians want to see their president stand up and say enough is enough." In the wake of Makovsky's revelations, the Arab League postponed its session on settlements from 10/4 to 10/6 and then to 10/8.

***Arab FMs Back a Halt to Direct Talks***

The run-up to the 10/8 Arab League session was a round robin of consultations by all the parties and continuing U.S.-Israeli haggling. Mitchell shuttled between Netanyahu and Abbas (9/29-10/1) in a failed effort to break the impasse. From 10/1 until the Arab League session, Mitchell and his aides toured the Arab states (including Egypt, Jordan, Kuwait, Morocco, Oman, Qatar, and Tunisia) to press them to support continued direct talks. Clinton reinforced their efforts in phone calls to Arab leaders and FMs, and met (10/6) with Blair to prepare for the Arab League session.

After Mitchell's departure, Abbas convened (10/2) the PLO Exec. Comm. and the Fatah Central Comm. (FCC) in Ramallah to discuss the lapsed freeze, afterward issuing a statement affirming the Palestinian leadership's full agreement that direct negotiations must not resume without a halt to Israeli settlement construction, holding "the Israeli government responsible for the suspension of the negotiations and the political process" and accusing Israel of using the negotiations as a cover for settlement expansion. Abbas then

left for Jordan (10/3) and Egypt (10/4) to urge Mubarak, King Abdullah, and Arab League Secy. Gen. Amr Musa to support the decision, and, on 10/5 King Abdullah phoned Netanyahu to press him to renew the freeze. Hamas's Gaza head Ismail Haniyeh welcomed (10/2) the PLO-FCC decision as "a good step," while Netanyahu publicly called (10/2) on the Palestinians to continue talks, advising that "the way to achieve a historic peace . . . is to sit around the negotiating table, seriously and continuously."

Meanwhile, Netanyahu faced his own internal pressure: Jewish settler groups ran ads in the Israeli media warning him against breaking his promise not to extend the temporary settlement freeze and began lobbying small right-wing parties to pull out of the governing coalition if he did. On the other side, the Labor party threatened (ca. 10/6) to drop out of the governing coalition if peace talks fell apart over the settlement issue. In a move seen (e.g., *NYT* 10/7, 10/8; *WP* 10/11) as intended to secure the backing of his right-wing coalition partners for a U.S. incentives package in exchange for a brief settlement freeze extension, Netanyahu on 10/6 proposed controversial legislation that would require candidates for Israeli citizenship to pledge a loyalty oath to "the State of Israel as a Jewish and democratic state," instead of "the State of Israel," as currently worded. (The Israeli cabinet approved submission of a draft to the Knesset by a vote of 22-8 on 10/10, modified to clarify that Israeli Palestinians would not be required to make the pledge to maintain citizenship.) Raising tensions on the ground, settlers launched (by 10/6) construction of nearly 350 housing units across the West Bank, while the IDF attempted (10/7) to assassinate a local Fatah commander in an air strike on central Gaza, injuring 2 Palestinian children (ages 2 and 10); made another air strike (10/6) on an IQB building in Gaza City (in response to 2 Qassam rockets that caused no damage or injuries), damaging 30 surrounding buildings and injuring 6 civilians; and made a major raid (overnight 10/7-8) into Hebron, killing 2 wanted IQB members in a firefight. The Israeli actions reinforced Arab perceptions that Israel was not seriously interested in peace.

On 10/8, Arab League FMs convening in Sirte, Libya, received a final appeal by UN Secy. Gen. Ban Ki-Moon on behalf of

himself and the Quartet, urging the Arab states to support (1) a Palestinian return to direct talks, (2) PA PM Salam Fayyad's reform and development program in preparation for an independent Palestinian state, and (3) Palestinian national reconciliation "within the framework of the legitimate Palestinian Authority." In their final communiqué, the Arab FMs nonetheless firmly backed a Palestinian halt to direct talks until Israel ceased settlement construction, held Israel fully responsible for the breakdown of negotiations, and announced that they would meet again in 1 month (on 11/9) to discuss alternatives and decide on the next steps if the situation remained unchanged, with a spokesman stressing afterwards that "not a single Arab country is saying go ahead with the talks." Abbas spokesman Nabil Abu Rudeineh said (10/8) that possible next steps included appealing to the Obama administration to recognize the PLO's 1988 declaration of a Palestinian state in the West Bank, Gaza, and East Jerusalem and asking the UNSC to pass a resolution to that effect. He added, however, that the decision to set another meeting in a month was intended to give the parties breathing room and to give the Americans the opportunity to "perhaps succeed in extending the moratorium." Observers noted (*al-Abram* 10/15), however, that Arab optimism was low, with most viewing the hiatus as a gesture to save Obama from suffering a definitive foreign policy setback just before the midterm elections.

### *Searching for a Way Forward*

Having gained a month, Israel and the U.S. made a last half-hearted attempt to involve the Palestinians in discussions of a temporary settlement freeze to revive direct talks. Days after the Arab League session, Netanyahu, addressing the Knesset (on 10/11), publicly offered a "limited" extension of the partial settlement freeze if the Palestinians recognized Israel as the nation-state of the Jewish people. Abbas promptly rejected (10/11) this as a key concession sought by Israel primarily as grounds for rejecting Palestinian refugees' right of return to their homes in Israel under final status, noting that the PLO formally recognized the State of Israel in an exchange of letters before signing the 1993 Oslo Accord. The State Dept. suggested (10/11) that Abbas make a counteroffer to keep the process going, but the Palestinians did not respond.

Keeping their demand for a comprehensive settlement freeze on the table, the Palestinians shifted focus to an internal discussion of viable alternatives to negotiations to achieve their goals.

Both this internal discussion (including a meeting of the PLO Exec. Comm. ca. 10/23) and simultaneous Palestinian consultations with Arab states centered on to how to get international bodies such as the UNSC (or, given U.S. veto powers, the UNGA), the UN Human Rights Council (UNHRC), the International Criminal Court (ICC), and signatories to the Geneva Convention to recognize a Palestinian state on the 1949 armistice lines. The goal was a "multilateral declaration of statehood," compared to the PLO's unilateral declaration of statehood in 1988. Abbas stressed (10/28), however, that asking the UN to recognize the PLO's 1988 unilateral declaration was only 1 of 7 options he was considering if Israel and the PLO could not agree on resuming direct talks. (He did not elaborate on the others.)

A first Palestinian success on this front was scored when the ICC in the Hague agreed to hear (10/20) arguments as to whether the PA could bring charges against Israel regarding Operation Cast Lead even though it is not a state, as required by the ICC. The Palestinian human rights group al-Haq argued that for the purposes of the court, the PA should be allowed to act like a state because (1) it engages in international relations, (2) it tries its own people in a legal system, and (3) the international community owes the Palestinians special consideration. Arguing against the motion for Israel, former Israeli amb. to the UN Dore Gold argued that granting the PA such status would violate existing Israeli-Palestinian agreements and set a precedent for acknowledging "that the Palestinian Authority already constitutes a state," which Gold believed was the Palestinians' true intent in seeking an ICC ruling. (Analysts noted [e.g., *NYT* 10/21] that some countries supportive of the Palestinian cause—such as China, Russia, and Spain—might not back this Palestinian maneuver on account of their own independence movements; when Kosovo declared independence, for example, many countries did not support it for fear of setting precedent for legitimizing succession.) The ICC did not issue a decision before the end of the quarter.

Israel urged (10/20) the U.S. to oppose this line of action publicly (calling it part of the PA's "delegitimization campaign against Israel") and began pressing for inclusion in the proposed incentives package of a U.S. pledge to "work vigorously against an external declaration of Palestinian statehood." Anonymous Israeli officials also publicly warned (10/21) that Israel would pursue its own unilateral steps if the Palestinians continued to pursue international recognition of a Palestinian state instead of returning to the negotiating table, saying (*Jerusalem Post* 10/22): "If the Palestinians think that unilateral moves are a one-way street, they are sadly mistaken." Netanyahu's office similarly cautioned (10/28) that "any attempt to bypass direct talks by appealing to international bodies will do nothing to advance the true peace process."

Meanwhile, Israel and the U.S. continued what Netanyahu described (10/24) as "intensive contacts" behind the scenes to agree on an incentives package in exchange for a short settlement freeze extension, with Israel's chief negotiator Molcho traveling to Washington ca. 10/26 to float new Israeli proposals. (No details were officially released.) Briefing his cabinet on 10/24, Netanyahu said his "goal is not just to resume the process, but to advance it in such a way that it cannot be halted in a few weeks or months." Meanwhile, Secy. of State Clinton publicly urged (10/20) Palestinians not to give up hope, saying the administration was working hard to get the peace talks back on track and that Mitchell would soon return to the region, though no date was set before the end of the quarter.

The only detail of the ongoing U.S.-Israel discussions that leaked (via Israel Army Radio 11/1) cited an unnamed Israeli cabinet minister as saying that the U.S. had proposed an option for addressing Israel's final status security concerns that involved Israel leasing large parts of the Jordan Valley from a future Palestinian state for 7 years, but that Netanyahu had indicated that "anything less than a 99-year lease is not worth talking about." In response, Palestinian negotiating team member Muhammad Shatayeh said (11/1) that "no ideas have been presented to us about renting out Palestinian lands, and if this is offered to us we will not accept it." He added, however, that while the Palestinians would

reject an Israeli security presence in their state, they would consider foreign peacekeepers. The leak sparked concern in Egypt as well, prompting Pres. Mubarak to dispatch FM Ahmad Abu al-Ghayt and intelligence chief Omar Suleiman to meet with Clinton on 11/10 to offer Egypt's own proposal (not officially released) for reviving talks. Sources briefed on the meeting said (*WP* 11/11) that Egypt's recommendations amounted to confidence-building gestures, including calling on Israel immediately to pull the IDF out of parts of the West Bank and/or to guarantee there would be no more IDF incursions into areas under PA security control.

Meanwhile, with an agreement on an incentives package far from certain, Israeli officials began publicly promoting the view that settlements were a nonissue created by the Palestinians to avoid peace, laying the ground for shifting blame to the Palestinian side in the event of an extended impasse. Israel's new amb. to the UN, Meron Reuben, stated (10/17) that "settlements are not a burden on the peace process and not something that will stop the peace process," and indeed that the only way the Palestinians could stop Israeli settlement expansion was to sign onto a final status deal. Netanyahu himself played down the settlement issue, stating (10/18) that "the discourse about new building is an artificial obstacle. The new construction is inconsequential. It has absolutely no effect on the map of a possible [peace] agreement."

Israel also announced (11/3) that it would begin systematically monitoring Palestinian "incitement" against Israel. (Under the 2003 road map, the PA pledged to halt incitement while Israel pledged to dismantle unauthorized settlement outposts and freeze settlement activity.) Days later, Netanyahu released (11/6) an Israeli government study of Palestinian incitement based on 6 months of research, claiming that official PA schoolbooks and media outlets routinely incite against Israel by challenging Israel's right to exist. The report found a total of 22 incidents of official PA incitement since 1/1/2010, including a case of "inciting terror" by *al-Quds* newspaper (for reporting Abbas's promotion of the head of his presidential guard, jailed by Israel as a terrorist).

Meanwhile, Israel's ministerial comm. on legislation sent to the Knesset for a

second reading a bill that would require a national referendum before any territory could be ceded in a peace agreement. (The vote was later set for 11/23.) Under the measure, if 60 MKs approved a territorial withdrawal, a national referendum would have to be held within 280 days. If 80 MKs approved, a national referendum would not be mandatory. The bill had passed the first of 3 readings in 2009 but was then shelved by the government. Its revival at the current juncture by the Netanyahu administration was seen as another move to ease right-wing opposition to extending the partial settlement freeze by making more difficult the passage of any peace deal that turned over territory to the Palestinians, Syrians, or Lebanese.

Continuing the ramped up pace of West Bank settlement construction that began when the partial moratorium ended, Jewish settlers by 10/20 (according to AP 10/20 and Peace Now 10/21) had started work on some 600 housing units in at least 36 settlements since the freeze ended on 9/26—more than four times the pace of housing starts over the previous 2 years. Many of the units were going up in areas that under most peace scenarios would become part of a Palestinian state. At least half of the construction was laying foundations for new houses—a reflection of the anticipated reimposition of the temporary settlement freeze, which allowed construction to continue on units that already had their foundations poured. With the new housing starts, Israel's total construction for 2010 was expected to reach 3,000 units—equal to the combined housing construction for 2006–8.

In addition, Israel announced (10/15) plans to build 238 new settlement housing units in Pisgat Ze'ev and Ramot settlements in East Jerusalem, a move denounced by the PA as another “demonstrat[ion of] why there are no negotiations today,” and by the U.S. as “a disappointment” and “contrary to our efforts to resume direct negotiations.” Israeli municipal authorities in Jerusalem approved (10/24) a modified development plan for the Western Wall area that would involve underground tunnels, car parks, bus and police stations, Tal mud and tourism centers, and the opening of a new gate in the ancient wall around Jerusalem to provide access for Jewish settlers from the Silwan area. The announcement sparked riots in Silwan that left 1

Palestinian boy seriously injured. (For more on Israeli actions in Silwan this quarter, see “Judaization of Jerusalem” below.) The IDF confiscated (ca. 10/21) 130 d. of Palestinian agricultural land near Qalqilya for construction of a “security road” past Keddumim settlement.

The PA also engaged in “creating facts” on the ground, within the limits of its margin of maneuver. PA PM Fayyad held (10/11) a groundbreaking ceremony to inaugurate a new agro-industrial park in the Jordan Valley in Israeli-controlled area C, without building permits or approval from Israeli authorities. The project, funded and supported by Japan to create 10,000 new Palestinian jobs, was in keeping with Fayyad's aim of building the institutions of a Palestinian state, as well as a political effort to reinforce the Palestinian presence in the Jordan Valley and counter Israeli aims to maintain a permanent security presence there under final status. On 11/12, Fayyad also took part—in defiance of Israel's ban on official Palestinian activity in East Jerusalem—in a dedication ceremony in Dahiyyat al-Barid (in East Jerusalem but on the Palestinian side of the separation wall), unveiling 15 East Jerusalem schools renovated by the PA. Fayyad had planned to attend the inauguration of the new schools in Shaykh Jarrah and Shu`fat (East Jerusalem neighborhoods on the western side of the separation wall) as well, but decided not to after Netanyahu pointedly renewed (11/1) his ban on official Palestinian activity in the city and ordered security services to halt the visit if Fayyad proceeded.

Adding to tensions, Israel carried out (11/3) a drone air strike on a car driving near Gaza City, assassinating Army of Islam (AOI) senior member Muhammad al-Nemnem, wounding 2 bystanders. Israel accused Nemnem of involvement in “attacks against Israeli and U.S. targets in the Sinai Peninsula.”

### *Clinton and Netanyahu Hash Out a Deal*

On 11/7, the Arab League opted to postpone its planned 11/9 session until after the Eid al-Adha holiday (11/16–20) to give U.S. diplomacy more time to work. That day, Netanyahu arrived in the U.S. for a 5-day visit to address the Jewish Federations of North America (JFNA) annual conference and to meet with senior U.S. officials (including VP Joe Biden, whom

he met with on the sidelines of the JFNA conference on 11/7, but excluding Obama, who left on 11/5 for a 10-day trip to South East Asia).

The next day (11/8), as Biden was on the podium addressing the JFNA general assembly, reiterating the U.S. special relationship with Israel and commitment to Israeli security, Israel's Interior Min. announced plans to move forward with construction of 1,300 new Jewish settlement housing units in East Jerusalem (978 in Har Homa/Jabal Abu Ghunaym, 320 in Ramot), and Israel issued tenders for construction of 800 units in the West Bank settlement of Ariel, which Israel intended to keep under final status. In what appeared to be a replay of Israel's unexpected announcement of new settlement construction that blindsided Biden during his 3/2010 visit to Israel (see Quarterly Update in *JPS* 156), the vice president and the U.S. administration were stunned, especially since following the 3/2010 diplomatic flap Netanyahu had put systems in place to prevent a recurrence. Speaking to Jewish leaders at the conference after his address, Biden confided that he was at a loss as to what Netanyahu hoped to achieve and uncertain about Netanyahu's seriousness about peace. The State Dept. stated (11/8) that the U.S. was "deeply disappointed" by the announcements. UN Secy. Gen. Ban, meeting with Netanyahu that evening (11/8) in New York, also expressed deep concern. The PA condemned (11/8) the moves, taking them as proof that Netanyahu had chosen settlements over peace.

