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QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 FEBRUARY-15 MAY 2007

COMPILED BY MICHELE K. ESPOSITO

The Quarterly Update is a summary of bilateral, multilateral, regional, and international events affecting the Palestinians and the future of the peace process.

THE PALESTINIAN-ISRAELI CONFLICT

The main focus of this quarter was on Palestinian efforts to form a national unity government joining Fatah and Hamas. As the quarter opened, Palestinians were cautiously optimistic that the 2/8 Mecca accord between the 2 factions (see Doc. B2 in *JPS* 143) would result in a government that the international community would view as fulfilling the Quartet's 1/06 demands to halt violence, recognize Israel's right to exist, and adhere to previous agreements, thereby allowing the lifting of the U.S.-led boycott on the Hamas-led Palestinian Authority (PA) that was strangling the Palestinian economy. Palestinians equally hoped that a functioning unity government, with Fatah and Hamas working in cooperation, would restore public faith in the democratic process and law and order to the streets of Gaza, bringing the Palestinians back from the brink of civil war (Quarterly Update in *JPS* 143).

The accord, however, was vague on how portfolios would be allocated and control of the various security forces delegated, while disputes between PA Pres. Mahmud Abbas (Fatah) and PM Ismail Haniyeh (Hamas; charged by Abbas with forming the new cabinet) raised concerns about the durability of the agreement. Meanwhile, as Israel's near-total blockade of the Strip reached its 1-year anniversary, Israeli-Palestinian cross-border violence in Gaza was on the rise, though both sides maintained that incidents were isolated and reiterated intentions to continue adhering to the Gaza cease-fire that took effect on 11/26/06 (see Quarterly Update in *JPS* 143). In the West Bank, by contrast, Israeli military actions continued unabated. As of 2/16, at least 5,027 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators), 1,029 Israelis (including 317 Israel Defense Forces [IDF] soldiers and security personnel,

208 settlers, 504 civilians), and 60 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada on 9/28/00.

Intra-Palestinian violence in Gaza pitting Fatah against Hamas immediately tapered off after announcement of the 2/8 Mecca accord but still simmered, threatening to erupt anew should hopes be dashed of a successful new unity government and lifting of the siege. Violence between the 2 movements had been exceptionally high since mid-12/06, exacerbated by new U.S. efforts to arm Abbas's security forces to counterbalance the much smaller but equally well-armed and far more disciplined Hamas cadres (see Quarterly Update in *JPS* 143). By 2/16, at least 147 Palestinians had been killed in intra-Palestinian political violence since the fighting first began to take on the tones of civil war in 10/06.

Abbas, Olmert, and Rice Meet

By pledging to bring Hamas and Fatah together in a ruling regime, the Mecca accord was essential to reversing the deteriorating intra-Palestinian political situation. At the same time, however, it flew in the face of U.S. and Israeli policy aims of uniting "moderates" in the region against "extremists" and was seen within the administration of U.S. Pres. George W. Bush as complicating its goal of achieving progress on the peace process before the end of his second term in 1/09. Many in the Bush admin. questioned whether to continue supporting Abbas after he had agreed to a national unity plan, which they viewed as bringing him closer to Hamas and strengthening Hamas's position rather than the other way around. U.S. Secy. of State Condoleezza Rice reportedly viewed Abbas's role at Mecca as backtracking on his pledges to her to take steps to remove Hamas from the government altogether (see Quarterly Update in *JPS* 143).

In any case, the U.S. had to choose between sitting back and letting the conflict fester (further undermining its regional policy) or moving ahead with new plans to move the situation forward.

In this situation, Rice pressed within the administration to go forward with her plans (announced during her visit to the region in mid-1/07; see Quarterly Update in *JPS* 143) to hold a trilateral meeting with Abbas and Israeli PM Ehud Olmert on 2/19. Rice's original goal for the meeting was to shore up both Abbas and Olmert, the U.S.'s "moderate" allies, who were rapidly losing support among their domestic constituencies—Abbas because of the stagnated peace process, the economic impact of the ongoing boycott, and the deteriorating internal security situation in the territories; and Olmert as a result of the unpopular 7-8/06 Lebanon war and a spate of domestic political scandals (see Quarterly Update in *JPS* 143). Rice's 2-pronged plan, drafted in close coordination with Israel's FM Tzipi Livni (see Quarterly Update in *JPS* 143), called for (1) reviving and accelerating implementation of the 2003 road map to give Palestinians a sense of the endgame of negotiations (ideally by creating a Palestinian state with provisional borders by the end of 2007) while not setting a deadline for final status negotiations so as not to pressure Israel into a permanent deal; and (2) reviving the 2002 Arab League initiative (proposing full Arab normalization of relations with Israel in exchange for full peace based on a return to 1967 borders, creation of an independent Palestinian state with East Jerusalem as its capital, and an agreed solution to the Palestinian refugee issue) to give Israel a parallel sense of the "political horizon" and ideally to encourage Arab states to open immediate diplomatic contacts with Israel.

Olmert, who had originally agreed to the 2/19 meeting only under U.S. pressure, wanted to cancel the talks following announcement of the Mecca agreement, but Rice pressed him to go forward (though she stopped urging him to make major gestures to aid Abbas) and took steps to dampen public expectations by referring (2/18) to the talks as only "informal discussions." In the run-up to the meeting, the U.S. sought to reassure Israel that it would not ease pressure on Hamas or the PA: Bush phoned (2/16) Olmert to assure him that the U.S. would shun the new Palestinian government unless it explicitly met the 1/06 Quartet demands, an assurance the U.S. team reiter-

ated (2/17) when it arrived in the region for preparatory talks. Meanwhile, Rice privately pressed (2/18) Abbas on the cabinet's makeup (Hamas was allotted a certain number of seats, but Abbas held veto power over Hamas's choices for key positions; see Quarterly Update in *JPS* 143). Nonetheless, Livni (2/17) and Olmert (2/18) informed Rice that while Olmert would go ahead with the meeting, he would not discuss anything related to final status or agree to hold further talks with Abbas until the new Palestinian government recognized Israel's right to exist and renounced violence. Abbas, meanwhile, pressed (2/18) Rice to promote the immediate launch of regular Israeli-Palestinian talks to explore creation of a Palestinian state.

Ultimately, no understandings were reached at the 2/19 meeting in Jerusalem, though Olmert (again under pressure from Rice) and Abbas pledged to hold bilateral talks on Palestinian movement and access soon. Neither Olmert nor Abbas attended a scheduled press conference afterward, leaving Rice to tell reporters that the talks had allowed the two leaders to "clear the air." Separately, Palestinian officials described (2/19) the meeting as "tense and difficult," with Rice later admitting (3/25) that most of the meeting had consisted of Olmert denouncing Abbas for agreeing to join a government with Hamas, with little time spent on discussing options for moving ahead.

Immediately following the trilateral talks, Abbas traveled (ca. 2/21-24) to London, Paris, Berlin, and Brussels to encourage EU states to support the new unity government once it was announced by lifting the boycott, stressing that he and the new government could not succeed without international backing and a quick improvement in Palestinian living conditions. The EU states indicated that they would deal with "sensible" Hamas members in a unity government but would not restore direct aid to the PA until Quartet demands were met.

On his return, Abbas resumed discussions (e.g., 3/4, 3/5) with PM Haniyeh over portfolio assignments in the new cabinet, and the two quickly neared an agreement (though Abbas vetoed 2 of Haniyeh's choices for the crucial interior min. post, responsible for overseeing the PA security forces). While reports indicated that a government slate could possibly have been announced by the 3/8 deadline set by the Basic Law (the provisional Palestinian constitution), Abbas reportedly delayed the deal until he and Olmert held their first bilateral meeting

(scheduled in the meantime) on 3/11, fearing that once Fatah was authorized to join a government with Hamas, Olmert would refuse to meet. Consequently, Abbas formally granted (3/9) Haniyeh a 2-week extension (permitted under the Basic Law) until 3/22.