On 11/9, Pres. Obama, asked while visiting Indonesia for his reaction to Israel's 11/8 announcements, stated sharply that such moves undermined trust and signaled that Israel was not making "the extra effort" to achieve peace. Hours later, Netanyahu's office responded with the statement: "Jerusalem is not a settlement. It is the capital of the State of Israel. . . . Israel sees no link between the peace process and its development plans in Jerusalem." Netanyahu's sharp tone was in marked contrast to his chagrined reaction to the 3/2010 announcement; analysts believed (*WT* 11/10) "the stinging Democratic defeat in the midterm elections . . . emboldened [him] to push back harder against the administration." (On 11/12, NSC senior Middle East political adviser Dan Shapiro held a conference call with

American Jewish leaders who were outraged at Obama's 11/9 criticism to tell them that the president had not intended to make a public issue of Israel's new housing construction, but merely gave a "straightforward" answer to a media question. He also assured them that the administration's priorities included expanding international recognition of Israel as a Jewish state and encouraging Arab states to normalize relations with Israel.)

On 11/11, Secy. of State Clinton and PM Netanyahu met in New York for 7 hours (including at least 2 hours 1-on-1) before the latter's return to Israel. The unusually long talks (Netanyahu had allotted only 2 hours for the meeting) focused on finalizing an incentives package and on steps to revive peace talks. (Whether or not Clinton had reiterated U.S. disapproval of Israel's 11/8 settlement expansion announcements and urged Israel against further such actions, as had been expected, was not reported.) A bland joint press statement simply described their meeting as a "friendly and productive exchange of views" on creating the conditions for the resumption of direct negotiations, reaffirming the U.S.'s "unshakable" commitment to Israel's security, and pledging that Israel's security requirements "will be fully taken into account in any future peace agreement." The statement also called for an agreement that "reconciles the Palestinian goal of an independent and viable state based on the 1967 lines, with agreed swaps, and the Israeli goal of a Jewish state with secure and recognized borders that reflect subsequent developments and meet Israeli security requirements"—the exact phrasing of the U.S. position on final status used repeatedly since the U.S. welcomed Israel's temporary settlement freeze in 11/09.

Sources briefed on the Netanyahu-Clinton meeting reported (see esp. *NYT* 11/14) that Netanyahu had agreed to press his cabinet to accept a nonrenewable 90-day West Bank settlement freeze in exchange for an F-35 squadron worth \$3 b. (in addition to the 19 F-35s Israel contracted to purchase for \$2.75 b. on 10/7 after verbally sealing the deal last quarter; see Quarterly Update in *JPS* 157); a package of bilateral security guarantees contingent upon signing a peace agreement; and a U.S. pledge to block any UNSC measure that "would try to shape a final peace

agreement,” especially any resolution seeking international recognition of Palestinian statehood without Israeli agreement, and to actively work against similar resolutions in venues where it has no veto power. The freeze would once again exclude construction in East Jerusalem and construction of public use buildings (schools, synagogues, etc.) in West Bank settlements, but would include all West Bank residential construction and would require suspension of work already underway. Notably, while details of the future bilateral security guarantees were not released, there was no apparent upfront U.S. endorsement of a long-term Israeli presence in the Jordan Valley. An anonymous source close to the U.S. administration said (*NYT* 11/15) that the U.S., Israel, and the Palestinians did not believe a final status border agreement could be finalized within 3 months. However, the U.S. was optimistic that “the two sides would agree that several large West Bank settlement blocs would be kept in Israeli territory, and Israel would exchange a commensurate amount of land to compensate the Palestinians for that territory. Drawing the exact border lines could be left for later. . . . but a general agreement on the shape of a state would make the settlements recede in importance.” Netanyahu discussed the offer with his inner cabinet on 11/13 and with his full cabinet on 11/14, but as of 11/15, his government had made no decision. The PA said (11/13) that it would not comment until it had been briefed by the U.S.

Of note: On 11/10, in advance of her meeting with Netanyahu, Clinton gave (11/10) a press conference with PA PM Fayyad participating by video link to announce an additional \$150 m. in direct U.S. aid to the PA, bringing total U.S. direct aid to the PA for 2010 to \$600 m.

#### ***Prisoner Release Talks***

On 10/3, Egyptian officials announced that Hamas and Israel had reopened prisoner swap talks through a German mediator, though no progress had been achieved. Hamas officials in Gaza initially denied (10/3, 10/11) the story while Israel declined comment, but on 10/17, both Netanyahu and a Hamas official confirmed that indirect swap talks had been going on for several weeks and that a German mediator had made an “exploratory” trip to Gaza. The last formal round of indirect

talks between Hamas and Israeli representatives was held in Cairo on 7/28/10, after Netanyahu, in the wake of the *Mavi Marmara* attack, stated that Israel was prepared to accept a German proposal to release 1,000 Palestinian prisoners in exchange for the release of captured IDF Cpl. Gilad Shalit. He had stipulated, however, that the most dangerous prisoners would not be allowed to return home (suggesting expulsion or transfer within the occupied territories) and that “mass murderers” would not be freed—conditions Hamas rejected (see Quarterly Update in *JPS* 157). On 10/18, anonymous Palestinian sources said (UNSCO daily briefing 10/19) that Netanyahu had agreed to release jailed Fatah *tanzim* leader Marwan Barghouti in a prisoner swap for Shalit, but that his refusal to release several key Hamas members stymied a deal. On 10/29, the German mediator confirmed that the sides were once again at an impasse but were expected to resume shortly.

#### ***Revelations on Past Peace Talks***

As Netanyahu and Abbas moved to resume direct talks, former Israeli PM Ehud Olmert made statements about secret offers presented and agreed to before negotiations were suspended in light of Operation Cast Lead, launched in 12/2008. In a speech to a Geneva Initiative conference in Tel Aviv on 9/19, Olmert claimed that by 11/2008, he had reached several important agreements with Abbas and the U.S.: (1) he stated that the George W. Bush admin. had agreed to absorb 100,000 Palestinian refugees into the U.S. if that would facilitate a final status agreement. Elliott Abrams, who in 2008 was Bush’s senior Middle East advisor on the NSC, promptly denied this on 9/20, saying, “We envisioned that the U.S. would participate in any refugee resettlement activities, along with others in the international community, but that anything the U.S. would do would be done through our normal immigration process,” and strongly denying any mention of the figure of 100,000. (2) Olmert claimed that he reached a deal with Abbas under which Israel would accept “a minimal amount” of refugees (fewer than 20,000) as a humanitarian gesture in return for a Palestinian declaration that this would mark “an end to the conflict and . . . that they would not make any more demands.” An anonymous Palestinian official, however, told *Yedi’ot Abaronot* (9/19)

that broad differences over the number of refugees allowed to return to Israel had never been bridged, but confirmed that several countries, including the Canada, the U.S., and some Scandinavian nations, had agreed in principle to take in 1,000s. (3) Olmert said he had presented to Bush and Abbas an "eight-point document" drafted by the DMin. outlining Israel's central security interests (not elaborated), and that Bush had accepted all points, whereas the Palestinians "were not opposed." (4) Olmert said that his own offer to the Palestinians in 11/2008 included proposals for the formation of a contiguous Palestinian state and transferring control of Jerusalem's "holy basin," including the Old City, to the stewardship of 5 countries (not named). A transcript of Olmert's speech was never released.

### *Intifada Data and Trends*

During the quarter, at least 31 Palestinians and 4 Israelis were killed in Israeli-Palestinian violence (compared to 33 Palestinians and 1 Israeli last quarter), bringing the toll at 11/15 to at least 7,713 Palestinians (including 51 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,101 Israelis (including 353 IDF soldiers and security personnel, 220 settlers, and 528 civilians), and 65 foreign nationals (including 2 British suicide bombers).

### *Overview of the Violence*

Overall, Israel-Palestinian violence was relatively low (see Chronology for details). According to statistics compiled by the UN Office for the Coordination of Humanitarian Affairs (OCHA), the IDF conducted an average of 93 searches per week in the West Bank this quarter (down slightly from 96 per week last quarter). This average reflected long lulls (during which searches averaged closer to 62 per week) that were offset by intermittent spikes in which 100s of searches were conducted over a few days (e.g., tied to the 8/31-9/2 Hamas shootings, stepped up sweeps targeting Hamas ca. 10/6). An anonymous IDF official said (8/30) that Israeli nightly operations in the West Bank were down 50% compared to the same period in 2009 (from around a dozen/night to 4-5/night) thanks to improved security coordination, an estimate that is consistent with data compiled by *JPS* (see Chronologies for details; note that a single operation

might involve multiple searches, which explains the discrepancy between the figures for operations and searches). Moreover, nearly half the IDF incursions into Palestinian population centers this quarter were to patrol as a show of force (without arrest raids, house searches, or the like), whereas in 2009 most incursions involved some sort of hostile interaction with local Palestinians. In addition, the IDF more frequently issued Palestinians summonses to appear for interrogation rather than detaining them immediately.

Besides the 8/31-9/2 IQB shootings that killed 4 Jewish settlers and the IDF shootings of 3 Hamas members on 9/17 and 10/8, there were only 2 major Israeli-Palestinian incidents in the West Bank this quarter: On 9/26, unidentified Palestinian gunmen fired on 2 Jewish settler vehicles near Hebron, moderately wounding 1 settler (no group took responsibility); and on 10/3, Israeli border police fired on a group of Palestinian laborers climbing over the separation wall near al-Tur village to reach jobs in East Jerusalem, killing 1 Palestinian. In total, 4 Palestinians and 4 Jewish settlers were killed in the West Bank this quarter.

In East Jerusalem, 2 Palestinians (including a toddler) were killed in antisettlement riots in Issawiyya and Silwan (see "Judaization of Jerusalem" below).

In Gaza, the IDF continued routinely firing warning shots at Palestinian civilians scavenging for construction materials in former Jewish settlement sites and the demolished Erez industrial zone near the northern border (wounding 18), at non-violent Palestinian demonstrators marching to the border fence to protest Israel's imposition of no-go zones (wounding 1), and at Palestinian fishing vessels to keep them close to shore (killing 1 fisherman). The IDF also made regular brief incursions to level land and clear lines of sight along the Palestinian side of the border fence, occasionally opening fire on surrounding areas to keep Palestinians away (wounding 1 civilian).

In total, Palestinians in Gaza fired 18 rockets (possibly including 1 manufactured Grad), at least 30 mortars (at least 7 of which landed inside Gaza), and 1 anti-tank weapon toward Israel, lightly injuring 2 IDF soldiers and causing damage in 1 instance. Of note: Israeli police claimed that 2 mortars fired by the PRCs into Israel on 9/15 (apparently to protest the direct

talks being held in Jerusalem) contained white phosphorous, which if true would mark a first for the Palestinian factions and a dramatic escalation. The Israeli daily *Yedi'ot Abaronot* (9/16) cited an unidentified member of an unnamed Gaza militant group as confirming that that mortars contained white phosphorous taken from unexploded IDF ordnance (UXO) from Operation Cast Lead, saying the Gaza factions were experimenting with modifying Israeli UXO for use against Israel.

The IDF carried out at least 28 air strikes and fired at least 11 tank shells and other artillery into Gaza, killing 12 Palestinians (including at least 4 civilians) and wounding at least 22 (including at least 12 civilians). Cross-border IDF gunfire directed at armed Palestinians left 3 armed Palestinian dead and 2 Palestinians (1 armed) injured; 1 IDF soldier was wounded by return fire. In addition, 7 Palestinians were killed and 16 injured in tunnel-related accidents (collapses, electrocution, falls, and suffocation), 1 Palestinian militant died of injuries received earlier in a clash with the IDF, and 1 Palestinian toddler died as a direct result of Israel delaying her transfer to an Israeli hospital for medical treatment. In total, 25 Palestinian died and 60 Palestinians and 3 IDF soldiers were injured in Israeli-Palestinian violence in Gaza. (Note that *JPS* includes victims of tunnel accidents and medical delays in its comprehensive statistics whereas the UN and/or human rights groups consider the casualties to be a direct result of Israeli policies against the Palestinians.) OCHA reported (11/5) that as of 11/2, more than 70% of Gazan fatalities and 60% of Gazan injuries in 2010 had occurred near the border fence.

#### *Assassinations and Suicide Attacks*

This quarter the IDF assassinated 2 Palestinians (compared to 1 last quarter): AOI's Muhammad al-Nemnem (11/3) and Hamas's Iyad Abu Shilbaya (9/17); 2 bystanders were injured in the attacks. The IDF also attempted to assassinate Fatah's `Abd al-Ra'uf Ahmad Safadi (10/7), injuring 3 bystanders (including 2 children). Once again this quarter, there were no Palestinian suicide attacks. The last confirmed Palestinian suicide attack took place on 9/22/08.

#### *Security Coordination*

U.S. Air Force Maj. Gen. Michael R. Moeller replaced (10/1) Lt. Gen. Keith

Dayton as U.S. security coordinator (USSC) to Israel and the PA. Dayton was long overdue for rotation to a new post and ultimately decided this quarter to retire. While Israel, the PA, and the EU held events honoring Dayton before his departure, the U.S. did not mark the transition. Indeed, Dayton's offer to introduce Moeller to his regional contacts personally before he left was rejected by the U.S. consul general, who insisted on handling introductions himself. When Dayton's request to give final testimony before Congress was also rejected (on the grounds that schedulers could not find an available room for the event) and no one in the administration requested that he write a formal "after-action" report (as is typically asked of officials leaving a senior post), Dayton ordered his team to write its own final report, summarizing lessons learned and strategies for the future. The report was left uncirculated—reportedly blocked by staffers on special envoy Mitchell's team, which meanwhile was actively taking over the USSC's role by attempting to broker a deal between Israel and the PA for the PASF to man the Gaza crossings, hoping this would encourage Israel to further ease the Gaza siege in a way that would bolster popular support for Abbas and the PA vis-à-vis Hamas (see Quarterly Update in *JPS* 157).

While the State Dept. seemingly moved to take over the USSC's mission, sources close to the IDF reported (early 11/2010) that senior IDF officers had complained that Netanyahu's political echelon was increasingly interjecting itself into West Bank security matters, demanding the IDF justify its actions on political as well as security grounds, for example, questioning and even blocking officers from removing West Bank barriers to Palestinian movement if the political benefit was not deemed great enough. Along with more IDF incursions into West Bank towns to photograph PA security installations (see Chronology in this issue and Quarterly Update in *JPS* 157) and the statement by an IDF officer that continued West Bank stability might not last another year if direct talks failed to achieve a final status deal (see "The Push for Direct Talks" above), the Netanyahu administration seemed to be sending signals that if Abbas could not deliver a favorable agreement, Israel could turn up the heat. In a possibly related move, IDF Maj. Gen. Eitan Dangoth, coordinator of government

activities in the territories, appointed (9/2010) a senior officer to serve as his liaison to the Israeli negotiating team in light of the revival of direct talks (reviving a position that had existed previously) to make it easier for him to keep apprised of negotiations and improving his ability to give input to negotiators on security matters.

Meanwhile, the IDF and the PASF held routine coordination meetings. In addition, IDF Chief of Staff Gabi Ashkenazi met (10/3) with Palestinian security officials in Bethlehem “and listened to their grievances,” according to Bethlehem municipal officials. No details were released.

Of note: IDF soldiers raided a home and business in Tulkarm late on 11/14, saying they were implementing an Israeli court order to confiscate \$650,000 that the father of the family (currently jailed in Israel) confessed to receiving from Hamas as compensation for his company, which was destroyed by arson in 6/2007 during rioting over Hamas’s takeover of Gaza; soldiers seize nearly \$9,000 in cash, \$167,000 in checks, and goods worth over \$330,000. As with all West Bank cities, the PA has security control during the day, but the IDF assumes control at night (requiring the PASF to remain in barracks overnight lest they be mistaken for armed “terrorists”).

#### *IDF Preparedness*

A 8/2010 Haifa University study found that the percentage of military-age Jewish Israelis who did not perform their IDF service had increased from around 12% in 1980 to 26% in 2007, raising concerns that Israel might not have the number of soldiers it needed. In particular, the number of ultra-Orthodox being exempted on religious grounds had increased substantially because of high birth rates: in 2000, the IDF lost 4% of potential recruits to religious exemption; that number had reached 13% by 2010 and was expected to rise to 20% by 2020. Of 11th and 12th grade males polled in 2007, only 58% said they would perform military service if it were voluntary, down from 94% in 1988. In addition, an increasing number of IDF officers called themselves ideologically opposed to ceding control of the West Bank to Palestinians, potentially complicating peace efforts.

Netanyahu declared (10/18) that the IDF believed that Hamas members in Gaza now had anti-aircraft missiles and feared

this could alter Israel’s strategic position given Israeli reliance on air dominance to control Gaza. For this reason, he said, Israel would demand strong security guarantees that a Palestinian state would not pose a military threat to Israel. Later, on 11/14, an unnamed senior Israeli intelligence official said that Israel now believed that Hamas members in Gaza had a rocket with a 50-mi. range, capable of hitting Tel Aviv. (During Operation Cast Lead in 2008–9, the farthest a Palestinian rocket traveled was 24 mi.) The IDF’s claims could not be independently verified.

#### *Nonviolent Protests*

The weekly Palestinian popular protests against the separation wall and land confiscations, often with the participation of Israeli and international activists, continued in Bil`in and Ni`lin near Ramallah, Dayr Nizam/Nabi Salih in the north central West Bank, in al-Ma`sara near Bethlehem, and outside Karne Tzur settlement near Hebron. In Gaza, Palestinians occasionally conducted nonviolent protest marches toward the border fence to protest Israel’s imposition of a no-go zone, but such protests seemed fewer than last quarter. The IDF regularly fired warning shots, stun grenades, and tear gas at demonstrators in the West Bank, frequently causing light-to-moderate injuries.

Of note: An Israeli military court sentenced (10/11) Abdullah Abu Rahma, the head of the Popular Committee Against the Wall in the West Bank village of Bil`in, responsible for organizing the weekly demonstrations against the separation wall, to 1 year in jail (including time served) and a \$1,250 fine. Abu Rahma was arrested in 12/09 and convicted in 8/2010 of incitement and participating in illegal demonstrations.

#### *Movement and Access Issues*

This quarter, no significant changes were reported regarding Palestinian freedom of movement within the West Bank. Movement particularly between major population centers continued to be relatively good, whereas movement between main cities and outlying villages was more difficult, continuing a trend that began in summer 2009. As of 11/9, there were around 500 obstacles to Palestinian travel (including 64 permanent barriers) across the West Bank, down from more than 600

in early 2009. Though the number of obstacles was still very high, many were unmanned or were open for longer hours than previously. The IDF imposed general closures on the West Bank for the Jewish holidays of Yom Kippur (9/17-18) and Sukkoth (9/22-30).

Of note: Israeli border police prevented (11/3) former PA PM and negotiations adviser Ahmed Qurai` from crossing into Jordan via the Allenby Bridge, citing a previously unannounced decision by the government that from now on only Pres. Abbas and PM Fayyad would receive "special treatment." Israeli security officials said (11/3) that the decision had to do with recent statements by Qurai` denouncing Israel's settlement policy. There was no indication that other Palestinians issued VIP passes to exit the West Bank had their privileges revoked before the end of the quarter.

Gaza, meanwhile, remained under siege. Personal travel into and out of the Strip was (since 6/2010) easier for humanitarian cases seeking exit via Rafah, but overall was still highly restricted, particularly for individual travel to and from Israel via Erez. Imports of humanitarian and limited commercial goods through Kerem Shalom crossing averaged around 1,000 truckloads per week (38% of the weekly average before Hamas's takeover of Gaza in 6/07), with food items making up 50-65% of imports (compared to 20% before the siege)—an indication that imports were still providing subsistence rather than economic stimulation. Imports dropped significantly during the Jewish holidays (9/17-30) to around 800 trucks (29% of the weekly average before Hamas's takeover), but returned to around 1,000 truckloads/week thereafter. Exports remained totally banned.

Similar to last quarter, Israel typically permitted weekly imports of around 4,000 tons of fodder and around 2,500 tons of wheat through the Qarni crossing. However, when special allocations of construction aggregate were allowed in for approved UN or municipal projects, the amounts of fodder and wheat were reduced. Israel's argument that the conveyor belt used to move the items could only tolerate so much capacity was unconvincing, since Israel habitually allowed far higher total weekly volume of wheat and fodder to make up for extended closures. OCHA

noted (11/11) that Israel kept the wheat supply inside Gaza relatively steady at the amount needed to feed the population for 8-10 days, but not enough to allow stockpiling for emergencies. At the close of the quarter, nearly 300 truckloads of wheat waiting to cross Qarni were denied immediate access by Israel.

Of note: This quarter, Israel approved 13 UNRWA construction projects in Gaza, representing 1.7% of UNRWA's Gaza reconstruction plan. Even with the approval, Israel was slow to grant entry to the necessary building materials. As of 10/26, UNRWA had requested access for 226 truckloads of goods specifically allocated for the projects, but only 39 were granted entry. OCHA noted (9/3) that "major private reconstruction and the revival of the private sector continue to be limited by Israeli restrictions on both construction materials and exports."

In addition, Hamas officials in Gaza complained (ca. 8/26) to the Universal Postal Union that Israel had imposed a "postal blockade" on Gaza and that no mail seemed to be getting through. Israel claimed (8/26) that the PA in the West Bank was to blame because it had not appointed a replacement for the PA official responsible for mail transfers to Gaza, who was recently arrested by the IDF.

Access to water and electricity also remained far below demand. On 8/25, Israel increased industrial fuel imports to Gaza, allowing Gaza's electricity plant to run on 2 turbines instead of 1 for the first time since 2/2010, cutting rolling power outages across the Strip from 8-12 hrs./day to 4-6 hrs./day through early 11/2010. Still, limits on fuel meant Gaza's electricity production was 30% below demand and 50% below capacity. OCHA noted (9/17) that "although power cuts were reduced by almost half following this 8/25 increase in fuel supply, the daily life in Gaza, as well as the provision of essential services, including regular water supply, sewage treatment and removal, and the functioning of health services, continue to be affected by the chronic lack of electricity." In early 11/2010, Israel for no apparent reason reduced fuel imports by 36%, causing outages to increase back to 8-12 hrs./day through the end of the quarter.

OCHA and the World Food Program issued (8/19) a report (see Doc. A1) on the toll of Israeli restrictions on Gaza

livelihoods since the outbreak of the al-Aqsa intifada in 9/00, concluding that 12 percent of Gazans (178,000 out of 1.5 m.) had lost their livelihoods or been severely affected by Israeli security policies, especially along the borders (land and sea), and criticizing Israel for failing to clearly inform Gazans where they can and cannot live and operate. Damage to border farms and property over the past 5 years was estimated at \$308 m., while losses to fishermen over the same period were estimated to be \$26.5 m.

Also of note: In compliance with a Freedom of Information Act request placed by the Israeli human rights group Gisha, the Israeli government released (10/21) 3 previously classified documents outlining its policy on restricting goods entering Gaza prior to the 6/2010 easing in response to the *Mavi Marmara* incident. The documents indicated that contrary to government assertions that restrictions were imposed solely for security reasons, as required by international law, Israel had a "policy of reduction" intended to pressure Gazan civilians (see Doc. C3).

#### *Judaization of Jerusalem*

As noted in the main Israeli-Palestinian Conflict section above, Israel at critical points during the quarter announced major new projects in East Jerusalem intended to entrench the Jewish presence and thereby strengthen Israel's claim that Jerusalem must "remain Israel's undivided capital." These efforts included approval of a new settler-only bypass road linking Ma'ale Adumim settlement with East Jerusalem's new E1 settlement area (8/16); 238 new settlement housing units in Pisgat Ze'ev and Ramot settlements (10/15); and another 320 new units in Ramot and 978 in Har Homa/Jabal Abu Ghunaym (11/8). At the close of the quarter, Israel's Jerusalem municipal authorities issued (11/8) a report stating that they were currently building more than 13,500 housing units for Jews in various Arab neighborhoods in East Jerusalem.

Once again this quarter (cf. Quarterly Update in *JPS* 157), the East Jerusalem neighborhood of Silwan (where some 400 settlers live among 30,000 Palestinians) and the nearby Palestinian suburb of Issawiyya were hotspots of conflict. In Silwan, almost daily low-grade clashes occurred throughout the quarter (see

Chronology for details), with local Jewish settlers frequently stoning Palestinian residents and vandalizing Palestinian homes (particularly near the Beit Yonatan settlement building named for Jonathan Pollard). Many of the clashes erupted around the Palestinian sit-ins held weekly after Friday prayers in the al-Bustan area of Silwan to protest Israel's plans (announced in 3/2010) to demolish homes and businesses in the area for creation of an archeological park to accommodate settlers. In at least one instance (on 8/26), Jewish settlers attempted to break into al-`Ayn Mosque, sparking confrontations. In addition, the Israeli security forces frequently raided Silwan to detain Palestinians for questioning (e.g., 8/30, 9/20, 10/11, 10/31, 11/9).

Serious clashes in Silwan erupted twice this quarter: On 9/22, a private Israeli security guard patrolling the Beit Yonatan perimeter fatally shot a Palestinian, sparking massive street clashes that spread throughout East Jerusalem pitting stone-throwing Palestinian youths against Israeli security forces firing tear gas, stun grenades, and water cannons. The security guard, who was questioned and released by Israeli police, said he opened fire with his automatic weapon because he felt he was in mortal danger when local Palestinians blocked and stoned his car. During the clashes, which continued in and around Issawiyya until late on 9/25, the IDF's heavy use of tear gas in residential areas caused the death (9/23) of a Palestinian toddler. Another 99 Palestinians (including 17 children) and 9 Israelis were injured (7 lightly, 2 moderately); 70 Palestinians were arrested; and 8 settler vehicles and an Israeli tourist information center were vandalized. The second round of serious clashes, already mentioned, took place on 10/24, after Israeli municipal authorities in Jerusalem approved an extensive development plan that included breaking a new passage through the ancient wall surrounding Jerusalem to give Silwan settlers quick access to the Western Wall.

In Issawiyya, a major raid by Israeli tax authorities and border police on 11/9 that involved sealing the village and raiding businesses in search of Palestinians tax evaders sparked 2 days of clashes between border police firing rubber-coated steel bullets and stone-throwing Palestinian youths, leaving at least 19 Palestinian children (ages 10-15) and 1 border policeman

injured (see Chronology for details). Clashes also erupted on 9/18, when stone-throwing youths protested Israel sealing routes to Jerusalem for the Yom Kippur holiday; 7 Palestinians were injured.

Also of note: Israel's Gihon Water Company sent (ca. 9/1) a letter to churches and convents in the Old City of Jerusalem warning that their water service would be cut off if they did not immediately pay water consumption fees accumulated since 1967. Gihon did not follow through on the threat before the end of the quarter. Historically, religious establishments in Jerusalem have been exempted from such fees.

#### *House Demolitions and Land Leveling*

This quarter, 3 Palestinian homes were demolished (compared to 12 last quarter). All 3 were located in East Jerusalem and the IDF ordered all 3 Palestinian families to raze the homes themselves or cover the government's cost of doing so. Israeli authorities also demolished (10/27-11/2) 11 other Palestinian structures in East Jerusalem (including a Palestinian car wash and an auto repair shop).

Of note: The Applied Research Institute-Jerusalem reported (9/27) that during the temporary settlement freeze, Israelis confiscated 5,906 d. of Palestinian land and leveled 920 d. for settlements and security related projects.

#### *Separation Wall*

Construction on Israel's separation wall remained largely dormant this quarter, as has been the case for several years on the grounds of government budget constraints. This quarter, IDF began (9/18) installing 12-m-high concrete barriers along a new segment of the separation wall northeast of Jerusalem that will separate Shu`fat r.c., Anata village, and the neighborhoods of Ras al-Khamis, Ras Shihada, and al-Salam from central Jerusalem.

#### *Settlers and Settlements*

The number of individual incidents of settler violence reported this quarter was up more than 140% (53 compared to 22 last quarter) as a result of the settlement freeze dispute. Most incidents occurred in Nablus (16), with the others distributed as follows: Hebron and Qalqilya (8 each), Ramallah (7), East Jerusalem and Salfit (4 each), Bethlehem (3), and Tulkarm (2). The exact location of 1 incident was not

reported. Incidents this quarter included the following settler actions: attempting to occupy Palestinian homes (8/23, 8/31, 9/20, 9/22); seizing or attempting to seize Palestinian land to expand existing settlements and outposts (9/1, 9/20, 3 on 9/25, 10/10, 10/12, 10/24-29, 11/1); committing arson in a mosque (10/4) and school (10/20); attempting to occupy a mosque (8/26); pumping settlement wastewater onto Palestinian agricultural land and polluting 10s of dunams of cropland (a tactic first used last quarter; see Quarterly Update in *JPS* 147) (10/17, 10/27); burning, uprooting, or cutting down trees and crops (8/16, 8/23, 9/1, 9/19, 9/25, 10/15, 10/19, 10/23); attempting to steal livestock or olive harvests (10/3, 10/10, 10/25); beating or harassing Palestinians (8/27, 8/31, 10/8, 10/16, 11/4); stoning passing Palestinian vehicles (8/17, 3 on 8/31, 9/1, 3 on 9/2, 9/3, 9/4, 10/20, 10/31, 11/11); vandalizing Palestinian property, including a cemetery (9/1, 10/22, 10/24); and entering Palestinian population centers under IDF guard to pray (8/22, 9/25, 11/4). In addition, Jewish settlers opened fire on Palestinians in 2 incidents (10/15, 10/20), causing no injuries. There were 2 cases of Jewish settlers deliberately running down Palestinians with their cars (10/8, 11/14), injuring 2. (Another 2 Palestinians were run down by a settler in Silwan during the riots there, which are not included in the statistics of isolated incidents above; see "Judaization of Jerusalem" for details.) The IDF also raided (9/29) several Palestinian homes in the Bedouin community of al-Hadidiyya in the Jordan Valley after complaints by local Jewish settlers that the Bedouin were stealing water from Ro'i settlement; and raided (10/20) a coal plant near the separation wall w. of Jenin, confiscating 40 tons of wood and sealing the building because local Jewish settlers had complained it was a nuisance.

Of note: On 8/29, more than 50 Israeli actors protested their management company's decision to schedule a performance in a new theater in Ariel settlement, deep in the West Bank, asking the company to restrict performances to "sovereign Israeli territory within the 1967 lines." In response, Israeli Knesset mbrs. threatened (8/29) to cut economic support to government funded theater groups that refuse to perform in the settlements, saying the government will "not fund boycotts" directed

at Israeli citizens. Soon after, more than 150 leading Israeli academics and writers, including Amos Oz and Dan Grossman, issued a statement in support of the actors. By 9/7, more than 150 internationally respected theater and film professionals, such as Pulitzer-winning playwright Tony Kushner, veteran actress Vanessa Redgrave, and comedienne Rosanne Barr, added their support.