Meanwhile, immediately after Rice left the region on 2/20, Olmert authorized the IDF to escalate military operations in the West Bank, assassinating 4 Islamic Jihad members in Jenin (1 on 2/21, 3 on 2/28) and launching (2/25) its largest offensive in the West Bank since 7/06, named **Operation Hot Winter**, targeting Islamic Jihad in Nablus. Between 2/25 and 3/1, when the operation was "suspended," the IDF sealed Nablus, imposed a round-the-clock curfew, bulldozed and damaged some 250 Palestinian homes and shops to widen streets for easier IDF access to the Old City, conducted house-to-house searches, arrested dozens of Palestinians, occupied media outlets, and barred access to hospitals, all the while clashing with local militants, killing at least 2 unarmed Palestinians and leaving at least 14 Palestinians and 3 IDF soldiers wounded. Overnight on 3/6-7, the IDF raided the PA Military Intelligence headquarters in Ramallah and detained 18 wanted members of al-Aqsa Martyrs Brigade (AMB) who were taking refuge there along with 50 Military Intelligence officers and employees. (Most were released after interrogation.) In Hebron, a Jewish settler was fatally stabbed (2/25) by a suspected Palestinian assailant. In Gaza, the cease-fire technically held, according to both Israel and the PA, though there were near-daily incidents of Palestinian rocket fire into Israel, causing no damage or injuries, and of the IDF firing into Gaza, leveling land, and firing on Palestinian fishermen, leaving 1 Palestinian dead and 2 wounded (see Chronology for details). By 3/10, the comprehensive death toll had reached 5,038 Palestinians and 1,030 Israelis since the start of the second intifada.

Bilateral Talks and a New Government

Under U.S. pressure, Olmert received Abbas at his residence in Jerusalem on 3/11 for 2 hours of talks aimed at keeping lines of communication open. The leaders discussed reviving peace talks, exchanging prisoners, and addressing Israeli concerns regarding the Palestinian national unity government, but no agreements were reached, and Olmert refused to discuss extending the

Gaza cease-fire to the West Bank. Though Olmert pledged to continue contacts with Abbas after a unity government was formed, he said that Israel would not cooperate with any other members of the government, including Fatah and independents. As a gesture to Abbas, Olmert pledged to extend the operating hours of Gaza's Qarni crossing and said that he would "treat seriously" the 2002 Arab initiative if re-endorsed by the Arab League at its session on 3/28-29 (though he urged the section calling for "an agreed, just solution" to the refugee issue in accordance with UN Res. 194 to be "reconsidered"). Soon after the meeting, Israel's announcement (late 3/12) that it was reviving **Operation Hot Winter** in Nablus initially raised tensions, though the operation was "suspended" again after a day, leaving no reported injuries.

With the Olmert talks over, Abbas and Haniyeh announced (3/14) their agreement on a new government, adding that the Palestinian Council (PC) would be convened on 3/17 for a confidence vote. On 3/15, Haniyeh publicly released the cabinet slate. In a slight change from what was agreed to at Mecca, of the 24 seats (not including PM and pres.), 11 were allocated to Hamas, 6 to Fatah, 3 to independents, and 4 to smaller parties. (Hamas originally was to get 9 seats and independents 5; no reason was given for the change.) Among those named to influential posts, Fatah's Azzam al-Ahmad was appointed dep. PM; independent technocrat Hani al-Qawasmi (nominated by Hamas, supported by Fatah) interior minister; independent Ziad Abu Amr (close to Hamas but nominated by Fatah) FM; Third Way's Salam al-Fayyad finance minister; and the Palestinian National Initiative's Mustafa Barghouti information minister. Haniyeh also reaffirmed (3/15) the government program agreed upon in Mecca 2/8, which "respects" previous agreements signed with Israel but does not explicitly recognize Israel, authorizes Abbas as PLO head to conduct negotiations with Israel, and reiterates the Palestinians' right under international law to resist occupation (as well as their right of return), though he vowed to make efforts to extend the Gaza cease-fire to the West Bank.

On 3/17, the PC approved (83-3, with 1 abstention, 41 PC members jailed by Israel unable to vote, and 4 not attending because they were either sick or wanted by Israel) the new government, and Abbas swore in its members (see Doc. B1). In his address to the PC, Abbas urged the international community to lift the boycott and called on Israel

to resume final status negotiations immediately, stating that the new government was "extending its hand wide open, calling for peace and equality," and encouraging Israel to make "a mutual commitment to stop all violence." Haniyeh also reiterated the Palestinian right to "resistance in all its forms" against occupation.

In a gesture aimed at securing U.S. and Israeli support of the government, Abbas issued (3/18) a presidential decree appointing their ally, Fatah's Gaza strongman Muhammad Dahlan, to head the PA national security council and restructure the security services. The move angered newly appointed Interior M Qawasmi, who felt his authority was being undermined, and Hamas, which had never forgiven Dahlan for leading a violent crackdown against Hamas when he headed Gaza's Preventive Security Force (PSF) in the 1990s.

Reactions to the new government were varied. Israel denounced it even before it was sworn in, stating (3/15) that it would not deal with any of its members (including Fayyad and Abu Amr, with whom it had worked closely in the past) and that it undermined Abbas's standing as a partner for peace. An anonymous Israeli official stated (3/15), "Abbas promised us several times that he would not agree to a national unity government. . . . But then he sold the store to Hamas." Another Israeli official claimed (3/15) that Abbas had privately promised Olmert on 3/11 that he would secure the release of captured IDF soldier Gilad Shalit before installing the new government and that his failure to do so raised questions about his general ability to deliver on future deals. The Israeli cabinet relented slightly after the unity government was sworn in, voting (3/18) unanimously (2 members abstaining) to have limited interaction on security coordination and humanitarian concerns, ruling out peace negotiations unless the Quartet's 1/06 demands were met. The Israeli cabinet also decided to continue to withhold around \$55 m./month in value-added taxes collected on the PA's behalf. Chief Palestinian negotiator Saeb Erakat expressed deep disappointment over the cabinet's rejection of negotiations, noting that they would be under the jurisdiction of the PLO, which did not include Hamas.

Several countries took immediate steps to reengage with the PA. Norway announced (3/17) recognition of the government and said it would lift its sanctions. Norwegian Dep. FM Raymond Johansen traveled to

Gaza to meet with Haniyeh on 3/19, marking the first official diplomatic meeting with the new government. (Israel then refused to meet with Johansen.) France invited (3/17) FM Abu Amr to Paris. Italy's FM phoned (3/19) PM Haniyeh to express Italy's congratulations. On 3/31, the EU as a whole announced that it would maintain ties with all PA officials who were not members of Hamas.

The U.S. said (3/18) it would limit interaction with PA officials to Abbas but would consider meeting others not connected to Hamas on a case-by-case basis. On 3/20, U.S. Consul General Jacob Wallis met with Finance M Fayyad in Ramallah, marking the first U.S. meeting with a PA official other than Abbas since Hamas took over the PA in 3/06. On 3/21, the U.S. announced that it would trim the \$86.4 m. that it was seeking from Congress for the PA security forces under Abbas's control (see Quarterly Update in *JPS* 143) to \$59 m., fearing that some of the money might go to Hamas; \$20 m. would be redirected for future Palestinian elections, upgrading security measures at the Qarni crossing, and other nonsecurity projects. (As of 5/4, the \$59 m. had been released but none of it used.) The same day, the Quartet ended (3/21) 2 days of discussions in Washington, slightly moderating its position by stating that it would judge the new government not only on its "composition and platform, but also its actions," urging the PA to demonstrate a "clear and credible" commitment to peace if it wanted the boycott lifted.

Creating Momentum

Days after the new Palestinian government took office, Rice announced (3/19) plans to return to the region 3/24–27 (her fourth visit in 4 months) to press for a revival of the peace process. She began her trip in Aswan, Egypt, meeting with officials from Egypt, Jordan, Saudi Arabia, and the UAE (referred to by the U.S. as the Arab Quartet), and then spent 2 days (3/25–26) shuttling between Olmert and Abbas, with sidebar discussions in Amman with King Abdullah on 3/26. After realizing that Olmert, post-unity government, would not agree to sit with Abbas to map out a shared vision of a "political horizon," Rice outlined instead a new proposal for U.S.-led parallel talks with each side on forming a Palestinian state. Rice also envisioned that the Arab states would work "in parallel" with these U.S.-led talks, specifically by reaffirming the 2002 Arab initiative

at the 3/28–29 Arab League summit and then quickly offering to normalize relations with Israel. (She did not ask the Arab states to modify sections of the original proposal on refugees, reportedly having sought such changes previously without success.) As a confidence-building measure, she recommended an immediate, significant prisoner exchange, including the release of IDF Cpl. Shalit. Rice also tried to lay groundwork for a future meeting of the Quartet with the participation of the Arab Quartet, Israel, and PA that could serve as a mini-peace summit. Finally, she stated that the U.S. would not rule out presenting its own peace initiatives in the future.

Reaction to Rice's proposals was not positive. Olmert rejected the parallel format and the scope of the proposed talks (once again refusing to discuss final status issues) and demanded instead that the Palestinians take prior steps to halt violence, release Shalit, and recognize Israel. Olmert (whose approval rating stood at 3%) stressed that he was too weak politically to make gestures to the PA or take controversial peace steps before the release (set for 4/30) of the Winograd Commission's preliminary report on the summer 2006 war and the Labor party primaries (set for 5/28), which could lead to the collapse of his coalition government. Abbas, meanwhile, favored talks but could not accept Israeli preconditions. Finally, the Arab Quartet rejected normalizing relations with Israel in parallel to final status talks, noting that the 2002 initiative presents normalization as the endgame of successful peace negotiations.