#### *Palestinians of Israel*

On 10/27, 100s of Israeli police escorted 10s of right-wing Jewish extremists chanting "death to terrorists" on a march through Umm al-Fahm, the second largest Israeli Palestinian town in Israel, in a show of force, sparking stone-throwing clashes with Palestinian residents. Israeli police responded with tear gas, stun grenades, and batons to break up the riot. Around a dozen were injured on each side (including 2 Israeli Arab MKs), and 10 people were arrested. The Jewish Israeli extremists represented Zo Artzeinu (This is Our Land), a group opposing any negotiations with Arabs or relinquishing territory to them.

The chief rabbi of the town of Safad in Israel called on (ca. 10/20) Jews in the mixed city not to rent apartments to non-Jews. Days later, on 10/24, clashes erupted between Jews and Arabs in the town after Ultra-Orthodox Jews stoned Arab students at a local medical school renting apartments in the city. Police sent reinforcements to patrol and the clashes subsided by late night. No serious injuries were reported.

Arab-Israeli activist Ameer Makhoul, detained in 5/2010 on charges of spying for Hizballah (see Quarterly Update in *JPS* 157), pleaded guilty on 10/27 in exchange for a plea deal that would send him to prison for up to 10 years. Sentencing was set for 12/5/10.

#### **INTRA-PALESTINIAN DYNAMICS**

The internal Palestinian situation remained largely the same this quarter. Gaza and the West Bank remained divided between Hamas and Fatah, respectively, with no progress toward national reconciliation and no move to hold elections. Hamas and Fatah both targeted members of the opposing faction in the areas they controlled

in an effort to solidify their power bases, but no open violence or clashes were reported.

#### *National Unity Talks*

Egyptian intelligence chief Suleiman met with Hamas leader Khalid Mishal in Saudi Arabia in early 9/2010 to push for renewed national unity talks between Hamas and Fatah. On 9/25, delegations headed by Mishal and senior Fatah official Azzam al-Ahmad met for 3 hours in Damascus. This marked the first serious movement on unity talks since 2009, when Cairo effectively suspended its mediation after Hamas refused to sign onto an Egyptian-drafted national unity deal approved by Fatah (see Quarterly Update in *JPS* 154). While remaining in regular contact with the sides, Egypt had demanded that further talks be based on its 2009 proposal. The sides confirmed (9/25) that the Damascus talks were held on the basis of this proposal (marking a concession by Hamas, which had considered it a nonstarter) and that the sides reached a consensus on reforming the PLO and technical issues related to holding elections (reportedly including changes to the structure of the Central Elections Committee and establishment of an elections court). Security issues were also discussed, but no agreements were reached. The parties agreed to meet again on 10/20.

In the run-up to the 10/20 meeting, 2 events took place that led to a postponement. On 10/5, a PA security court in Ramallah sentenced IQB member Alaa Hisham Diab to 20 years in prison for his participation in a 5/2009 shootout in Qalqilya that left 3 PASF officers and 2 IQB members dead. (The raid, initiated by the PASF, had sparked the deadliest PASF-Hamas clash in the West Bank since 6/2007; see Quarterly Update in *JPS* 153.) Hamas denounced (10/5) the verdict, noting the apparent "lack of legality of the courts that issue these verdicts" and the timing of "these verdicts . . . while there is talk of coming closer to reaching internal reconciliation." Days later, at the Arab League session on 10/8, Abbas and Syrian pres. Asad traded sharp words over Syria's criticism of Abbas's initial decision to return to direct talks with Israel. In protest of Asad's comments, Abbas requested that the national unity talks be moved to another capital, but Hamas refused and talks were delayed indefinitely.

The dispute was eventually defused by quiet diplomatic exchanges between Ramallah and Damascus. On 10/28, Hamas and Fatah announced plans to hold the 2d round of national unity talks in Damascus ca. 11/11 to focus on security issues, including options for unifying security forces units (structure, jurisdiction of respective security forces, etc.), but no meeting was held before the end of the quarter. Critics complained (e.g., *al-Ayyam* 10/27) that the sides were entrenching themselves in superficial power-sharing debates instead of discussing serious issues facing the Palestinians (e.g., Netanyahu's maneuvers to prejudge final status, the need for a strategy to achieve independence and statehood) and how to address them as a nation.

Of note: On 10/27, IDF troops and intelligence units raided the homes of 2 local Hamas leaders and 1 local Islamic Jihad leader in Jenin in order to "speak with them." The men stated that intelligence officers' questions focused on relations between the PA and Hamas, prospects for national reconciliation, Israeli-Palestinian negotiations and prospects for peace, the PA dismissal of Hamas members from public sector jobs, and the financial and political restrictions on Hamas. The Shin Bet later acknowledged (11/8) meeting with a number of Hamas activists in the West Bank, including important Hamas figures from the Jenin area, "in an effort to gauge their responses to recent diplomatic initiatives and changes on the ground," and stated that none of the men, all recognized political figures, was considered to be involved in armed resistance. The PA reportedly (*Ha'Aretz* 11/8) complained to Israel about the visits. Of note: Shin Bet made similar approaches to al-Aqsa Martyrs Brigade (AMB) members in the initial stages of working out the 2007 amnesty deal for some 200 AMB members that helped to calm the West Bank security situation significantly (see Quarterly Update in *JPS* 145).

### ***Opposition to Direct Talks with Israel***

Once again this quarter, Abbas faced widespread popular criticism for his approach to the peace process. In addition to the Hamas attacks on 8/31-9/2 (see "The Washington Summit" above), Islamic Jihad head Abdallah Shallah, addressing (10/29)

by phone a Gaza rally attended by 10,000s to commemorate Islamic Jihad's 23d anniversary, denounced the PA for even a temporary resumption of direct talks with Israel, saying that any formal agreement with Israel was "forbidden religiously and politically" and that the duty of all Palestinians was to "eliminate" Israel.

Meanwhile, whereas the PA generally ignored the Islamist opposition, it seemed quite threatened by the centrist-leftist opposition. In an incident in Ramallah on 8/25, plainclothes PASF and/or general intelligence officers broke up a meeting of 200 Palestinians opposition figures (a coalition including members of the Democratic Front for the Liberation of Palestine, Popular Front for the Liberation of Palestine, Palestinian People's Party, and the Democratic National Initiative) that had convened to draft a statement protesting Abbas's 8/23 agreement to renew direct negotiations with Israel without guarantees of an extended and expanded settlement freeze. Uniformed PASF officers waiting outside questioned the participants as they left. The ad hoc coalition had secured the signatures of 700 prominent Palestinians on an earlier statement opposing any negotiations not based on international rights and law.

In addition, both Abbas and PLO Exec. Comm. Secy. Gen. Yasir `Abid Rabbuh came under fire for comments on the Palestinian position. Reacting to Netanyahu's 10/11 call on the Palestinians to recognize Israel as a Jewish state in exchange for a limited extension of the temporary settlement freeze, `Abid Rabbuh stated (10/13) in an interview that the PLO would be willing to recognize Israel as a Jewish state in the context of Israel officially declaring its borders to be its 1967 lines, without the West Bank, Gaza, or East Jerusalem, sparking calls for his resignation for "jeopardizing the fate of Arab citizens of Israel" and their pursuit of equal rights. Similarly, Abbas was denounced for his statement in an interview on Israeli TV (10/18) that the PLO would be willing to give up all "historical rights" in return for the establishment of a Palestinian state in the territories occupied in 1967, which Palestinians read as his apparent willingness to cede the Palestinian refugees' right of return. Asked to clarify, PA Information M Ghassan al-Khatib explained (10/18) that "Abbas was alluding to other historical rights, such as

Palestinian ownership of land in what is now Israel”—a statement that was equally condemned by many Palestinians.

Also of note: More than 20 Palestinian organizations in Europe signed (9/9) a letter criticizing Abbas for opening direct talks with Israel, warning that diaspora Palestinians would not tolerate concessions on Jerusalem or the right of return. Signatories included the General Secretariat of the Conference of Palestinians in Europe, the Association of Palestinian Engineers in Europe, the Association of Palestinian Women in Europe, Palestinian Doctors in Europe, and Palestinian Return Centre (London).

### **PA's West Bank Rule**

The PA continued to work toward PA PM Fayyad's goal of laying the groundwork for a Palestinian state by the end of 2011 and kept up efforts to undermine Hamas in the West Bank. In the wake of the 8/31 Hamas shooting that left 4 Jewish settlers dead, the PASF rounded up 100s of suspected Hamas members in the West Bank. Denouncing the sweep, a representative of the Palestinian independent human rights group al-Haq noted (*WT* 9/1) that human rights groups were increasingly noting a “surprising symmetry in the abuse that the U.S.-backed government of [PA] pres. Abbas in the West Bank and his Iranian-backed rivals Hamas in Gaza inflict on each other,” deepening interfactional rivalry. Later, in 9/2010, 12 Palestinian civil society groups issued a statement accusing the PA security forces of having “adopted a pattern of oppressive policies to stifle political dissent and to generate a sense of intimidation within Palestinian society” by targeting suspected Hamas supporters for arrest and harassment. In addition, Human Rights Watch reported (see Doc. D3) that as of 10/20 more than 100 cases had been filed in 2010 by Palestinians alleging torture at the hands of PA security services (including the police, preventive security, and general intelligence).

In late 9/2010, the PASF arrested a reporter for a news outlet sympathetic to Hamas and detained him for more than a month after he was tagged in a Facebook image insulting Abbas. Palestinian rights activist Mustafa Ibrahim said (11/11) that both the Hamas government in Gaza and Abbas's PA were monitoring Facebook and had created fake Facebook profiles

to identify and monitor dissidents. Earlier in 9/2010, a Gaza man was detained by Hamas-affiliated police after posting an article critical of Hamas on Facebook.

The PA hosted (ca. 11/1) a mass wedding of 47 couples in Nablus. The idea originated with local officials wanting to promote Nablus's image, but the mass wedding was also partly a challenge to the Hamas leadership in Gaza, which routinely conducts mass weddings for poor Palestinians unable to cover wedding costs (roughly \$5,000). Among the new initiatives taken by Abbas's PA this quarter:

- The PASF for the first time (11/3) arrested a Palestinian for selling goods made in a Jewish settlement, in implementation of the PA's 4/2010 law prohibiting the sale of settlement-produced products (see Quarterly Updates in *JPS* 156–57). The defendant was jailed in Bethlehem pending trial.
- The PA announced (10/25) that foreign journalists visiting the West Bank via Israeli media facilitators were “unwelcome”—a move seen as an attempt by the PA to control its media image abroad. The degree to which the PA enforced this was unclear.
- After weeks of monitoring by the PA General Intelligence Service, PA police in Qalqilya arrested (11/10) atheist blogger Walid Husayin for posting satirical diatribes against the Qur'an on Facebook, marking the first time the PA has arrested anyone for their religious views. The charges against him of heresy for “insulting the divine essence” could carry a sentence of life in prison.
- In early 10/2010, the PA Education Min. approved for trial use in 2 Jericho high schools a history textbook, *Learning the Historical Narrative of the Other*, which teaches both the Israeli and Palestinian “narratives.” The book, released in 2009 and produced by a Swedish-funded Israeli-Palestinian collaboration to promote coexistence through education, had already been banned by Israel's Education Min. in 9/2010.

### **Hamas in Gaza**

Hamas's acting PM Haniyeh stated (10/27) that Hamas was ready to start an

open dialogue with the West: “We need to clarify to the international community our stance and vision about the Palestinian-Israeli conflict. . . . The West needs to listen to the Hamas’ voice directly, not from the others.” Days later (on 10/31), Hamas’s acting FM Mahmud Zahar reiterated warnings that Gazans who fired rockets at Israel faced possible arrest for violating an interfactional agreement (made just after Operation Cast Lead ended in 1/2009; see Quarterly Update in *JPS* 151) not to initiate strikes on Israeli targets.

To bolster Hamas’s Islamist credentials and in apparent response to Salafist challenges, Hamas authorities in Gaza ordered store owners to remove (by 9/1) mannequins displaying lingerie from shop windows. (For similar steps last quarter, see Quarterly Update in *JPS* 157.)

On 9/19, 25 unidentified gunmen (suspected Salafists) set fire to a popular water park—completely destroying it—and beat the 2 night watchmen. Of note: On 10/18, Islamic Jihad in Gaza issued a statement that its “leadership has taken a crucial decision to disown all members who go out on impromptu missions or under the banner of other organizations, such as those who refer to themselves as Salafists.” Significantly, however, the statement did not explicitly bar members from participating in the PRCs, an umbrella group comprising members of all Palestinian factions.

On 9/23, a Hamas military court convicted a Palestinian of collaborating with Israel and sentenced him to death by firing squad. Gaza’s Court of First Instance sentenced (11/2) a Palestinian man to death by hanging for kidnapping and killing a 9-yr.-old girl in 2004. Neither sentence was carried out this quarter. Hamas authorities revived the death penalty in 4/2010 for the first time since 2005. Since then 5 Palestinians have been executed: 2 for collaboration and 3 for murder (see Quarterly Update in *JPS* 157); 11 others have been sentenced to death. At least 2 Gazans were executed when the PA controlled Gaza (in 1996 and 2005).

**PALESTINIAN OPINION**

*The following data are excerpted from a poll conducted by al-Najah University’s Center for Opinion Polls and Survey Studies between 17 and 19 September 2010. Results are based*

*on a survey of 1,361 men and women from the West Bank (including East Jerusalem) and Gaza. The poll, the 41st in a series, was taken from al-Najah’s Web site at [www.najah.edu](http://www.najah.edu).*

**1. Do you support or reject the PA’s engagement in direct talks with the Israeli government?**

	West Bank	Gaza	Total
a. I support	59.2%	52.4%	56.7%
b. I reject	36.8%	41.2%	38.4%
c. No opinion/ Don’t know	3.9%	6.4%	4.8%

**2. Do you expect failure or success of the direct talks between the PA and the Israeli government?**

	West Bank	Gaza	Total
a. I expect success	22.9%	23.6%	23.1%
b. I expect failure	70.0%	64.2%	67.9%
c. No opinion/ Don’t know	7.1%	12.2%	9.0%

**3. Do you think that the U.S. will succeed in exerting pressure on Israel to extend the freeze in the construction of buildings in the settlements and in East Jerusalem?**

	West Bank	Gaza	Total
a. Yes	28.1%	24.4%	26.7%
b. No	69.0%	68.2%	68.7%
c. No opinion/ Don’t know	2.9%	7.4%	4.6%

**4. Do you support or reject conducting talks between the PA and the Israeli government if Israel continues building settlements in the West Bank and East Jerusalem?**

	West Bank	Gaza	Total
a. I support	13.9%	16.8%	15.0%
b. I reject	84.1%	78.0%	81.9%
c. No opinion/ Don’t know	2.0%	5.2%	3.2%

**FRONTLINE STATES**

**JORDAN**

King Abdullah remained in close contact with Israeli, Palestinian, and U.S. officials regarding the Israeli-Palestinian peace process throughout the quarter. However, outside of a minor mediation, Jordan’s only significant action this quarter was to

postpone (10/4) the appointment of a new ambassador to Israel for the third time, preferring not to make the appointment while Israeli-Palestinian peace talks were in crisis.

Jordanians were far more occupied with internal politics in the run-up to parliamentary elections on 11/8. The king had dissolved parliament in 11/2009 amid growing public discontent (see Quarterly Update in *JPS* 155) and had delayed elections repeatedly since. Ultimately, Jordan's main opposition party, the Islamic Action Front (IAF), boycotted the vote, leading to a predictable win for pro-government candidates and tribesmen with strong ties to the monarchy. On 8/20, the *Washington Post* had run a special report noting that retired military officers, journalists, academics, and government workers in Jordan were increasingly complaining publicly about the country's direction, raising concerns that domestic instability could grow even after elections. Critics were specifically upset by Abdullah's growing restrictions on freedoms and tendency toward autocratic governance, lavish spending, moves to prevent unionization of government workers, and privatization efforts and subsidy cuts aimed at making Jordan more economically independent but disproportionately hurting government workers. Also cited were growing complaints of government corruption, Jordan's declining regional role, and domestic fears that the king would allow the Israeli-Palestinian conflict to be settled "at Jordan's expense" (i.e., with reference to Palestinian refugees).