There was room to maneuver, however. Rice reportedly emerged from her talks with the Arab Quartet believing that Saudi Arabia would consider an official meeting with Israel if Israel accepted the 2002 initiative, and she believed after talks with Olmert that Israel would consider wide-ranging peace talks if Saudi Arabia would start a diplomatic process with Israel, perhaps within a UN or other multilateral framework. During Rice's visit, the Arab League FMs meeting (3/26) in preparation for the 3/28–29 Arab summit agreed to reaffirm the 2002 initiative and to establish a working group to promote the plan as a basis for resuming negotiations—a move that the U.S. called (3/26) “a very positive and welcome development” and that Israel deemed (3/26) “significant.” (In addition, Hamas leader Khalid Mishal told Saudi officials in Riyadh on 3/25 that Hamas would not oppose a relaunching of the 2002 plan.)

In leaving the region on 3/27, Rice announced that Olmert and Abbas had agreed to meet on a biweekly basis beginning in mid-4/07 to discuss humanitarian issues and confidence-building measures only while “leaving the door open to discussion of all issues.” Olmert's spokeswoman Miri Eisin stressed (3/27) that the leaders “may be talking about the political horizon [in terms of] the steps needed before peace negotiations can begin. . . . But there will not be discussion of final status issues.” Rice also pledged to make periodic visits to the region to help the efforts along and to continue to press both sides to move into direct talks on their vision of an endgame.

On 3/29, the Arab League reaffirmed its 2002 initiative and pledged to create a follow-up group as planned. At the summit, Saudi FM Prince Saud al-Faisal warned (3/28) Israel to embrace the initiative or inevitably face further conflict, stating that both sides must make equal effort toward peace and “if Israel refuses, that means it doesn't want peace.” (He also stressed that Saudi Arabia had no plans to open direct diplomatic channels with Israel.) The Israeli FMin. issued (3/29) a statement that Israel was “sincerely interested in pursuing a dialogue with those Arab states that desire peace with Israel, this in order to promote a process of normalization and cooperation,” but it did not endorse the Arab League plan. On 3/30, Olmert praised the Arab League decision as “a revolutionary change in outlook” but stated that Israel would not allow a single Palestinian refugee to return to what is now Israel, had no responsibility for the refugees, and would not return to the 1967 borders.

Meanwhile, Israeli-Palestinian violence was on the rise. On 3/19, days after installation of the unity government, Hamas fired guns and mortars across the Gaza border into Israel for the first time since 11/19/06, wounding 1 Israeli. Some analysts (see al-Mezan and *New York Times* 3/20) viewed this as an angry response by some Hamas elements to Abbas's appointment of Dahlan as national security adviser (see above). Hamas officials quickly reiterated (3/19) their intentions to continue to abide by the cease-fire, and Israel did the same (3/19), though it warned of diminishing patience with the low-level cross-border attacks. (The IDF confirmed on 3/30 that no further Hamas firing into Israel had taken place.) Over the following days, Israel stepped up military activity in Gaza: IDF cross-border fire into Gaza nearly doubled, leaving 10 Palestinians wounded

by 3/31 (see Chronology for details). In addition, on 3/28, the IDF directed artillery fire on n. Gaza for the first time since the 11/06 cease-fire went into effect, killing 1 Palestinian and wounding 6. In the West Bank, the IDF continued home demolitions, house searches, and arrest raids, occasionally clashing with Palestinian gunmen, especially in Jenin and Nablus (though Operation Hot Winter was not officially resumed). As of 3/31, the number of Palestinian deaths since the beginning of the second intifada had reached 5,054, while the Israeli toll remained 1,030.

In addition, Fatah-Hamas violence, which had been sporadic since 2/8 (see Chronology), escalated on 3/21 for a week, leaving 4 Palestinians dead and at least 42 wounded (see intra-Palestinian section for details).

U.S. Plans and Stagnation

The weeks after the Arab League summit were marked by what could be called high-profile stagnation. For all the senior-level exchanges and declarations, there were no fundamental changes in policy or interaction. The result was an increase in tensions between Israel and the Palestinians and between Fatah and Hamas.

On 4/15 in Jerusalem, Abbas and Olmert met for what was to be their first biweekly meeting, as pledged to Rice in 3/06. The leaders first met along with their aides for talks on security, economic, and humanitarian concerns. Abbas briefed Olmert on his plans to rebuild the PA security forces and augment his presidential guard to counter-balance Hamas, in keeping with U.S. security envoy Lt. Gen. Keith Dayton's recommendations (see Quarterly Update in *JPS* 143), and shared ideas for halting rocket fire and smuggling across the Gaza border. He also urged Olmert to resume final status talks and implement the 11/05 agreement brokered by Rice to guarantee Palestinian freedom of movement. Olmert once again refused to discuss final status and, concerning restrictions on movement, agreed only to keep Gaza's Qarni crossing open an additional 4 hours/day and to allow the Rafah crossing to open "several days a week." Abbas and Olmert then met alone for an hour, reportedly to discuss the economic and governmental structures of a future Palestinian state; no details were released. Afterward, they announced plans to hold their next session in Jericho, but no date was set, and no further meetings were held before the end of the quarter.

Meanwhile, encouraged by Rice's 3/24-27 talks with Arab officials, Israel and the U.S. focused on persuading the Arab states, particularly Saudi Arabia, to take immediate steps toward normalization with Israel to demonstrate their seriousness about peace and to give Abbas political cover for concessions to Israel. To this end, Israel and the U.S. argued that the Arab states should "show flexibility" (Israeli FMin. 4/18) on the Arab League initiative by agreeing to open talks on different forms of normalization and the possibility of normalizing in stages: if the Arabs were "prepared for a discussion and a dialogue and not a presentation on a take-it-or-leave-it basis," the initiative could be "very important and historical" (chmn. of the House Committee on Foreign Affairs Tom Lantos to King Abdullah of Saudi Arabia on 4/5). On 4/1, Olmert publicly invited Arab leaders to meet with him in Jerusalem to discuss ways of settling the Israeli-Palestinian conflict, and he stated that "if the Saudi king initiates a meeting of heads of moderate [Arab] states and invites me and the head of the Palestinian Authority, I will be glad to attend." (The Israeli FMin. did not follow up with a formal invitation.) In mid-4/07, Rice sent letters to several Arab states (including the UAE and Saudi Arabia) calling on them to open diplomatic contacts with Israel, specifically requesting that the Arab Quartet, the PA, and Israel meet with the Quartet in 5/07 to discuss how to restart the peace process. At an FMs meeting on 4/18, the Arab League responded by charging Egypt and Jordan, named co-chairs of its follow-up team, to "clarify" its stand on the initiative with Israel, stressing once again that the plan offered full normalization *in return for* full peace, noting that Israel was thus far unwilling to endorse this as a common goal. Separately, Egypt strongly urged (4/17) that the Arab Quartet not meet with Israel, as it would be "tantamount to normalizing relations" prior to a peace deal.

On the Israeli-Palestinian level, the U.S. pressed forward with plans to buttress Abbas against Hamas, as if the unity government had never been formed. On 4/25, the U.S. confidentially presented Israel and Abbas aides with a document entitled "Acceleration Benchmarks for Agreement on Movement and Access As Well As on the Gaza Security Situation" (see Doc. D1) and informed the parties that Rice planned to return to the region around 5/15 to discuss implementation. The document (drafted by Gen. Dayton, along with U.S. Amb. to Israel

Dick Jones and U.S. Consul Gen. Walles, at Rice's request after her 3/07 visit and approved by her) contained two important aspects: The first and most prominent was a detailed 5-8/07 timetable for Israel to remove roadblocks and open passages for Palestinian travel; the second, vaguely referenced in the text but far more crucial, focused on upgrading security forces loyal to Abbas, specifically calling on Israel to support Dayton's requests for arms, ammunition, and equipment for Abbas's forces in an "immediate and ongoing" manner. The PA was also tasked with drafting plans to halt rocket fire from and cross-border smuggling into Gaza. The U.S. presented this as an accelerated implementation of stage 1 of the road map and in keeping with the 11/05 Agreement on Movement and Access (cf. Doc. A4 in *JPS* 138), which Israel had never implemented. The PA reportedly endorsed the plan in principle, while Olmert emphasized Israel's interpretation of the road map as requiring the PA to halt all Palestinian violence before Israel had to take any steps.

On 5/4, the confidential document was leaked to the Israeli daily *Ha'Aretz*, sparking a flurry of backpedaling by the U.S. The State Dept. immediately stated (5/4, 5/8) that the document constituted informal recommendations only; that it was meant to "help facilitate discussion"; and that there was no deadline for the sides to accept it. Rice also cancelled (5/8) plans to visit the region, officially citing "Israeli political turmoil" after the release (4/30) of the highly critical Winograd interim report on the 2006 Lebanon war (see Lebanon section below).

Some analysts (e.g., Conflicts Forum 5/10) indicated that the benchmarks document was deliberately leaked by the U.S. to cover up the leak of a far more damaging U.S. document several days earlier. That document, titled the "Action Plan for the Palestinian Presidency," was reportedly in the drafting stages when leaked to the Jordanian weekly *al-Majd* in late 4/07. The newspaper had planned to publish the text on 4/30, but the Jordanian government banned the publication of that week's edition and confiscated the original. *Al-Majd* stated (4/30) that its high-level source had said the plan was drawn up by "Arab and American parties" and had been "presented to . . . Abbas by the head of an Arab intelligence agency" (most likely Egypt's Omar Sulayman). The plan reportedly outlined economic, political,

and security steps to increase Abbas's political strength, "avoiding the wasting of valuable time trying to alter the ideology of Hamas," with the aim of "building up Abbas's political stock" so that he could call new legislative elections in fall 2007 and defeat Hamas at the polls, legally sidelining the movement. It also reportedly called for "internal reforms in Fatah, including election of a new Fatah Central Committee with more representation from the New Guard." The document mentioned the 2/8 Mecca Accord and the "expected . . . March 2007" Rice visit, indicating it was drafted in 2/07 or early 3/07. Sources close to the PA confirmed (5/10) that various versions of the document had been circulating but would not confirm who had been involved in drafting the plan.

The broad U.S. goals set out in the two documents were not new and indeed had been germinating since Hamas took control of the PA in 3/06 (see Quarterly Updates in *JPS* 140-43). The documents' importance is that they set out frankly and in writing an actual U.S. "action plan" to mold a Palestinian government to its and to Israel's liking, with the active cooperation of Abbas and certain Arab states, and to either directly manipulate or ignore where necessary the Palestinian democratic process to achieve that end. Hamas immediately (5/5) "forcefully reject[ed]" and vowed to resist by "any and all means" what it called the U.S.'s "abjectly terrorist plan."

Fatab-Hamas Relations Deteriorate

Palestinians, meanwhile, were not seeing any improvement following creation of the national unity government. Despite the limited diplomatic approaches to the new PA, the international boycott remained in place, as did Israeli restrictions on Palestinian movement, causing continuing deterioration in Gaza's economic situation.

In addition, Abbas was taking his own actions to consolidate power, particularly in the security sphere, in line with U.S. plans. The moves not only frustrated Hamas and some independents in the unity government but also perpetuated PA inefficiencies, often at the expense of the Palestinian public, fraying the optimism engendered by the 2/8 Mecca accord.

The most striking example was Abbas's sidelining of his new independent interior minister, Qawasmi. Qawasmi's first move upon assuming office on 3/17 was to draft a 100-day plan for bringing order to Gaza

that called for integrating the predominantly Hamas Executive Support Force (ESF) into the Abbas-controlled units and for deploying the combined forces in major security details to restore law and order. (The ESF had been created by former interior minister Said Siyam in 4/06, when Abbas had refused to deploy security forces under his control to police Gaza in an effort to undermine the new Hamas-led government; see Quarterly Update in *JPS* 140.) Although the 100-day plan was endorsed by the PC on 4/14, Abbas's forces ignored subsequent orders by Qawasmi to integrate and deploy, indicating they would answer only to Abbas. Meanwhile, Abbas was strengthening Fatah forces with U.S. assistance. Fatah officials confirmed (ca. 4/1) that Dahlan had completed the first stage of forming a new 1,400-member Fatah Special Force to act as an "intervention force" against Hamas should clashes erupt again, with nearly 1,000 of Abbas's presidential guardsmen and other elite Fatah forces having undergone special training in a new U.S.-managed PA training base in Jericho or Egypt. Already slighted by Abbas's appointment of Dahlan as national security adviser (see above), Qawasmi resigned on 4/23, stating that he could not fulfill his duties given the lack of cooperation from Fatah-dominated security forces (especially from Dahlan's deputy in charge of internal security, Rashid Abu Shibak). Haniyeh initially rejected Qawasmi's resignation, and Qawasmi agreed to stay on in hopes of positive change.

On 5/10, however, Abbas made a public show of announcing the deployment of 3,000 PA security forces in central and northern Gaza as part of a new crackdown to "improve law and order." The move, taken without informing the Interior Min., infuriated Qawasmi, who walked out of a meeting with Abu Shibak in protest when informed of the orders. On 5/11, Fatah security forces started setting up roadblocks, stopping cars for random security checks, and conducting high-profile patrols across Gaza, refusing to coordinate efforts with the Interior Min. or ESF. The Fatah actions quickly sparked clashes with Hamas and ESF members beginning on 5/11 and escalating through the end of the quarter, leaving at least 24 Palestinians dead and scores injured. Amid the heaviest intra-Palestinian violence in 2 months, Dahlan ordered (5/15) 500 Fatah reinforcements being trained in Egypt under the Dayton plan to return to Gaza to defend Abbas's forces. Israel immediately approved

their entry through Rafah, stating, "The idea is to change the balance [of power], which has been in favor of Hamas and against Fatah. With these well-trained forces, it will help right that imbalance." Qawasmi resigned definitively on 5/14, leaving it to Haniyeh to take up his duties.

Meanwhile, Israeli-Palestinian violence was also on the rise. On 4/3, Israeli DM Amir Peretz had authorized the IDF to resume "pinpoint operations against terrorists" in Gaza. Within hours, IDF soldiers on the Gaza border fatally shot (4/4) an Islamic Jihad member placing a roadside bomb near the border fence n. of Bayt Hanun and sent troops into Gaza to dismantle the bomb, though Israel stressed it was not ending the cease-fire. On 4/6, the IDF fired missiles at armed Palestinians near the Gaza border fence e. of Jabaliya, killing 1; and Palestinians fired a rocket-propelled grenade at an IDF tank entering Gaza to level land n. of Bayt Hanun, causing no injuries but raising tensions. On 4/7, the IDF made a helicopter strike on Islamic Jihad and Democratic Front for the Liberation of Palestine members planting roadside bombs along the border near Jabaliya, killing 1 and wounding 2; the armed men returned fire with automatic weapons and rocket-propelled grenades (RPGs) and detonated the explosives they had planted, causing no injuries but marking the heaviest exchange since the cease-fire went into effect. The IDF also stepped up bulldozing operations inside the Gaza border and continued to fire frequently on Palestinians (civilian and armed) who neared the border fence, as well as on Palestinian fishermen heading out to sea (see Chronology), leaving another 7 Palestinians dead and 6 wounded between 4/1 and 5/15. In the West Bank, the IDF stepped up assassinations as of 4/17, killing 3 AMB members (1 on 4/17, 2 on 4/21) and 3 Islamic Jihad members (1 on 4/21, 2 on 5/4), while continuing arrest raids, house searches, and house demolitions apace.

In response to the assassinations, Islamic Jihad and the AMB sharply escalated rocket attacks from Gaza into Israel as of 4/18, averaging more than 20/week through the end of the quarter (lightly injuring 2 Israelis on 5/6). On 4/24, when Israel marked its independence day and Palestinians commemorated the Nakba, Hamas for the first time since the 11/06 truce fired rockets from Gaza into Israel, causing no damage or injuries. Hamas's political wing issued a statement that it was attempting to

secure the cease-fire, indicating that elements of its military wing may have been acting independently, and Israel agreed (4/24) to hold off on a major retaliation until "the position of Hamas as a whole becomes clearer." As the situation in Gaza deteriorated, Olmert convened his security cabinet on 5/13 for talks on how to deal with the situation. No decisions were reached immediately, and internal discussions were ongoing at the end of the quarter. On 5/15, as intra-Palestinian violence escalated, Hamas fired more than 20 rockets from Gaza into Israel, hitting a house and an empty school and wounding 2 Israelis (1 seriously), virtually guaranteeing a heavy Israeli response.

Intifada Data and Trends

During the quarter, at least 60 Palestinians and 1 Israeli were killed in Israeli-Palestinian violence (compared to 92 Palestinians and 3 Israelis last quarter), bringing the toll at 5/15 to at least 5,087 Palestinians (including 46 Israeli Arabs and 17 unidentified Arab cross-border infiltrators); 1,030 Israelis (including 317 IDF soldiers and security personnel, 209 settlers, 504 civilians); and 60 foreign nationals (including 2 British suicide bombers) since the start of the al-Aqsa intifada. Meanwhile, Palestinian fatalities from intra-Palestinian political violence were down to around 44 from around 117 last quarter (see *Intra-Palestinian Dynamics* section below).