#### LEBANON

As mentioned above (see "The 2d Round of Direct Talks"), following the resumption of direct Israeli-Palestinian talks, the U.S. announced (9/16-17) its intention to revive all bilateral peace tracks in hopes of securing a comprehensive Arab-Israeli peace. U.S. special envoy Mitchell first raised the possibility of Israeli-Lebanese talks with Pres. Michel Suleiman in Beirut on 9/17; Secy. of State Clinton followed up (ca. 9/24) in talks with Suleiman on the sidelines of the UNGA opening session in New York. Lebanon did not issue a public response to the U.S. appeal or make any apparent efforts to form a negotiating team. The country was too preoccupied

with domestic political tensions over pending indictments by the UN tribunal investigating the 2005 assassination of former PM Rafiq Hariri to focus on peace talks.

Of note, however: Netanyahu told UN Secy.-Gen. Ban on 11/8 that Israel intended to withdraw from the Lebanese village al-Ghajar on the Israel-Lebanon border, saying the cabinet was expected to approve the decision soon (though this did not happen before the end of the quarter). In the absence of Israeli details, al-Ghajar residents feared that Israel intended to withdraw from the northern part of the village only, and maintain control of the southern section. (For background on the al-Ghajar dispute, see the Quarterly Update in *JPS* 156.)

#### *UN Tribunal*

As the quarter opened, political tensions in Lebanon were high in anticipation that the UN tribunal investigating the 2005 Hariri assassination and other political killings would issue indictments as early as 9/2010 charging Hizballah members with involvement. Hizballah leader Hassan Nasrallah had made numerous televised appearances stating the movement would fight any charges brought against its members and strongly denying involvement, culminating in a 2-hour public broadcast on 8/9 laying out a case for Israel being behind the assassination. Pres. Suleiman, PM Sa'ad Hariri (Rafiq's son), and parliamentary speaker Nabih Birri had for weeks been in close contact with regional actors, including Syria and Saudi Arabia, urging them to help calm the domestic situation (see Quarterly Update in *JPS* 157 for background).

In light of Nasrallah's 8/9 claims, the UN tribunal had asked (8/11) Hizballah to turn over any evidence it had linking Israel to the killing. Hizballah turned over a dossier on 8/17, but on 9/3 the UN said the information was incomplete and asked Hizballah to turn over everything it had related to the assassination. Nasrallah refused (9/3), saying that he did not recognize the legitimacy of the tribunal and would cooperate only with the Lebanese judiciary.

As concerns over the indictments mounted, PM Hariri on 9/6 declared that it had been a mistake to accuse Syria implicitly in the early stages of involvement in his father's 2005 assassination, saying the allegations were politically motivated. Some

analysts for some time had been predicting (e.g., *Asia Times* 7/31) that Hariri would be torn between defending the tribunal on the one hand and maintaining Lebanese stability as well as his own position (neither of which could be sustained without Hizballah support) on the other, and that he would ultimately choose the latter. Syria, meanwhile, itself turned up the heat on the tribunal, issuing (10/3) 33 arrest warrants against Lebanese and foreign officials (including Detlev Mehlis, the German prosecutor who led the early stages of the investigation implicating Syria), alleging that they had given false testimony to the tribunal. Members of Hariri's coalition called (10/3) the move "a shocking development in . . . the relations between PM Hariri and the Syrian leadership." The next day (10/4), Hariri himself went to Saudi Arabia to discuss the matter.

Concerned by Syria's moves and the impending visit to Lebanon by Iranian pres. Mahmud Ahmadinejad (announced 9/9; see "Ahmadinejad's Visit" below), Obama dispatched. Asst. Secy. of State for Near East Affairs Jeffery Feltman to Saudi Arabia (10/16) and Lebanon (10/17) to signal, in Feltman's words, Obama's strong belief that "the tribunal should be allowed to complete its work without interference and that the perpetrators must be brought to justice." Feltman also reassured Pres. Suleiman of the Obama admin.'s support of his government and of Lebanon's independence, sovereignty, and stability. Clinton phoned (10/20) Suleiman to express the same. Meanwhile, after meeting with Feltman, King Abdullah of Saudi Arabia asked Syrian pres. Asad to Riyadh for a meeting (10/18); no details were released.

Despite the U.S. intervention, Suleiman and Birri by 10/26 were reportedly (*Daily Star* 10/26, UNSCO daily brief 10/27) actively discussing with parties in Lebanon and major players abroad (e.g., Syria, Saudi Arabia, the U.S., France) possible ways to suspend the UN tribunal indefinitely to prevent it from causing further destabilization. The possibility of asking the tribunal to put its work on hold until the Lebanese judiciary completed its investigation into the 10/3 Syrian claims was strongly opposed by France and the U.S.

On 10/27, in an incident portrayed by some sources (e.g., *Economist* 11/11) as having been staged by Hizballah, members of an investigating team working for

the tribunal were trapped in a Hizballah-linked Beirut medical clinic (where they had come on a prearranged visit to request documents and conduct interviews) by local women until the army extricated them. A televised evening speech by Nasrallah (10/28) warning that any cooperation with the tribunal would be considered "an assault on the resistance" was interpreted as a new level of pressure on and even threat to Hariri's government. Tribunal officials, who normally abstain from public comment, called (10/30) the address "a deliberate attempt to obstruct justice." In a more heated public exchange beginning on 11/11, Nasrallah warned that Hizballah would block any attempt to arrest its members in connection with the Hariri assassination, stating that "any hand that will touch any of them will be cut off," to which PM Hariri replied (11/14) that he would not give in to threats.

Meanwhile, in New York, where the UNSC had convened to discuss the deteriorating situation in Lebanon in light of the clinic attack, U.S. amb. to the UN Susan Rice accused (10/28) "Syria especially" of having shown "flagrant disregard for the sovereignty, territorial integrity, unity, and political independence of Lebanon" and accused Hizballah, Iran, and Syria of "believ[ing] that escalating sectarian tensions will help them assert their authority over Lebanon." In response, Syrian pres. Asad gave (10/29) a pointed interview to *al-Hayat* in which he criticized U.S. interventionism, asking: "Is Afghanistan stable? Is Somalia stable? Did they bring stability to Lebanon in 1983 [when the U.S. intervened in Lebanon's civil war]?"

By the end of the quarter, the UN tribunal had not handed down any indictments, which were now not expected until 12/2010 at the earliest and more likely not until the first quarter of 2011.

#### *Ahmadinejad's Visit*

Amid tensions surrounding the UN tribunal, Iranian pres. Ahmadinejad announced (9/9) plans to make a state visit to Lebanon (10/13-14), marking the first trip to Lebanon by an Iranian president since 2003. Israel and the U.S. viewed the trip, in Israel's words (10/2), as "a provocative measure that could undermine regional stability and should therefore be cancelled." Some 250 Lebanese politicians and members of civil society

issued (10/12) an open letter denouncing the trip as meddling in the country's internal affairs and increasing tensions in the country. Analysts, however, saw (e.g., *Guardian* 10/8) Ahmadinejad's primary motivation as escaping economic and political troubles and his growing unpopularity at home and burnishing his credentials as a defender of the Lebanese and Palestinians (though chants of "No Gaza, no Lebanon, my life for Iran" increasingly heard at Iranian opposition events in Tehran, such as Jerusalem Day celebrations on 9/3, cast this strategy in doubt). During the visit, Ahmadinejad met (10/13) with Pres. Suleiman and afterward stressed to the press that Iran sought a unified Lebanon and had no desire to aggravate political splits in the country. Ahmadinejad also met (10/14) with PM Hariri, toured the key s. Lebanon battle sites of the 2006 war, and addressed (10/14) a rally of 1,000s in the village of Bint Jubayl near the Lebanon-Israel border (largely destroyed by Israel in 2006 and rebuilt by Hizballah with Iranian funds), vowing that "Zionism will disappear" and "occupied Palestine will be liberated." Plans to inspect the border with Israel were dropped at the last moment.

Ahadinejad's visit fueled efforts in Congress to revoke U.S. aid (both allocated and new) to the Lebanese army (see "Congress" below) at a time when some analysts (e.g., *NYT* 10/27) thought the U.S. was already late in shoring up the army to protect the U.S.'s Lebanese allies, noting the rising prices for weapons in Lebanon, indicating Hizballah and other factions were arming up.

#### ***Hizballah Military Capabilities***

In early 10/2010, Hizballah leader Hassan Nasrallah stated that his organization had increased its missile stock to 40,000, compared with 13,000 before the 2006 Lebanon war (during which Hizballah fired around 4,000 missiles). Separately, Hizballah founding member Mahmud Komati said (10/7) that Hizballah had no plans for aggression and only sought "to burnish its capacity to retaliate" against Israel to maintain deterrence. A report in *Le Figaro* (10/26) cited French intelligence sources as saying that Hizballah had 3 logistical units for the transfer of weapons originating in Iran from warehouses in Syria to Lebanon, suggesting the possibility of

Israeli preemptive strikes on the warehouses. The French sources estimated Hizballah to have 13,000 fighters.

On 10/27, the IDF confirmed that in 1997, Hizballah had successfully ambushed an IDF commando unit in s. Lebanon, killing 11 soldiers, by intercepting images and communications from IDF drones over s. Lebanon to track the unit's movements.

Also of note: On 9/19, the Israeli FMin. issued a press release stating that Netanyahu had informed (9/19) his cabinet of his failure to block Russia from selling anti-ship cruise missiles to Syria and feared the missiles would fall into Hizballah's hands.

#### ***Spy and Collaboration Cases***

In a continuing crackdown on a suspected Israeli spy ring within Lebanon's telecommunications sector (see Quarterly Update in *JPS* 157), Lebanese authorities questioned (8/24) an unnamed Telecommunications Min. employee suspected of espionage. As of the end of the quarter, authorities had arrested more than 100 people on suspicion of spying for Israel since 4/09, a high proportion of whom were telecom employees, members of the security forces, and active duty soldiers.

A Lebanese military court sentenced (10/27) 31 Lebanese citizens and 1 Palestinian in absentia to 15 years in prison for collaborating with Israel. All 32, including a dozen women, left Lebanon with Israeli forces when Israel evacuated s. Lebanon in 2000. On 11/2, another 3 Lebanese were sentenced to death for spying on behalf of Israel; 2 had already fled the country, while the 3d confessed to having spied for Israel from 1999 to 2009. The sentences can be appealed.

#### ***Other Security Issues***

This quarter, Lebanon publicly questioned (late 8/2010) whether some of the large natural gas deposits recently found off Israel's coast (worth hundreds of billions of dollars) might extend into Lebanese territory, with Hizballah vowing to defend Lebanon's "national treasures" and Israel warning that it would respond "with all of our ability to protect our interests." (For more details on the find, which sparked a royalties dispute between Israel and the U.S., see "U.S.-Israel Relations" below.)

On 8/24, members of Hizballah and al-Ahbash (a moderate, anti-Salafist Islamist

political movement also known as the Association of Islamic Charitable Projects) exchanged rocket-propelled grenade and machine gun fire near downtown Beirut, leaving a Hizballah official, his aide, and 1 al-Ahbash member dead in the worst clash in Beirut since 5/08. A joint statement issued later by the groups said the violence stemmed from “a personal dispute and had no political or sectarian background” and vowed to keep their arms off the streets.

### *Palestinian Refugees*

On 8/17, Lebanon passed a law granting the country’s approximately 400,000 Palestinian refugees (official figures) the right to work in some types of employment and giving them access to social security benefits, easing decades of restrictions that had barred them from all but menial jobs. They would continue to be barred from positions regulated by Lebanese professional syndicates, including work as engineers, lawyers, and doctors. Legislator George Adwan stated (8/17) that the government had “agreed to give Palestinians the minimum of rights [that] would improve their living conditions. . . , but we haven’t moved any closer to making them citizens.” Human rights groups noted that more reform was urgently needed, especially granting refugees access to public schools and property and inheritance rights. (In spring 2010, prominent Druze leader and head of the Progressive Socialist Party, Walid Junblatt, put forward draft legislation to grant Palestinians broader civil rights, including the right to own property, but withdrew it in 7/2010 in a compromise deal to secure passage of the provisions in the 8/17 law.)

### SYRIA

The quarter was dominated by Syria’s conflicted relationship with the U.S., which for 18 months had been stepping up rapprochement efforts. The move to revive the Israeli-Syrian peace track (see “The 2d Round of Direct Talks” above) had been initiated by U.S. special envoy Mitchell in talks with Pres. Bashar al-Asad in Damascus on 9/16 and by Secy. of State Clinton in a meeting with Syrian FM Walid al-Moualem in New York on 9/27 (marking the highest level official meeting to date between the Obama and Asad administrations). Although Israeli pres. Shimon Peres (9/22) and FM Moualem (9/28) used their

addresses at the UNGA opening session to reiterate their general desire to resume talks, there was no indication by the end of the quarter that serious planning was underway. Israel and Syria had held 5 rounds of indirect talks mediated by Turkey between 2/2007 and 12/2008 during Israel’s Olmert administration, but Syria suspended further talks on 12/28/08 to protest Israel’s launch of Operation Cast Lead (see Quarterly Updates in *JPS* 149–51 for details). Mitchell had tried to revive the track in 1/2010, but Asad reacted skeptically to Israel’s messages to that end and to Netanyahu’s call to move immediately to direct talks “without preconditions,” preferring instead to resume the Turkish-mediated talks from the point at which they had left off (see Quarterly Update in *JPS* 155).

By the end of the quarter, however, the U.S. was on the verge of reevaluating its rapprochement in light of Syria’s “increasingly disruptive role” in Lebanon concerning the UN tribunal investigating the 2005 Hariri assassination (see “UN Tribunal” above). On 11/1, U.S. asst. secy. of state Feltman stated that Syria must pressure Iran and Hizballah to rein in their activities in Lebanon if it wanted a relationship with the U.S., warning that without mending relations with Washington, Syria had no hope of regaining the Golan Heights. Pres. Obama dispatched U.S. Sen. John Kerry, chairman of the Senate Foreign Relations Committee, to Damascus on 11/8 to tell Asad that Syria would be monitored for efforts to delegitimize the UN tribunal and that many in Congress were already lobbying the administration to halt rapprochement efforts over Syria’s perceived efforts to undermine the UN investigation. The U.S. was also displeased over a 9/6 International Atomic Energy Agency (IAEA) quarterly report that that stated Damascus since 6/2008 had refused to cooperate in the agency’s investigation of the suspected covert nuclear site at Dayr al-Zur bombed by Israel in 9/2007.

Since 4/2010, Republicans in Congress had been blocking Robert Ford’s approval as U.S. ambassador to Syria, on the grounds that returning an ambassador to Damascus would “reward” Asad’s aggressive behavior, with the tribunal-related actions this quarter only reinforcing the drive. (The U.S. had withdrawn its ambassador in 2005 to protest Syria’s suspected involvement in Hariri’s assassination.) Nonetheless, both

the Obama administration and Israel lobbied this quarter for the appointment to go through. By 9/6, Israel's DM Barak, IDF chief of staff Gabi Ashkenazi, and military intelligence head Maj. Gen. Amos Yadlin had personally appealed to Republican congressional leaders to stop blocking Ford's approval, arguing that a U.S. ambassador in Damascus would force Asad to choose between better U.S. relations or stronger ties with "terrorists." On 10/4, the State Dept. confirmed that it, too, was pressing Congress to move forward with confirmation and that the congressional delay "does have an impact on U.S. policy in the region." Nonetheless, by the close of the quarter, Ford had not been approved.