Overall, major attacks by both Israelis and Palestinians (assassinations, suicide attacks, air and rocket strikes, etc.) were significantly lower this quarter. At the same time, however, Israel's occupation continued to take a heavy toll on the Palestinians through economic isolation of Gaza, tight restrictions on Palestinian movement, and daily IDF arrest raids, house searches, house demolitions, closures, settler harassment, and the like. Trends are outlined below; for details, see the *Chronology*.

Assassinations, Suicide Attacks, and Heavy Attacks

At least 10 deaths this quarter were clear assassinations (a drop from 11 last quarter), 1 of which wounded a bystander. Among those assassinated this quarter were the **AMB's** Ashraf Hanaysha (4/17), Muhammad al-Dumaj (4/21), and Ahmad al-Issa (4/21); and **Islamic Jihad's** Mahmud Abu Obeid (2/21), Ashraf Saadi (2/28), Mahmud Abu Naa'sa (2/28), Ala' Baryala (2/28), Mahmud

Ghalail (4/21), Mahdi Abu al-Khayr (5/4), and Khalid Ashur (5/4).

There were no Palestinian suicide bombings or other suicide attacks this quarter, compared to 2 last quarter.

Palestinian use of mortars and rockets overall was low this quarter, averaging about 12/week until the IDF stepped up assassinations on 4/17. Thereafter, and through the end of the quarter, rocket fire averaged around 25/week. In total, 4 Israelis were injured (2 on 5/6, 2 on 5/15; 1 of them seriously) and property was damaged in 7 incidents (3/1, 4/7, 5/5, 5/5, 5/7, 2 on 5/15). As in previous quarters, the **AMB** and **Islamic Jihad** were responsible for most of the rocket fire, while Hamas observed the Gaza cease-fire until 4/24. Hamas rocket barrages on 4/24 and 5/15 may have been staged by renegade elements of the **Izzed-din al-Qassam Brigades**, without permission from upper echelons. Israel, meanwhile, virtually ceased artillery and air strikes on Gaza until Hamas's 4/24 attack, and even then staged only around a dozen air and artillery strikes, down significantly from last quarter. The IDF, however, did target the Strip on a near-daily basis (see *Chronology* for details), firing across the border into Gaza on at least 32 occasions, killing 9 Palestinians and wounding at least 23; sending tanks and bulldozers into Gaza to level land along the border at least 26 times; and firing on Palestinian fishing vessels off the Gaza coast at least 21 times, wounding 3 fishermen, temporarily detaining 56, confiscating 14 boats, and damaging 5 others. The IDF also conducted 1 arrest raid into Shuka in s. Gaza on 5/9.

Restrictions on Palestinian Movement

The IDF continued to impose severe restrictions on Palestinian movement this quarter, especially imposing tight limits on the import and export of goods to Gaza. Gaza's Rafah and Erez crossings, the main crossings for individuals, remained almost completely closed, with Rafah partially open for only 35 of 89 days, and Erez open only to select VIPs and medical cases as of 3/12/06. Qarni, the main industrial transport point, was open through most of the quarter for limited imports and very restricted exports. Sufa crossings (the sole import point for construction materials) was open for only 32 days during the quarter for humanitarian goods, food, and some construction materials, while Kerem Shalom, the other entry point for import of humanitarian goods, was

open for only 17 days. Palestinian fishermen generally were barred from sailing (as they have been since 6/25), and Palestinians in the Strip were still receiving only 6–8 hrs./day of electricity and 2–3 hrs./day of running water due to damage inflicted at the start of Operation Summer Rains in 6/06 (see Quarterly Update in *JPS* 141). The Nahal Oz pipeline was open for regular imports of fuel. In the West Bank, IDF restrictions on movement remained tight. The IDF continued to bar all Palestinian males from Jenin, Nablus, and Tulkarm between the ages of 16 and 30 (some 106,000 men) from traveling south of Nablus without special permission. For most of the quarter, the Jordan Valley remained entirely off limits to nonresident Palestinians (as it has since 10/11/06), except for those with permits to work in Jewish settlements there. But by 5/1, the IDF had reportedly stopped requiring special permits for Palestinians to enter the Jordan Valley, but access was still only possible on public transportation through 4 checkpoints. For a sense of how Israeli restrictions have effectively cantonized the West Bank, see the map below by the UN Office for the Coordination of Humanitarian Affairs (OCHA).

Paltrade and the Peres Center for Peace reported (3/14) that Israeli restrictions on Gaza crossings had caused trade through Gaza's main economic transfer point, the Qarni crossing, to drop to a 7-year low in 2006, with the wait for incoming shipments being as long as 3 months and the average shipments processed per day at 65, compared to a target of 450 under Rice's Agreement on Movement and Access brokered 11/05. The report noted that the resulting bottleneck had allowed middlemen with ties to authorities at the crossing to charge up to \$7,100 per container to jump the waiting line. The World Bank issued (5/9) a report stating that Israel's matrix of road blocks and restrictions on Palestinian travel in the West Bank had gone beyond Israel's security needs to facilitate the expansion of Jewish settlements. The report also noted that impediments to Palestinian travel (road blocks, barriers, flying checkpoints) had increased 44% since the Agreement on Movement and Access was brokered by Rice in 11/05.

One incident this quarter is worth noting as illustrative of the deteriorating Gaza infrastructure and economic situation resulting from the U.S.-led boycott and the severe Israeli restrictions on the entry of construction material to Gaza, as well as from years of poor use of international donor aid (both by

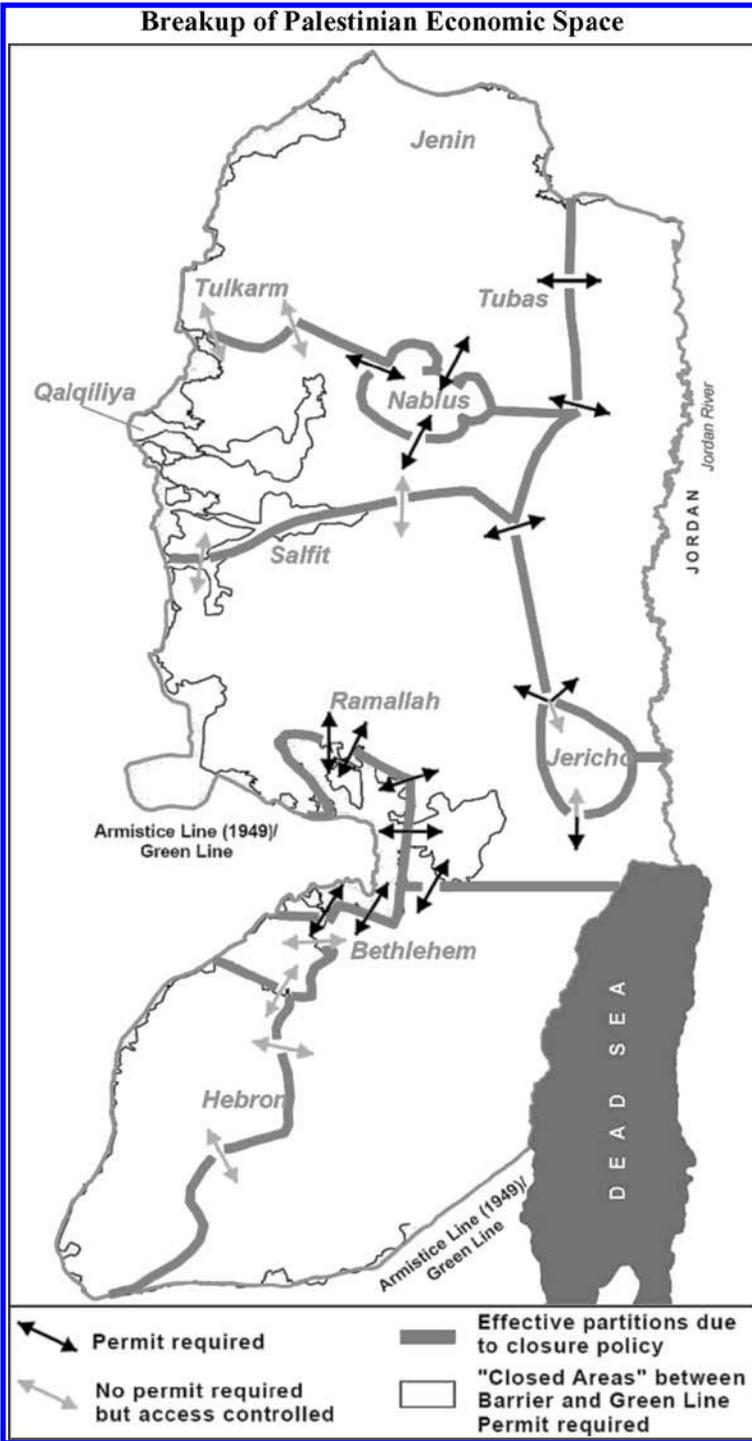
the PA and by donor countries themselves): On 3/27, the retaining wall of a sewage pond in n. Gaza collapsed after heavy rains, flooding the village of Um al-Nasser, killing at least 5 Palestinians (including 2 boys, ages 2 and 5), injuring 20, and leaving 333 Palestinian families homeless. (The UNRWA set up a temporary camp to house them.) The UN had warned of the dangers posed by local sewage ponds and treatment facility since 2004, noting that they were designed to serve a population of 50,000, while the population of the area had grown to 190,000.

Palestinian Detainees

The Israeli FMin. reported (3/10) that the IDF detained 6,968 Palestinians (39% from Hamas, including 39 Change and Reform PC members) in 2006, up from 4,532 in 2005 (an increase of approximately 35%). According to the PA Information Min., 10,400 Palestinians were being held by Israel as of 4/14. Of those, 86% were from the West Bank, 7% from Gaza, and 7% from Jerusalem; 4,575 (46%) had not undergone trial, 4,430 (44%) had been sentenced by Israeli military tribunals, and 950 (10%) were being held in administrative detention; 376 were children under the age of 18; 118 were women; and 40 were PC members. The Israeli human rights groups B'Tselem and Hamoked released (5/6) a joint report accusing Israel's Shin Bet of routinely ill treating—and in some cases torturing—Palestinian detainees, overstepping the bounds of a 1999 Israeli High Court ruling that permits the use of “moderate physical pressure” in cases of “ticking bombs.” The report concluded that abuse, humiliation, and psychological pressure on detainees was routine, while use of actual physical torture, such as beatings and sleep deprivation, was “not negligible, even if not routine.”

House Demolitions and De-Arabization

Israeli house demolitions were low this quarter, with all reported incidents taking place in the West Bank and East Jerusalem. In total, at least 32 homes were demolished: 11 in East Jerusalem, 8 in Hebron, 6 in Tulkarm, 4 in Bethlehem, 2 in Qalqilya, and 1 in Nablus. In addition, 2 apartment buildings under construction in al-Tur, in the E-1 area outside East Jerusalem, were demolished on 2/28. Israeli authorities also issued (5/13) an eviction order to the Palestinian al-Ansari Library in Jerusalem (one of the largest collections in Jerusalem, with 45,000 books), slating the building for demolition to make



West Bank Segmented Map (Source: OCHA)

way for a train station. The Israeli cabinet announced (5/13) several new measures to mark the 40th anniversary of the "reunification of Jerusalem," including a \$1.5-b., 5-year spending package to enhance Israeli control of the city that would include moving more government offices to Jerusalem, building a new court complex and school of Jerusalem studies, and eliminating an employer's tax to encourage businesses to move to the city.

Also of note: The Association for Civil Rights in Israel (ACRI) and B'Tselem issued (5/13) a report (see Settlement Monitor) estimating that Palestinians had abandoned more than 1,000 homes and at least 1,829 businesses in the center of Hebron due to pressure by the IDF, Israeli police, and Jewish settlers. Many have fled since the start of the al-Aqsa intifada in 9/00. The report also noted a "routine of violence and harassment" by the IDF against Palestinian residents in Hebron, noting that in the period 9/00–9/03, the IDF imposed 377 curfew days on the center of Hebron.

Inside Israel, Israeli Palestinian residents of Jaffa protested (4/27) actions by the Israel Land Administration (ILA) over the previous year to evict some 500 Arab families from the al-Ajami and Givat Aliya neighborhoods who had lived there for decades. Protesters claimed that the ILA sought the prime seafront properties for developers for rental to wealthy Jews, further de-Arabizing the city. The ILA called (4/27) the Palestinian families "invaders" who built on the sites illegally.

Of note: A poll of Israelis sponsored by Israel's Center for the Campaign Against Racism and conducted in 12/06 by the Geocartography Institute was released on 3/27. Among the findings: 50% of Israeli Jews believe the government should encourage Palestinians citizens to emigrate; asked their reaction to hearing Arabic spoken, 50% of Israeli Jews reported feeling fear and 30% reported feeling hatred (in 2005, 17.5% said they felt hatred); and 50% said that they would refuse to report directly to an Arab boss (up from 3% in 2005).

Settlers and Settlements

Reports of Jewish settler violence nearly doubled this quarter. Incidents included settlers beating or otherwise attacking Palestinians and international peace activists (2 on 2/17, 2/19, 2/28, 2 on 3/3, 3/4, 3/13, 3/23, 2 on 3/24, 4 on 3/28, 3/30, 3/31, 4/5, 4/6, 4/8, 4/10, 4/14, 4/16, 4/17, 2 on 4/18, 4/19, 4/20, 4/26, 2 on 4/27, 4/28, 2 on 5/5, 5/11, 5/12); occupying Palestinian homes

and land (2/16, 3/19, 4/14, 4/15, 5/5, 5/6); attempting to occupy homes (4/19, 4/20); vandalizing property (2/16, 2/17, 2/19, 3/3, 3/13, 2 on 4/6, 4/19, 4/20, 4/28); uprooting trees (2/17, 2/25) and burning crops (5/6, 5/8); bulldozing land for expansion of settlements or creation of new settler-only bypass roads (3/16); and blocking roads to Palestinian use (3/3, 4/24) or barring Palestinian access to their lands or religious sites (3/19, 3/28, 4/16). There were also 5 incidents of settlers opening fire on Palestinians (4/13, 2 on 4/17, 4/27, 5/13), wounding 2 Palestinians, and one report of a deliberate hit-and-run by a Jewish settler (3/19) that seriously injured 1 Palestinian. (The stabbing death of a Palestinian in Nablus on 3/25 might have been carried out by a settler.) Of 57 confirmed incidents (up from 36 last quarter), most continued to occur in Hebron (39), with a handful of incidents in Nablus (7), Qalqilya (3), 2 each in Bethlehem and Tulkarm, and 1 each in Jenin, Salfit, and the central northern West Bank near Homesh.

In addition, some 2,000 right-wing Jewish settlers and activists marched (3/26) to the Homesh settlement site in the n. West Bank, evacuated during the Gaza disengagement in 2005, and some 450 reoccupied it for 2 days, declaring intentions eventually to rebuild the settlement. The YESHA settlers council did not endorse the protest, which was timed to coincide with Rice's second visit to the region to maximize embarrassment to the Olmert government. The IDF mobilized 4 brigades to monitor and contain the protesters, threatening to forcibly remove them if they did not leave peacefully on 3/27. Most left on 3/27; Israeli police removed the rest on 3/28 without incident. Thousands of settlers attempted to reoccupy Homesh again on 4/24, but the IDF declared the area a closed military zone and barred them from reaching the site.

Of importance: Israel's Jerusalem Construction and Planning Comm. approved (5/9) plans to build 3 new ultra-Orthodox settlements on the outskirts of occupied East Jerusalem to create territorial contiguity between Jerusalem and Gush Etzion s. of Bethlehem, and between Jerusalem and Beit El n. of Ramallah. The plans called for 20,000 housing units in the new settlements, plus 500 new units for settlers in Abu Dis.

Of note: Israel's Peace Now updated (3/14) its estimates released last quarter (see Quarterly Update in *JPS* 143) of the percentage of private Palestinian lands in Jewish settlements and other West Bank areas that Israel intends to keep under final

status. Based on new data through the end of 2006 provided by Israel's Civil Administration by court order, the new overall figure is 32.4% (instead of 39%). Most of the drop was the result of updated figures for Ma'ale Adumim that put private Palestinian land there at only 0.54% (data for 2004 put the figure at 86%). Peace Now asked the government to explain the discrepancy, but the government did not reply.

Separation Wall

This quarter, construction of the West Bank separation wall concentrated on segments outside Qalqilya, Salfit, and Ramallah; in East Jerusalem around Ma'ale Adumim settlement; and along Route 60 outside Bethlehem. Work began on a new segment s. of Wadi Rihan near Bethlehem on 3/27. The Israeli DMin. reported (3/10) that Israel added 68 mi. to the separation wall in 2006, meaning that 252 mi. of the 491-mi. planned route had been completed since work began in 6/02. The Alternative Information Center reported (4/30) that more than 92% of the lands confiscated for the wall were in the Jerusalem area, that the wall had already caused more than \$1 b. in direct income loss for the Palestinians, and that it would continue to cause \$194 m./year in damages.