Two security items relating to Syria were of note this quarter. First, outgoing Israeli military intelligence chief Maj. Gen. Amos Yadlin, soon to end his 5-year post, stated in his final security briefing to the Knesset (11/2) that Israeli intelligence believed that Syria had dramatically improved its military capabilities in recent years: "In the past we estimated that within 48-72 hours we would command the sky over Syria. Currently the assessment is that it would take more time and we would sustain more losses."

Second, analysts reported (*NYT* 9/4) that in recent months, Syria had escalated a policy begun in 2008 (after a 9/2008 car bombing in Damascus by Fatah al-Islam killed 17 people) to reassert its "traditional secularism" amid growing concerns that the rise in popularity of Islamist groups regionally was beginning to take dangerous hold inside the country. As part of stepped up secularization efforts, the government had begun asking conservative imams to submit recordings of their Friday sermons for monitoring, asked influential Muslim organizations to scale back their public activities, moved more than 1,000 teachers who wear the *niqab* from the classroom to administrative positions, and barred veiled students from registering for university. Some analysts viewed the moves as a gesture to the U.S. and Europe, whereas others saw them as a response to concerns about regime stability.

## REGIONAL AFFAIRS

The main regional meeting related to the peace process this quarter was the 10/8 Arab League session endorsing the

Palestinian decision to halt direct talks with Israel in light of Netanyahu's decision to allow Israel's settlement freeze to expire. In addition, the Arab states pulled back on their normalization gestures. On 10/17, the Arab League appealed to member states of the Organization for Economic Cooperation and Development (OECD) to boycott an upcoming tourism conference hosted by Israel in Jerusalem to protest Israeli settlement actions. (Only Turkey boycotted the meeting on account of the settlement issue.) King Muhammad of Morocco rejected (ca. 10/18) a request for a meeting from Israeli pres. Peres, citing the impasse in the peace process.

Of note: Egyptian authorities arrested (9/13) senior Hamas official Muhammad Dababish (Abu Radwan), Hamas's internal security chief in Gaza, at Cairo airport on his return from Saudi Arabia following the Hajj. Dababish was charged with involvement in a shooting on the Egyptian border earlier in 2010 (allegedly by a Hamas sniper) that killed an Egyptian soldier and in orchestrating an illegal shipment of walkie-talkies interdicted by Egyptian police in Sinai (allegedly meant for Gaza). Israel claimed (9/13) that Dababish was the primary Hamas official overseeing weapons smuggling into Gaza.

The UAE reported (10/19) that Canadian police had arrested a suspect in the 1/2010 assassination in Dubai of Hamas's Mahmud al-Mabhuh but gave no details. (For background on the Mabhuh killing, see Quarterly Updates in *JPS* 155-57.)

## IRAN

As the quarter opened, new international and bilateral sanctions on Iran aimed at forcing a halt to its nuclear program had begun to have an impact (see Quarterly Update in *JPS* 157), leading the U.S. and EU to appeal to Tehran to reopen diplomatic talks. Iran had expressed (ca. 8/7) possible willingness to resume some kind of talks as early as 9/2010, angling to limit the scope.

### *Sanctions and Diplomacy*

During the first weeks of the quarter, envoys for the various parties informally explored possibilities for renewing talks. Iranian officials privately expressed interest in negotiations but reportedly (*WP* 9/25) wanted to narrow the discussion to

fuel for its medical reactor, whereas the P5+1 (comprised of the 5 permanent members of the UNSC and Germany) wanted a comprehensive agreement governing all of Iran's uranium enrichment. As of 9/22, when Secy. Clinton and the other P5+1 FMs met on the sidelines of the UNGA session in New York to evaluate the impact of sanctions to date and prospects for negotiations with Iran, they were not optimistic that Iran was serious.

The P5+1 opted to hold off and lobby to tighten sanctions further to step up the pressure on Iran so it would take talks more seriously. Between early 9/2010 and mid-10/2010, when the EU issued new regulations tightening restrictions on technological sales to and investment in Iran's oil and gas industry, the U.S. reached agreement (9/30) with the oil firms Total (France), Statoil (Norway), Eni (Italy), and Royal Dutch Shell (Britain and the Netherlands) to end their investments in Iran and avoid further business with Iran's energy sector; Russia publicly declared (9/22) that it would not transfer an S-300 antimissile defense system to Iran (a deal worth \$800 m.; see Quarterly Update in *JPS* 157 for background); Japan increased (9/3) its bilateral sanctions; and South Korea imposed (9/8) its first bilateral sanctions. Most significantly, the UAE imposed (ca. 9/25) financial sanctions on Iran that caused the value of the Iranian rial to drop. Iran's central bank did not intervene to shore up the currency, which lost 15% of its value, cutting Iran traders' buying power and reducing profits significantly. By 10/6, sanctions were causing prices in Iran to rise and were hampering the ability of Iranian companies to operate abroad. At the same time, Iran, faced with a budget crunch, was considering redistributing government subsidies (including giving money directly to the poor while allowing prices of basic commodities such as bread and electricity to rise steeply). Economists believed (e.g., *WP* 10/6) that the sanctions together with a budget crunch and a price hike for basic goods had the potential to cause a domestic crisis.

At this stage, on 10/14, EU foreign policy adviser Ashton formally invited Iran to attend 3 days of formal talks in Vienna beginning 11/16 to discuss its nuclear program. Sources close to the P5+1 said (10/27) that if Iran agreed to resume negotiations on its nuclear program, the U.S.

and European allies were prepared to revive a 2009 Russian-French nuclear swap offer but with stronger demands than those Iran had previously rejected; specifically, Iran would be asked to send more than 2.2 tons of low-enriched uranium abroad (a two-thirds increase over 2009 demands) and to halt enriching uranium to 20 percent purity. When Tehran did not respond, Ashton sent a 2d letter on 10/22. Iran initially replied (10/27) demanding first to know (1) when sanctions would be removed, (2) when Israel would give up nuclear weapons, and (3) when the U.S. would give up nuclear weapons. It then sent (10/29) a letter formally agreeing to resume diplomatic talks after 11/10 "in a place and on a date convenient to both sides." But in a follow-up letter on 11/9, Iran's chief nuclear negotiator Saeed Jalili said that while Iran was ready to hold talks with the P5+1 in Turkey on 11/23 or 12/5, it would not agree to discuss its nuclear program, leaving it unclear what the focus of talks would be. As of 11/11, Ashton was reportedly (*NYT* 11/12) drafting a letter accepting the date of 12/5 but asking that talks be held in Europe and last for 3 days instead of 1.

#### ***U.S. Bilateral Efforts***

Meanwhile, the U.S. took additional bilateral steps to pressure Tehran diplomatically and economically. On 11/10, the U.S., after prolonged diplomatic effort, successfully blocked Iran from obtaining a seat on the board of a new subgroup of the UN Economic and Social Council dedicated to gender equality. Over several months, the U.S. had sent envoys to foreign ministries around the world with the message that including Iran given its human rights record would undermine the credibility of the new body. (Asked to comment why the U.S. said nothing in the run up to the vote about the candidacy of its ally Saudi Arabia, which won a seat on the same body, U.S. amb. to the UN Rice said on 11/10: "I'm not going to deny that there were several countries that are going to join the board of UN Women that have less than stellar records on women's rights, indeed human rights.")

During the quarter, Treasury officials traveled to Azerbaijan, Bahrain, Lebanon, Turkey, and the UAE to warn their governments that Iran might try to set up banks secretly in their countries using dummy

names and fictitious ownership structures to avoid the new sanctions. The U.S. believed that Iran had attempted a secret purchase of an Azeri bank in 9/2010, that it was secretly controlling Futurebank in Bahrain as an Iranian shell bank, and that it had tried but failed to set up banks secretly in Iraq and Malaysia.

Of note, however: Pres. Obama made a point of granting (9/24) an interview to BBC Persian news service for broadcast in Iran to emphasize that sanctions were not meant to harm the Iranian people but to sway the government to correct “bad decisions” and to stress his willingness to seek a diplomatic solution to the nuclear issue. He also stated that Iran has “a right to peaceful nuclear programs and peaceful nuclear power.”

### *Iran's Nuclear and Military Advances*

Meanwhile, Iran took significant steps during the quarter to advance its nuclear program. On 10/26, Iran began loading fuel rods into the core of its Bushehr civilian nuclear reactor, intended for electricity generation. The plant, built by Russia, had planned to begin loading the rods on 8/21/10 and to be generating electricity by 10/22/10 (see Quarterly Update in *JPS* 157), but the process was delayed reportedly until early 2011 because of a leak in the reactor basin. Asked to comment on the new development, Secy. of State Clinton reiterated (10/26), “Our problem is not with their reactor at Bushehr. Our problem is with their facilities at places like Natanz and their secret facility at Qom and other places we believe they are conducting a weapons program.”

Iran also steadily continued enriching uranium. IAEA monitoring reports (issued 9/6 and 10/27) concluded that Iran likely had enough low-grade uranium to eventually build 2 bombs but that it would take at least a year to enrich the uranium to weapons grade and build a delivery system. The IAEA cautioned, however, that it could not be certain how much enriched uranium Iran held, since it had become more aggressive about denying the IAEA information and access and had recently ejected 2 IAEA investigators.

In addition, Iran in a show of force unveiled a series of new weapons, including its first domestically built long-range bomber drone (8/23), 2 new missile-launching

speed boats, at least 1 new surface-to-surface missile (ca. 8/16), and upgrades of 2 existing missiles (9/21). In mid-11/2010, Iran carried out air force exercises simulating defense of its nuclear facilities at Bushehr, Fordu (its latest site), and Natanz. Iran also stated (8/16) plans to begin building a new uranium enrichment site in 3/2011, stressing that it would produce enriched uranium for civilian purposes only. In response to Russia's decision not to transfer the S-300 system, senior commander of the Iranian Republican Guard Corps, Gen. Mohammad Hasan Mansourian, announced (11/10) that the Iranian military was building its own antimissile system, which was nearing the testing stage.

### *Prospects of a Military Strike*

At the opening of the quarter, anonymous Obama admin. officials said (8/19) that they believed they had convinced Israel that sanctions were having the desired impact on Iran and had extended the time it would take Iran to build a nuclear weapon (the U.S. now believes it would take a year), reducing the chances that Israel would carry out a preemptive strike. Asked for comment, however, Israeli officials expressed (8/19) skepticism at the U.S. assessment and indicated that if Israel felt Iran was making a “dash” for a weapon, it would strike. Of note: In mid-9/2010, Israeli amb. to the U.S. Michael Oren addressed at least 3 different Washington area Jewish congregations referring to Pres. Harry Truman's tough decision to bomb Japan, urging them to support Israel's leadership in whatever choices it makes regarding Iran.

Visiting the U.S. in 11/2010, Netanyahu stressed in his address the Jewish Federations of North America (11/8) and in meetings with VP Joe Biden (11/7), UN. Secy. Gen. Ban (11/9), and other senior U.S. officials that sanctions against Iran were not enough, urging the U.S. to be more aggressive in threatening a military strike on Iran if it did not halt its nuclear program. Asked to comment, U.S. defense secy. Gates said (11/8) that the U.S. believed that threatening military action was not the best way to deter Iran and that more time was needed to gauge the impact of sanctions.

Meanwhile, Iranian officials confirmed (9/26) that several government facilities, including the Bushehr nuclear power

plant, had been hit by a complex computer worm, Stuxnet, designed to seize control of industrial computer systems designed by Siemens, a German manufacturer, whose products are widely used to manage and automate Iranian electricity plants and communications systems. (The incident came a year after officials in Dubai seized a shipment of Siemens S-7 control units after Western intelligence warned that it was bound for Iran for likely use in its nuclear program.) Later, Symantec computer experts confirmed (11/15) that the worm also appeared to attack key components of the centrifuges Iran uses to enrich uranium, altering their spin control and causing them to fly apart. The worm first surfaced in 6/2010 and has affected systems worldwide but overwhelmingly in Iran, leading analysts to suspect that Iran was specifically targeted. No one claimed responsibility for the cyber attack and no entity or country was definitively identified as its source, but its complexity, sophistication, and reliance on proprietary information suggested design by a foreign government. Computer and security experts attempting to trace the virus' origin noted (9/29) that a file inside the code was named "Myrtus," a likely reference to the Biblical Book of Esther in which Jews preempt a Persian plot to destroy them. The U.S. and Iran have engaged in low-level cyber warfare since Ahmadinejad came to power in 2005, and the U.S. stated last quarter that it was ramping up covert subterfuge operations (see Quarterly Update in *JPS* 157).

#### **Other Security Issues**

Also of note this quarter: Iran announced (10/13) that it would try 5 unnamed individuals on spy charges for allegedly passing information on Iran's space program, economy, and defense systems to "enemies of the nation" (i.e., the U.S. and Israel).

In addition, Iranian FM Manouchehr Mottaki traveled (11/11) to Nigeria to meet with officials regarding an arms shipment tracked and confiscated by Nigerian authorities in 10/2010. Two Iranians who loaded crates marked as construction material but full of rockets and other explosives onto a ship in Iran and escorted it to Nigeria had sought refuge in the Iranian embassy in Lagos, with Nigeria demanding to question them. Mottaki's mission was to secure the return home of the Iranians

before they were questioned extensively by Nigerian intelligence, but he was not immediately successful. Israeli analysts suggested (see *NYT* 11/12) that Iran may have been testing a new arms smuggling route to bring arms to Hamas in Gaza or the Taliban in Afghanistan; the Iranian government refused comment.

#### **TURKEY**

During the quarter, tensions between Turkey and Israel remained highly strained by the 5/2010 *Mavi Marmara* attack, which resulted in the shooting deaths of 9 Turkish activists (see Quarterly Update in *JPS* 157). At the opening of the UNGA session in New York, Turkish pres. Abdullah Gul rejected (9/22) Israel's request for a make-up meeting with Israeli pres. Shimon Peres to mend fences over the incident, making a point instead of meeting with Iranian pres. Ahmadinejad. (Gul's address to the opening session stressed Turkey's desire to play a central mediating role in the Middle East, promoted Turkey as a Muslim democracy, and defended Turkey's close ties with Iran.) Turkish PM Tayyip Recep Erdogan also continued to warn (e.g., 10/18) that he would not meet Netanyahu or attend international meetings attended by him, stating: "A prime minister who is proud of such an armed intervention is a prime minister with whom I do not agree to talk. On this issue, I think that Israel is close to the point of losing a very important friend in the Middle East." Days later, on 10/26, Netanyahu visited the IDF naval commando unit responsible for the raid on the *Mavi Marmara* to praise them for their "professional, heroic, restrained, and ethical" actions.

Turkey was also strongly supportive of the Palestinian decision to suspend negotiations with Israel over the resumption of settlement construction. Turkey was also the only OECD country to adhere to the 10/17 Arab League call to boycott an Israeli tourism conference in Jerusalem.

Turkey's national security council this quarter completed (ca. 10/31) its revised "Red Book," a top-secret strategic report updated every 5 years on threats to and enemies of Turkey. Leaks to the Turkish press stated (10/31) that Israel was listed as "a central threat," stating that "the region's instability stems from Israeli actions and policy, which could lead to an arms

race in the Middle East, while Bulgaria, Georgia, Iran, and Syria were reportedly removed from the list of countries posing a threat. In response, Israeli Tourism Minister M Stas Misezhnikov urged (10/31) Israelis to boycott Turkey, saying that “ties with Turkey are important . . . [but] Turkey must be totally boycotted as a tourism destination to preserve [Israel’s] national honor.”

The U.S. was not pleased with Turkey’s sharp diplomatic standoff with Israel and growing ties with Iran, but U.S.-Turkish relations overall did not suffer. Indeed, in late 10/2010, the U.S., hoping to encourage Turkey to vote in favor of a NATO plan to place missile defense systems in Turkey and the Mediterranean, gave Ankara assurances that it would not share intelligence data from the system with Israel. The NATO missile defense system was slated for discussion at the upcoming NATO meeting in Lisbon (11/19–23).