As of 4/4, Israel reportedly was considering a major change to the proposed wall route to make it run west of some major Jerusalem settlements (including Ariel, Emmanuel, and Keddumim), with secondary perimeter fences to their east, forming three "special security areas" to facilitate settlement defense. The U.S. reportedly was pressing for the change to bring the separation wall more closely in line with the Green Line.

Of note: The weekly nonviolent demonstrations against the separation wall at Bil'in marked their second anniversary on 2/23, with dozens of Palestinian, Israeli, and international peace activists taking part in the protest. As occurs every week, the IDF fired rubber-coated steel bullets, tear gas, and percussion grenades to disperse protesters; 12 demonstrators and a CNN cameraman were injured. Also this quarter, Palestinians from villages affected by wall construction around Bethlehem began (4/6) holding similar nonviolent protests in Um Salamuna village, meeting the same response from the IDF.

INTRA-PALESTINIAN DYNAMICS

Once again this quarter, the high level of Fatah-Hamas violence and Fatah's positioning for control of the PA raised serious

concerns of possible civil war. Nearly as many Palestinians were killed in internal political violence (44) as in clashes with Israel (60), bringing the total number of deaths in intra-Palestinian violence to at least 191 since 10/06. As in previous quarters, lines were blurred between Hamas and the ESF and among Fatah, the PA security forces (particularly the PSF and presidential guard), and the AMB, with individuals at times acting in their official capacities and at others in factional roles.

As already noted, intra-Palestinian violence suddenly tapered off with the announcement of the 2/8 Mecca accord. Though isolated shooting and bombing incidents took place in late 2/07 (see Chronology), the level of violence did not start creeping up until mid-3/07. While unhappiness with the new national unity agreement among hard-line elements in both Fatah and Hamas likely played a role in rising tensions, the upsurge was triggered when Fatah members fired on the car of a Change and Reform PC member in the West Bank on 3/10, wounding a bodyguard. The next day (3/11), Fatah and Hamas exchanged heavy fire in Bayt Hanun, Gaza, with Hamas detonating explosives and setting fire to several Fatah and PSF offices, leaving 1 Palestinian dead. After further exchanges in Bayt Hanun on 3/12, suspected Fatah members assassinated a senior Izzeddin al-Qassam Brigades member in Gaza City on 3/13. Suspected Hamas members then detonated (3/13) a large bomb outside the home of a prominent Fatah supporter in n. Gaza, causing heavy damage but no injuries, and Fatah and ESF members exchanged fire (3/13) in Bayt Hanun, each firing RPGs at the homes of rival members, wounding 3 Palestinians. Over the next several days, serious isolated incidents took place: ESF members fatally shot a local Fatah leader in Bayt Lahiya in a drive-by shooting (3/14); Hamas kidnapped a PA General Intelligence officer in Bayt Lahiya, shooting him in the legs before releasing him (3/14); suspected Hamas gunmen ambushed and shot execution-style a Fatah-affiliated PA intelligence officer in Dayr al-Balah (3/16); and Fatah and the ESF engaged in heavy exchanges of fire in Bayt Lahiya (3/21), leaving 1 dead and 17 wounded. Over the next week, serious Fatah-Hamas fighting occurred daily across Gaza, leaving 3 Palestinians dead and at least 25 injured. The factions were only able to rein in the fighting on 3/28, after a bystander and the wife and young children of a senior Izzeddin al-Qassam Brigades member were seriously wounded in a Fatah

assassination attempt on the Hamas commander in Bayt Hanun.

Tensions remained very high, however, especially following revelations on 4/1 that Abbas had authorized Dahlan to build an elite strike squad, the Fatah Special Force, to target Hamas (see above). Isolated Fatah and Hamas attacks, often gangland-style, continued through 4/07 into early 5/07 but did not trigger a cascade of fighting (see Chronology for details). These included heavy cross-fire in 'Abasan on 4/6 that left 11 Palestinians wounded; the shooting death of a PSF officer in Khan Yunis and the kidnapping and malicious wounding of a PA police officer on 4/10; the shooting and wounding of a PA intelligence officer in Qalqilya on 4/19 and of an ESF officer in Nussayrat on 4/21; a grenade attack on a PA General Intelligence jeep in Gaza City on 4/21; the carjacking of a PA security officer in Khan Yunis and a raid on an ESF post in Gaza City on 4/22; a bombing at a PA police officers' club in Gaza; drive-by shootings targeting a PSF officer's home on 4/30 and a Fatah-affiliated prisoners' club on 5/5; and several kidnappings of members of both factions. In total, at least 2 Palestinians were killed and 23 wounded between 3/29 and 5/10.

As noted above, the violence spun out of control again on 5/11, after Abbas ordered the Fatah-affiliated PA security forces under his control to deploy across Gaza in a show of force meant to embarrass and sideline Hamas and the ESF and to physically assert Fatah's control over the streets. Between 5/11 and 5/15, the fighting intensified exponentially, leaving another 24 dead and at least 30 wounded.

Adding to the mix, the tiny and relatively unknown Army of Islam exploited the deteriorating Gaza security situation to increase its power. Though little more than a clan-based militia started by Gaza City's Muntaz Daghmarsh after Israel's 6/8/06 assassination of Popular Resistance Comm. (PRC) head Jamal Abu Samhadana created a local power vacuum, the group gained disproportional sway when it participated with Hamas and the PRCs in the 6/25/06 cross-border attack on the IDF's Kerem Shalom base that resulted in the capture of the IDF's Cpl. Shalit. (Hamas and the PRCs had since distanced themselves from the deed, and while Egypt, Hamas, and the PA made numerous attempts to broker a deal, no one had been able to persuade the group to release Shalit.) The group at times had claimed affiliation to al-Qa'ida, though a connection has not been reliably

established. In its first operation since the Kerem Shalom attack, the Army of Islam kidnapped (3/12) the BBC's Gaza correspondent Alan Johnston, reportedly seeking \$5 m. and control of a parcel of prime PA-held land in exchange for his release. (They also demanded the release of several al-Qa'ida figures, which the PA interpreted as a publicity stunt to cover the Daghmarsh's crass demand for cash.) The group also bombed the American International School in n. Gaza on 4/21 (causing no reported injuries) and attacked a Fatah lawmaker attending a year-end celebration at a UNRWA school in Rafah on 5/6 (denouncing the celebration for "the mixing of adolescent boys and girls, which is forbidden in Islam"). In the mêlée, the lawmaker's bodyguards opened fire, killing 1 of their own and leaving 2 teachers, 2 students, and 2 demonstrators wounded. At the close of the quarter, the BBC's Johnston was still being held by the Daghmarsh, marking the longest Palestinian kidnapping of a foreign national to date.

In addition, as was the case last quarter, many groups, particularly those affiliated with Fatah, staged sit-ins and strikes, typically demanding jobs or the back salaries that the Hamas-led government had been unable to pay due to the U.S.-led boycott. Fatah members demanding jobs in the PA security forces held demonstrations in Bureij (3/8), Gaza City (3/8), Jenin (3/10), and Rafah (3/13). PA-salaried healthcare workers began an open-ended strike demanding back pay on 2/16 that lasted through the end of the quarter. Palestinian Red Crescent Society employees held a sit-in demanding salaries on 3/27 in Gaza. The predominantly Fatah 80,000-member Government Employees Union staged a 1-day strike on 5/2. Other 1-day municipal strikes over salary payments were staged in various parts of Gaza on 4/10, 4/16, 4/18, 4/19, and 4/30. In Gaza City on 3/12 and 3/19, the families of Palestinian prisoners in Israel held demonstrations calling on the PA to do more to free their relatives.

Meanwhile, Hamas was not the only party unhappy with Abbas. By early 5/07 there were reports (see *Mideast Mirror* 5/4) of growing "widespread disaffection" within Fatah's ranks over Abbas's leadership of the party, particularly his tendency to make major decisions and senior appointments without consulting the party base, as Yasir Arafat had done. Many within the party reported their growing sense that Abbas, Dahlan, and other Fatah officials (e.g., Ahmad Qurai', recently named by

Abbas as commissioner in charge of Fatah's mobilization and grass-roots organization) were "working towards a situation where the movement's founding principles are ignored." Indicative of the discontent, a group of Fatah commanders sent (ca. late 4/07) a letter to Abbas demanding that he resign as Fatah head immediately. There was no evidence that Abbas took any action to address the complaints.