Of note: On 8/17, Nadim Injaz, a Palestinian from Ramallah, broke into the Turkish embassy in Tel Aviv, took a consular official hostage, and demanded asylum, claiming that he was being persecuted by the PA because he had collaborated with Israel’s Shin Bet intelligence service. Turkish guards shot and lightly wounded him and turned him over to Israeli authorities, who said he had tried to break into the British embassy in 2006 and had been arrested, jailed, and eventually released.

**INTERNATIONAL**

**UNITED STATES**

Pres. Obama used his 9/23 address at the UNGA opening session to lay out his administration’s new foreign policy priorities for his administration, stressing human rights and democracy as keys to ensuring a stable world economy and global security. Previously, Obama had focused on “mutual interests” of nations in achieving economic and security goals, which many saw as downplaying human rights and democracy. He also gave prominence to the importance of achieving Israeli-Palestinian peace and called on Arab states to take steps toward normalization with Israel.

The administration’s policy on the Middle East specifically, however, seemed largely unchanged. Analysts this quarter cited (e.g., *NYT* 9/1) comments by White House Chief of Staff Rahm Emanuel as

evidence that the administration was still hoping to forge a “grand bargain” to secure Middle East peace (see Quarterly Update in *JPS* 152) based on the premise that progress in the Israeli-Palestinian peace talks would curb Iran, which in turn would ease Israel’s fears and increase chances of success on final status. On 8/30, Emanuel—referring to (1) the resumption of direct Israeli-Palestinian talks and “tentative emergence of a working Palestinian government in the West Bank,” (2) the pending end of combat operations in Iraq (formally declared on 8/31), and (3) the new sanctions against Iran—stated that: “There are three big chess pieces here, and in each of those places we are now poised for success. . . . Victory begets victory and success will be reinforcing.” Mitchell’s 9/16 trip to Syria premised on the idea that renewing Israeli-Syrian talks could bolster Israeli-Palestinian talks similarly reflected this “grand bargain” thinking.

In a potentially major shift: Not long after reports emerged that Obama’s adviser on the Middle East Dennis Ross had initiated a backchannel to Israel to explore granting a U.S. incentives package to Israel in exchange for an extended settlement freeze (see “U.S. Bartering for a Freeze Extension” above), the Israeli daily *Ma’ariv* reported (10/31) that Obama was considering replacing special envoy Mitchell and dividing his job between Ross, who would be the main point person for Israel, and former U.S. amb. to Israel Martin Indyk, who would deal with the Palestinians. The move would mark a tremendous reversal by Obama, returning oversight of the U.S. peace portfolio to the same players responsible for failed U.S. diplomatic initiatives from the Oslo period through the road map plan and Annapolis peace conference. The U.S. did not comment.

***U.S.-Israel Relations***

Israeli dep. FM Danny Ayalon and U.S. dep. secy. of state James Steinberg held (10/19) a regular round of the ongoing U.S.-Israel strategic dialogue in Washington. While the focus was on Iran, a joint statement afterward reiterated the Israeli and U.S. “commitment to the pursuit of lasting peace between Israel and the Palestinians, and between Israel and all of its neighbors.” U.S. representation to the talks was at a lower level than usual, though analysts did not attribute any significance to this.

The U.S. Chamber of Commerce held (10/19) a ceremony marking the 25th anniversary of the U.S.-Israel free trade agreement. (Israel was the U.S.'s first free trade partner.) On the sidelines, Israeli Trade M Benjamin Ben Eliezer met with U.S. Commerce Secy. Gary Locke and U.S. Trade Rep. Ron Kirk to finalize plans to remove all remaining bilateral trade barriers by early 2011 (especially liberalizing agricultural trade and U.S. visa policies for Israeli businessmen).

By 8/29, a royalties dispute had emerged between the Israeli government and U.S. and Israeli investors over recent discoveries of large natural gas deposits off Israel's coast estimated to be worth upward of \$300 b. Under existing Israeli law, the Israeli government could claim royalties of 12.5%, but in light of the significant finds, Israel's finance M Yuval Steinitz appointed a legal advisory comm. to investigate by 10/2010 whether the percentage could be increased. The U.S. embassy subsequently warned Israel that if it rewrote the energy royalties law, it could "undermin[e] confidence in the stability of Israel's fiscal policy and creat[e] barriers to international investment." On 11/11, the advisory comm. recommended keeping the royalty rate unchanged but levying a hefty tax on gas and oil profits that would ultimately give the Israeli government 66% of the take.

### **Congress**

Congress approved (ca. early 10/2010) amendments to the Foreign Assistance Act governing U.S. War Reserves Stockpiles for Allies that increased the cap on the value of military goods prepositioned in Israel for use by U.S. forces in the region and by Israel in an emergency. The cap would grow to \$1 b. in 2011 and \$1.2 b. in 2012, up from \$400 m. in 2007. The amendments were aimed at preserving Israel's qualitative military edge (QME) and improving Israel's readiness against growing threats from Iran and Iranian-supported militants in Lebanon, Gaza, and elsewhere. Under the new legislation, Israel was also given greater leeway to request specific types of weaponry for prepositioning in its territory. Before the end of 2010, the U.S. was also expected to give Israel an additional \$502 m. "program-specific subsidy" to expedite production of Israel's Iron Dome antimissile systems, but this had

not happened by the close of the quarter. These allocations were in addition to Israel's \$2.77 b. in U.S. military aid for 2010.

On 10/20, the Pentagon informed Congress that it planned to sell Saudi Arabia \$60 b. worth of advanced aircraft and weapons over 5-10 years (including 84 F-15 Joint Strike Fighter aircraft and upgrades to another 70; 70 Apache helicopters; 72 Black Hawk helicopters; 36 Little Bird helicopters; a satellite-guided "smart bomb" system; and anti-ship and anti-radar missiles). The arms sale, the largest in U.S. history, was intended to counter the threat from Iran and aid the U.S. defense industry. The State Dept. gave assurances that the government had reviewed the regional balance of power and that the sale would not undermine Israel's QME. Nonetheless, outgoing chairman of the House Comm. on Foreign Affairs, Rep. Howard Berman (D-CA) and incoming chairwoman Rep. Ileana Ros-Lehtinen (R-FL) sent (11/12) a joint congressional letter to Secy. of State Clinton and Defense Secy. Robert Gates signed by 198 lawmakers opposing the sale until the administration responded to additional questions regarding "how these arms sales will affect Israel's QME and what steps we have taken, or are planning to take, to maintain and strengthen Israel's edge" (especially in the case that there is hostile regime change in Saudi Arabia). Although Congress has the right to review such deals and can block or amend sales, congressional opposition was unusual in this case since Israel had privately signed off on the sale (according to U.S. congressional, Israeli, and pro-Israel lobbying sources cited in *Washington Jewish Week* [WJW] 9/16) and Israeli arms manufacturers stood to earn tens of millions of dollars manufacturing key aircraft components.

White House sources also reported (9/16) that the administration was pressing Congress to release its hold on \$100 m. of U.S. military aid allocated to the Lebanese army after completing a review and concluding once again that bolstering the army as a counterweight to Hizballah was in U.S. interests. Lawmakers feared the money and equipment could eventually fall into Hizballah's hands and pose a threat to Israel (see Quarterly Update in *JPS* 157 for background). House Comm. on Foreign Affairs Chairman Berman and head of the House Appropriations Comm. subcomm. on foreign operations, Rep. Nita Lowey

(D-NY), who imposed the hold on the deal in early 8/2010, seemed poised to lift the hold in late 9/2010 but hardened their position in light of Iranian pres. Ahmadinejad's visit to Lebanon in 10/2010 (see the Lebanon section above). At the close of the quarter, the money was still tied up.

House minority leader Rep. Eric Cantor (R-VA), expected to become House majority leader if the Democrats lost control of the House in the 11/2 midterm elections, vowed (10/24) that House Republicans would aggressively block funding for states that did not share U.S. interests even if it meant rejecting the president's foreign operations budget. Concerned that this might delay Israel's funding, Cantor suggested that aid to Israel be separated from the regular foreign operations appropriations and either added to the defense appropriations or dealt with independently. House Appropriations Committee chair Lowey called (10/24) Cantor's statements "reckless" and "based purely on political motives, not what is best for U.S. or global security."

Later, on 11/10, Cantor told visiting PM Netanyahu in a one-on-one meeting in New York that the new Republican majority in the House would "serve as a check" on the Obama administration. A statement released by Cantor's office on 11/12 said that Cantor "made clear that the Republican majority understands the special relationship between Israel and the United States, and that the security of each nation is reliant upon the other." The State Dept. issued (11/12) a response, saying: "Our pursuit of Middle East peace is rooted in the national interest and not in partisan politics. . . . Pres. Obama and Secy. Clinton are determined to help the parties resume direct negotiations that produce a two-state solution. We are confident that the vast majority of members of Congress from both parties support what we are doing."

On 11/11, Republican sources stated (NYT 11/12) that Rep. Ros-Lehtinen, as chair of the House Comm. on Foreign Affairs, would take "a very forceful approach" to oversight and legislation on issues related to Iran. Republicans were currently in the process of forming a foreign relations subcomm. to press implementation of sanctions on Iran and undermine Obama's diplomatic efforts, which they believed to be misguided, to achieve a resolution on the nuclear issue.

Republicans intended the subcomm. to hold hearings to question how stringently new sanctions on Iran were being enforced, with sources saying to expect "that witness chair is going to be a very hot seat."

### **Lobbies**

During their visits to the U.S. in late 9/2010 to attend the opening of the UNGA session (days before Israel's settlement freeze was set to expire), both Abbas and Netanyahu made a point of speaking with leading members of the pro-Israel lobby. Abbas had requested in advance that the S. Daniel Abraham Center for Middle East Peace arrange an event for him to meet with American Jewish community leaders. At a dinner on 9/21 attended by more than 50 top Jewish leaders and former U.S. administration officials, Abbas welcomed the opportunity "to communicate with you directly without mediators. I would like for us to engage in a dialogue where we listen to each other and where I can respond to your question, because I trust we have one mutual objective to achieve peace." He also described Netanyahu as "my partner in our quest for peace," saying the PM's comment in a conference call with the Conference of Presidents of Major American Jewish Organizations (CPMAJO) on 9/20 that he recognized the Palestinian right to sovereignty "encourage[s] us to go ahead to the bridge the gaps." Asked what he would do if Netanyahu did not extend the settlement freeze, he said, "I cannot say I will leave the negotiations, but it [would be] very difficult for me to resume talks." Netanyahu, in his talk with CPMAJO, stressed the importance of the Palestinians recognizing Israel as a Jewish state and halting incitement, preserving Israel's security, and combating Iran.

Just as the midterm election season got underway, AIPAC, CPMAJO, and the *Washington Times* (formed by the Unification Church in 1982 as a conservative alternative to the *Washington Post*) launched a major campaign to discredit J Street, the lobbying group formed in 4/2008 with 2 main purposes: (1) informing Congress that many strongly pro-Israel Americans also strongly disapprove of certain Israeli government policies, particularly regarding the occupation; and (2) that questioning Israel should not be equated with anti-Semitism. Between 9/24 and 9/30, The

*Washington Times* ran a series of articles openly challenging J Street's "identity as a pro-Israel organization." The investigative reporters "revealed" that J Street received almost all of its initial funding from 2 individuals: Hungarian-born (Jewish) businessman George Soros, who has donated billions of dollars to liberal political causes through his Open Society Institute; and a Hong Kong donor, Consolacion Esdicul, who gave at the urging of William Benter, another leading liberal philanthropist. (In fact, Soros's heavy backing had been known from the outset by anyone closely following J Street.) Later stories slammed J Street as biased against Israel because it allegedly coordinated and hosted meetings between members of Congress and South African judge Richard Goldstone, who headed the UN investigation of Operation Cast Lead that heavily criticized Israel's conduct of the war (as well as the Gaza factions' response). Starting from the first article, AIPAC and CPAJJO, among others, began pressuring the White House publicly and privately to avoid further contact with J Street, arguing that the start-up donations were proof that it was not broadly representative of American Jews but rather the mouthpiece of a narrow cadre of liberal activists virulently hostile to Israel. (The Obama administration had quickly embraced J Street: officials had routinely taken part in J Street conferences and included J Street officials in conference calls with senior White House staff, and National Security Adviser Gen. Jim Jones had taken part in its inaugural conference.) J Street, seemingly stunned by the attacks, did not mount an effective defense. Rather than pointing out that such efforts are the *raison d'être* of all lobbying groups, Pres. Jeremy Ben-Ami's argued (e.g., 9/30) that J Street was not hiding Soros's affiliation but that Soros himself preferred a low profile and that J Street did not organize and host meetings with Goldstone but only facilitated contacts between his staff and the offices of several unidentified congressional offices—responses that were spun by AIPAC, CPAJJO, and the *Washington Times* as virtual admissions of guilt. By the end of the quarter, however, the issue had faded without any apparent scaling back of ties with the Obama administration, though the long-term impact on J Street's public image could not be measured. J Street went on to donate \$1.5 m. to 61

candidates for Congress in the 11/2010 elections, 45 of whom won their seats.

On the opposite end of the Israel lobbying spectrum, the Emergency Committee for Israel (ECI), newly launched on 7/13/10 to defend Israel from "delegitimization," had set up an independent expenditure committee called ECI PAC by 10/28. Such committees are allowed under federal law to solicit and funnel unlimited sums of money to issue advocacy campaigns (including letter campaigns, email blasts, phone banks, and TV and print ads) so long as they do not coordinate with any particular campaign or candidate. In the run-up to the midterm elections, ECI PAC spent a large, undisclosed amount of money (ECI said it would report its finances only to the minimum extent required by law) on high-priced ad campaigns warning candidates that "The free ride is over. It's not enough to say you're pro-Israel, you have to be pro-Israel." Hill staffers and campaign experts said (*WJW* 10/28), however, that ECI was using the Israel issue largely as a cover to press a neocon agenda, with experts saying off the record: "If they are anything more than a right-wing organization, they haven't showed it yet," noting that ECI had not targeted, and indeed had supported, some candidates who have a weak record on supporting Israel but strong conservative agendas. Hadar Susskin, policy director of J Street (a target of ECI criticism), believed ECI's "game is really to keep Republicans in line" by threatening to undermine their marginal Jewish support if they do not stick to a neocon agenda. (Jewish Americans have historically tended to vote Democratic.)

*Washington Jewish Week* reported (11/4) that the Jewish Federations of North America (JFNA) and the Jewish Council for Public Affairs (JCPA) were preparing to launch a multimillion-dollar joint initiative in early 2011 to "monitor the delegitimization movement worldwide and create a strategic plan to counter it wherever it crops up." Like the Israeli government, the organizations believed that delegitimization efforts (including boycott, divestment, and sanctions efforts and efforts to equate Israel's actions with apartheid) were the second greatest threat to Israel after Iran. (JFNA alone had pledged \$6 m. over 3 years.) Meanwhile, the Jewish Community Relations Council of Greater Washington, which

last quarter held a major fundraiser toward establishing an Israel Action Center (IAC) for the same purpose (see Quarterly Update in *JPS* 157), said it hoped to have the IAC up and running in early 2011 as well and would coordinate efforts with the JFNA-JCPA project with the shared aim of “capitalizing on the reach of North America’s 157 federations, 125 local Jewish community relations councils, and nearly 400 communities under the federation system.” JFNA Pres. Jerry Silverman said (11/4): “The Israeli government has been advocating for this, especially over the past 6 or 8 months.”

JFNA held its annual general assembly in New Orleans 11/7-10, reporting that with two months to go in 2010, the federations collectively had raised \$750 m. in donations, putting them well on track to meet or exceed 2009 donations, which totaled nearly \$900 m. PM Netanyahu was a featured speaker, focusing his statements on the need to challenge Iran (see Iran section above). Of note: Liberal Jewish activists interrupted Netanyahu’s address 5 times to protest settlements, the occupation, and the proposed loyalty oath, eliciting audible gasps from the audience of 4,000, clearly surprised by such protests within a purely Jewish forum; at least 2 audience members physically assaulted protesters before the protesters were removed by security.

JFNA’s women’s group, Lion of Judah, which encourages women to assume a greater role as large donors by making gifts of \$5,000 or more, held (11/7) its conference on the sidelines of the main JFNA assembly. Around 1,100 women participated, donating around \$5.5 m. By comparison, the 2008 Lion of Judah conference, held before the economic downturn, raised \$18 m.

Amid debate of an Israeli settlement freeze extension after the 9/2 Washington summit, the YESHA settler’s council launched (9/13) a U.S. media campaign, including placing ads in English-language newspapers and key U.S. media outlets pressing Obama and Congress to support “a complete and unconditional end” to the settlement freeze. Analysts stated (*WJW* 9/16), however, that American Jewish groups did not seem to be gearing up to support the endeavor, believing that support on the Hill was nearly unanimous in support of continuing the freeze for the sake of peace.

The United States Palestinian Community Network (USPCN) held (10/29-31) its 2d annual Palestinian Popular Conference in Chicago, issuing a call to action that aimed to organize Palestinians nationwide, particularly at the student level, and to create a united Palestinian voice that “affirm[s] the right of Palestinians in [the diaspora] to participate fully in shaping our joint destiny.” USPCN, which grew out of a Palestinian popular conference that took place in Chicago in 8/2008, stressed 3 core principles: (1) the Palestinians’ right to self-determination and equality; (2) the right of all Palestinian refugees to return to their original homes, lands, properties, and villages (as supported by international law and UN Res. 194); and (3) the illegality of the Israeli occupation.

Also of note, University of California, Los Angeles opened (10/7) the fully endowed (\$5 m.) Nazarian Center for Israel Studies, the 8th academic center nationwide dedicated to Israeli politics, law, economics, culture, and Zionism. The center will offer speakers, conferences, and artistic performances promoting Israel. The other 7 centers are American University’s Center for Israel Studies (established in 1998), Emory University’s Institute for the Study of Modern Israel (1998), University of Denver’s Institute for the Study of Israel in the Middle East (ca. 2000), the Taub Center for Israel Studies at NYU (2003), the University of Maryland’s Gildenhorn Institute for Israel Studies (2006), Brandeis University’s Schusterman Center for Israel Studies (2007), and Columbia University’s Institute for Israel and Jewish Studies (2006). On 10/8, Columbia formally inaugurated a parallel Center for Palestine Studies (established in 1/2010), the first such academic center at an American university.

**RUSSIA**

Russia limited its Middle East involvement this quarter to participation in the Quartet to press for Israeli-Palestinian peace talks and in the P5+1 in the discussions on imposing new sanctions against Iran (see Iran section above).

**EUROPEAN UNION**

The EU generally restricted its participation in the Israeli-Palestinian peace process to the Quartet, allowing the U.S. to

take the lead in mediation. The EU focused greater attention on Iran, with EU foreign policy adviser Catherine Ashton leading international efforts to bring Iran back to the negotiating table to discuss its nuclear program (see the Iran section above).

In early 11/2010, an unofficial EU delegation, led by veteran British Labor MP Gerald Kaufman and including representatives from Germany, Ireland, Poland, Portugal, and Scotland, toured the West Bank, meeting with various Palestinian leaders, including 10 Hamas-affiliated Palestinian Council (PC) members recently released by Israel. (Israel had arrested them soon after the 1/2006 Palestinian elections as part of an effort to unseat the elected Hamas-led government.) These Hamas-affiliated PC members urged the EU to tie its aid to the PA to the PA's human rights record, noting several recent reports by rights and civil society groups (including Amnesty International and Human Rights Watch) that the PA had illegally targeted Hamas members for arrest and on occasion torture in an effort to break the movement and shore up its Fatah allies.

At a bilateral level: British FM William Hague traveled (11/3-4) to Israel and Ramallah to meet with top Israeli and Palestinian officials. Among the main topics for discussion with Israel was Britain's universal jurisdiction law that currently allows the prosecution of Israeli officials for alleged war crimes. Israeli intelligence M Dan Meridor had canceled (10/2010) a visit to London because of rumors that he would be arrested on charges stemming from Israel's attack on the *Mavi Marmara* aid flotilla that left 9 Turks dead. Israel had postponed its annual strategic dialogue with Britain, planned for 10/2010 in London, to protest the law. Hague pledged (11/3) that the law would be "corrected" within a year to protect Israeli officials from prosecution but asked Israel not to pressure his government to move faster than the parliamentary process would allow.

#### UNITED NATIONS

Though much Middle East-related diplomacy took place on the sidelines of the UNGA opening session this quarter (9/14-29), only one major UN meeting dealt specifically with an issue central to the peace process: On 10/18, the UNSC

held a security briefing on the situation in the Middle East, noting in particular concern over the Israeli-Palestinian negotiations impasse and settlement issue. The U.S., Britain, and France expressed "full support" for continuing the UN tribunal in Lebanon despite fears of violence and warned against interference with the tribunal's investigation. While views were exchanged, no major action was taken.

#### *Israel's UN Participation*

Of note: Israel suspended (11/3) ties with the UN cultural body UNESCO over its passage at its biannual session on 10/21 of 5 motions submitted by Arab states classifying several Jewish/Muslim sites in the West Bank (including the Temple Mount/Haram al-Sharif in Jerusalem, the Tomb of the Patriarchs/al-Ibrahimi Mosque in Hebron, and Rachel's Tomb in Bethlehem) as equally Christian, Jewish, and Palestinian heritage sites and cultural property, constituting "integral part[s] of the occupied Palestinian Territories." The move by the Arab states was in response to Netanyahu's 2/2010 decision to declare several West Bank sites (including the 3 listed above) as Jewish and Zionist heritage sites and to allot millions of dollars for their development as tourist sites.

On 9/1, Meron Reuben became Israel's new ambassador to the UN, replacing Gabriela Shalev.

#### *Operation Cast Lead*

UN Secy. Gen. Ban released (8/18) without comment the PA and Israeli preliminary investigations into evidence of human rights violations and possible war crimes and crimes against humanity raised by the UN's 9/09 Goldstone commission report on Operation Cast Lead (see Quarterly Update and Special Document File in *JPS* 154), noting that there had been no formal response from the Hamas leadership in Gaza. (The Goldstone commission had called on the parties to conduct their own credible investigations of these allegations and to follow up with the appropriate legal action by 3/15/10. Failure to comply would risk the commission's recommendation to involve international bodies such as the UNSC and the ICC to bring the perpetrators of these crimes to justice.) Human Rights Watch stated (ca. 8/25) that "Israeli investigations still fall far short of being thorough and impartial,

while Hamas appears to have done nothing at all to investigate alleged violations” and criticized Ban for simply passing on the reports instead of noting the failings and for allowing the process of seeking justice to drag on. Similarly, on 9/21, a UN Human Rights Council (UNHRC) panel of experts charged with evaluating the Israeli and Palestinian investigations into Operation Cast Lead concluded that the reports of both sides were “incomplete” and fell “significantly short of meeting international standards,” increasing the possibility for appeals that the alleged violations be referred to the ICC.

#### ***Mavi Marmara Incident***

A 3-member panel of experts appointed by the UNHRC found (9/27, see Doc. A4) Israel’s 5/31/10 attack on an aid flotilla to Gaza that killed 9 Turks (see Quarterly Update in *JPS* 157) and Israel’s ongoing blockade of Gaza to be excessively disproportionate and therefore illegal under international law. The panel also accused Israeli commandos of executing 6 of the 9 Turks killed in the *Mavi Marmara*, including a Turkish American who was shot point-blank in the face while lying on his back. Israel, which refused to cooperate with the panel, dismissed (9/22) the conclusions, calling the UNHRC “biased, politicized, and extremist.” The full UNHRC endorsed (30-1, with 15 abstaining) the panel’s report on 9/29, with only the U.S. voting against, calling the findings “unbalanced.” Separately, a U.S. official anonymously said (9/29) that the U.S. had asked Israel to “thoroughly investigate” the Turkish American’s death.

#### ***Israel’s Nuclear Program***

In early 9/2010, the UN canceled plans for a summit to discuss a nuclear-free Middle East, concluding no progress could be made in light of an IAEA report (ca. 9/6) that said Israel had flatly rejected all demands by Arab and Muslim states to open its nuclear facilities to inspectors. At its month-long conference to review the nuclear nonproliferation treaty (NPT) in 5/2010, the UN had reaffirmed the intention of the 189 NPT signatories to hold a special conference in 2012 on establishing a nuclear-free zone in the Middle East, specifically urging Israel to join the NPT (see Doc. A1 in *JPS* 157). Obama had subsequently pledged to Netanyahu that the

U.S. would work to block the effort (see Quarterly Update in *JPS* 157). Fearing a backlash at the IAEA’s upcoming annual conference in Vienna on 9/22, Obama’s senior advisor on nuclear issues, Gary Samore, met (9/15) with Arab ambassadors accredited to the IAEA to warn that they risked derailing the Israeli-Palestinian peace talks if they used the conference to pressure Israel about its nuclear program. Publicly, Samore said that his top priority in Vienna would be to urge Arab states not to resubmit a resolution that passed at the 2009 annual conference, calling on Israel to open its nuclear sites to inspection. Nonetheless, Arab states put forward (9/22) the resolution again at the Vienna session, but it was rejected (9/24) by a vote of 51-46, with 23 abstentions. Israel vowed (9/22), however, that it would not join the NPT until a comprehensive Arab-Israeli peace has been achieved.

#### **VATICAN**

The Vatican held (ca. 10/10-23) a 2-week “synod for the Middle East” attended by more than 170 Catholic bishops from Muslim countries, as well as other church figures, non-Catholic representatives, and experts. In drafting the official closing statement, Pope Benedict XVI made a point of meeting privately with a senior rabbi to hear Jewish concerns. According to media reports of the discussions underway the synod (e.g., *WJW*, *WT* 10/14), working drafts focused mainly on the exodus of Christians from the Holy Land, blaming the rise of extremist Islam and Israel’s occupation for creating overwhelming difficulties, particularly for Palestinian and Iraqi Christians. Bishops noted that the everyday life of Palestinian Christians, including access to religious sites, was largely controlled by the IDF, ultimately prompting emigration. Bishops also reportedly stressed Israel’s error in using the biblical concepts of a promised land and chosen people to justify its territorial claims and settlement expansion. The final statement issued on 10/23, however, was more muted (see Doc. A5). The bishops said generally that “recourse to theological and biblical positions which use the Word of God to wrongly justify injustices is not acceptable.” The statement also appealed to the international community to

“conscientiously work to find a peaceful, just, and definitive solution” for the Palestinian-Israeli conflict “through the application of the Security Council’s resolutions and take the necessary legal steps to put an end to [Israel’s] occupation of the different Arab territories.” The document also condemned anti-Semitism and Islamophobia and recognized Israel’s right to live in peace and security and the Palestinians’ right to independence and sovereignty. For the first time, the Vatican made the concluding documents available in Hebrew.

## OTHER

In mid-9/2010, a new international group, the **Friends of Israel Initiative (FII)**, sent its first delegation to the U.S. to meet with world leaders on the sidelines of the UNGA session to promote the idea that “Israel is a normal democratic country” facing a “growing wave of delegitimization” that is so pernicious as to be dangerous. FII opposes boycott, divestment, and sanctions efforts in particular, viewing these as “unconventional war” tactics aimed at undermining Israel’s right to exist. The group, organized by former Spanish PM José María Aznar early in 2010, comprises mainly non-Jewish former presidents, PMs, and Nobel laureates including Irish Nobel peace prize winner Lord David Trimble, former U.S. amb. to the UN John Bolton, former Peruvian pres. Alejandro Toledo, Italian philosopher Marcello Pera, and renowned British historian Andrew Roberts. The group later met with members of Congress on Capitol Hill. FII has also held events in Paris and London.

The **Inter-Parliamentary Coalition for Combating Antisemitism (ICCA)**, an international coalition of parliamentarians from some 50 nations working together to combat anti-Semitism and raise “understanding and awareness of modern anti-Semitism and ways to combat it on a global scale,” held its 2d annual conference (11/7-9) in Ottawa, Canada, in conjunction with its Canadian equivalent, the **Canadian Parliamentary Coalition to Combat Antisemitism**. Conference attendees unanimously adopted what they called the Ottawa Protocol, a series of measures seeking to end hateful propaganda online and in places like university campuses. Notably, the protocol states that

“criticism of Israel is not anti-Semitic, and saying so is wrong,” but that “singling Israel out for selective condemnation and opprobrium . . . is discriminatory and hateful,” adding that the ICCA intended to press universities and Internet companies worldwide (especially Google and YouTube) “to play a bigger role in the fight against anti-Semitism and remove offensive material from their websites.”

## DONORS

Donors held their regular fall Ad Hoc Liaison Comm. (AHLC) meeting on the sidelines of the opening of the UNGA session in New York on 9/21. (The AHLC—made up of senior donors, the PA, and Israel—is the main donor body responsible for forming broad policy for development assistance to the Palestinians.) AHLC chair, Norwegian FM Jonas Gahr Støre, noted that the PA’s reform efforts had accelerated in 2010, with critical achievements in public finance reform, infrastructure, and the provision of social services. In advance of the AHLC session, the IMF noted (8/30) in particular that PA PM Fayyad had reduced PA dependency on donor aid to cover recurrent expenses from \$1.8 b. in 2008 to \$1.2 b. in 2010. Støre noted, however, that despite continuing generosity from some donors, pledges and disbursements in 2010 remained insufficient to ensure that the PA could meet expenses.

Of note: At the end of the AHLC meeting, Fayyad stormed out and canceled a scheduled joint press conference with Israeli dep. FM Daniel Ayalon after Ayalon refused to approve the official minutes of the meeting, which described the parties as working for the creation of “two states,” instead of “two states for two peoples.” The PA bases its policy of rejecting the Israeli wording describing “two states for two peoples” or “two states, one Palestinian and one Jewish,” on the belief that Israel would use the PA’s acceptance of the formula to justify its denial of the Palestinian refugee right of return to their homes in Israel, to erode the right to equality for Palestinian citizens of Israel, and possibly even to demand a Palestinian population transfer under final status.

This quarter, donors’ convened (10/4) a new World Trade Organization (WTO) thematic group. The move came after Fayyad

appointed a PA committee in 1/2010 to begin laying the groundwork to qualify the Palestinian territories for full membership in the WTO as part of his drive to create the institutions of a de facto state by 2011. The thematic group gives donors a venue to advise and guide the PA through the application process. The PLO had been allowed to observe WTO meetings on a case-by-case basis since 2005, but it wanted to secure full, permanent observer status, which would give it greater access to the WTO and put it in a position to request full membership in 5 years. Israel, which is already a full member, could veto the PLO's bid either for full observer or full member status, since the WTO operates by consensus.

Other routine donor meetings this quarter included a quarterly meeting (9/16) of

the Local Development Forum, the body that oversees donor coordination on the ground, to discuss budget issues and the PA's reform and development priorities. Of the 4 main donor "strategy groups" (SGs), only the economic policy SG met on 9/8; the social development and humanitarian assistance SG, the infrastructure SG, and the governance and reform SG did not meet during the quarter. Various SG subcommittees held regular follow-up meetings. These included the economic SG's fiscal sector working group (SWG; 9/8) and private sector development and trade SWG (9/2); the infrastructure SG's water and sanitation SWG (11/8), energy SWG (10/13), and solid waste thematic subgroup (12/4); and the social development and humanitarian assistance SG's education SWG (11/11).



Israeli forces stand outside the neighborhood of Silwan in East Jerusalem. Silwan was the flashpoint of widespread unrest after the killing of an unarmed Palestinian man by an Israeli settlement security guard sparked days of rioting on 22 September 2010. (Marco Longari/AFP/Getty Images)