There were also indications that some Palestinians were positioning themselves for possible early elections, perhaps to take advantage of the \$42-m. aid program that the U.S. announced in 10/06 to support Hamas political opponents by fostering politicians and parties opposed to Islamism (see Quarterly Update in *JPS* 142). In Ramallah on 3/21, political science professor Mohammed Dajani Daoudi, director of al-Quds University's American Studies Institute, announced the formation of a new Palestinian political party, Wasatia (from *wasat*, Arabic for "in the center"), which he billed as "the first Islamic religious party to advocate a peaceful, negotiated settlement of the Israeli-Palestinian conflict and a tolerant, democratic society at home." Wasatia's platform calls for the creation of a Palestinian state in the West Bank and Gaza, with East Jerusalem as its capital, but rejects the right of return. At the inaugural event, Dajani stated, "We want to foster a culture of moderation so that our children do not grow up just with the literature of hate and violence," adding that "I would say to the refugees: 'Move on with your life.' We cannot let the past bury the future, even though it should always be remembered."

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by Near East Consulting (NEC) between 22 and 24 May 2007. Results are based on a survey of 801 men and women from the West Bank (including East Jerusalem) and Gaza. The poll, the 16th in a series, was taken from NEC's Web site at neareastconsulting.com.

1. Will the crisis between Fatah and Hamas end completely or explode out of control?

	West Bank	Gaza	Total
a. End completely	27.2%	21.6%	25.0%
b. Explode out of control	72.8%	78.4%	75.0%

2. Is the conflict in Gaza between Hamas and Fatah or between individual people?

	West Bank	Gaza	Total
a. Between Fatah and Hamas	43.0%	46.3%	44.3%
b. Between individuals	57.0%	53.7%	55.7%

3. Is the crisis in Gaza the result of factional differences or family differences?

	West Bank	Gaza	Total
a. Factional differences	63.2%	70.3%	66.0%
b. Family differences	20.8%	9.0%	16.1%
c. It is both	16.0%	20.7%	17.8%

4. Can Fatah and Hamas put an end to the current crisis?

	West Bank	Gaza	Total
a. Yes	50.9%	46.4%	49.1%
b. No	49.1%	53.6%	50.9%

5. What should Abbas do to end the current crisis?

	West Bank	Gaza	Total
a. Leave the situation as it is	8.5%	17.6%	12.1%
b. Dissolve the PA and declare a state of emergency	41.8%	32.2%	38.1%
c. Call early elections	49.6%	50.2%	49.9%

FRONTLINE STATES

JORDAN

Jordan's King Abdullah was very active this quarter in supporting U.S. efforts to revive the peace process. Following the signing of the Mecca Accord on 2/8, Abdullah granted an interview to Israeli TV in which he assured (2/24) the Israeli public that there was "broad Arab agreement" that a Palestinian national unity government must adhere to the 1/06 Quartet demands, stating that Israel "is not alone on this. . . . [T]he Arab countries are also expecting the new Palestinian government to adhere to the policies that we have set out in the Quartet, and

in the Arab Quartet also," referring to Egypt, Jordan, Saudi Arabia, and the UAE.

King Abdullah then began (2/25) a tour for consultations aimed at restarting the Israeli-Palestinian peace process, with stops in Egypt, Saudi Arabia, Britain, and the U.S. During his 5-day visit to the U.S. (3/7-11), the king met with Pres. Bush and senior U.S. officials and addressed a joint session of Congress. He urged the U.S. to grasp the "historic opportunity" to promote Israeli-Palestinian peace, stressing that it is the "core issue" for regional stability. Privately, he urged U.S. officials to press Israel to support the 2002 Arab League initiative and to drop its "fortress mentality" in dealing with other regional states.

After the Arab League reendorsed its 2002 initiative on 3/29, the FMs of Jordan and Egypt were designated (4/18) to lead the follow-up team to promote the initiative as a basis for resuming Israeli-Palestinian talks, but the team took no action this quarter. Instead, King Abdullah took the lead in promoting the plan. In addition to hosting delegations from the U.S. Congress (4/2), the U.S. Naval War College (4/15), the U.S.-based Israel Policy Forum (4/17), and Palestinian peace groups (4/16) for discussions on the initiative, Abdullah invited (4/13) and received (4/19) an Israeli delegation led by acting Israeli pres. and Knesset speaker Dalia Itzik and several Israeli peace activists for talks on how to revive the peace process. No details were released, but Itzik invited (4/19) Abdullah to visit Israel and address the Knesset; he reportedly agreed, though no date was set.

The king's efforts to promote the Arab plan and the renewal of peace talks continued through the end of the quarter, with a tour of European capitals (ca. 4/11) and a meeting with U.S. Defense Secy. Robert Gates and a phone call to Olmert on 4/17 to urge them to take steps to keep up the momentum. (Talks with Gates also addressed bilateral issues and Iraq.) In late-4/07, Abdullah granted a second interview to Israeli TV and a separate interview to the Israeli daily *Ma'ariv*, highlighting that the Arab initiative's language calls for an "agreed solution" to the refugee issue, stressing that the Arab states were not demanding preconditions on refugees to resume talks and had no intention of imposing a solution on Israel. Abdullah also attended (5/10) a meeting in Aqaba of Jordanian and Israeli peace activists, hosted by PM 'Abd al-Salam al-Majali, to discuss ways of promoting the Arab initiative among

Israelis to revive the peace process. The Israeli and Jordanian activists agreed to hold a follow-up meeting soon that would include their Palestinian counterparts.

Abdullah had also scheduled his first visit to the occupied territories in 7 years for 5/13 to meet with Abbas in Ramallah, but he called off (5/13) the trip at the last minute (his advance team was already in Ramallah), citing "bad weather." (Officials at Jordan's Queen Alia International Airport reported that the weather was clear and that all other flights were taking off as scheduled.) Sources speculated (see *New York Times* 5/16) that the cancellation may have been prompted by Abbas's rejection of his suggestion, presented by his advance team, that discussion include possible Jordanian stewardship of (but not sovereignty over) the West Bank. The sources claimed that the king's idea was based on the belief that Israel could not withdraw or make peace unless the Palestinians "put their house in order" and that if the situation made this impossible, Jordan could step in. As a result of the king's cancellation, Abbas canceled his plans to attend a 5/15 gathering of Nobel laureates in Petra, where he intended to meet informally with Abdullah and Israeli PM Olmert to discuss ways of reviving peace talks and bolstering Abbas's regime. Abdullah and Olmert met alone instead; no details were released.

Also of note: The Israeli cabinet authorized (3/11) Vice PM Shimon Peres to resume contacts with Jordan and the PA regarding regional development projects initiated under the Oslo accords but suspended after the outbreak of the al-Aqsa intifada. These include a water carrier from Elat to the Dead Sea to replenish the latter; joint agriculture, tourism, desalination, and electricity production projects in the Wadi 'Araba area; expansion of the Aqaba airport into a joint Israeli-Jordanian "peace airport" straddling the border; linking the Israeli and Jordanian rail networks between Beit She'an and Irbid; and creating an agricultural industrial zone in the Jericho area and an Israeli-Palestinian industrial project in the n. West Bank.

LEBANON

Events in Lebanon continued to be colored by the 2006 Israeli war on Hizballah that devastated the south and intensified internal political divisions, leaving the government nearly paralyzed, with PM Fuad Siniora's U.S.-backed coalition at loggerheads with the Hizballah-dominated opposition.

Lebanese Internal Politics

This quarter, the Hizballah-led sit-in protest continued outside the Lebanese government headquarters in the Grand Serail calling for a new unity government. The opposition, which launched the peaceful protest on 12/1/06 (see Quarterly Update in *JPS* 143), demanded 11 seats in the 30-member cabinet (thereby giving it veto power). The governing coalition led by PM Siniora was willing to give it 10, with the 11th seat "ostensibly neutral." Though the demonstration had already lost its momentum (see Quarterly Update in *JPS* 143), it continued without any real hope of reaching a resolution.

Lebanese parliamentary speaker Nabih Birri (Amal, aligned with the opposition) continued to refuse to convene parliament to vote on the UN proposal (approved by the reduced cabinet in 11/06; see Quarterly Update in *JPS* 143) for an international tribunal to try suspects in the 2/05 assassination of former PM Rafiq Hariri. UN chief legal adviser Nicholas Michel unsuccessfully held talks (ca. 4/23) with the Siniora government and the opposition regarding the UN plans, hoping to find a formula that would allow both sides to accept the tribunal.

Birri, as the head of Amal (Shi'i), and Lebanese Sunni leader Saad Hariri, leader of the March 14 coalition, met (3/7) for the first time in 4 months for talks on reducing Sunni-Shi'i tensions. No agreements were reported. The meeting was seen as a direct product of a meeting between Iranian pres. Mahmoud Ahmadinejad and Saudi Arabia's King Abdullah on 3/3 in Riyadh (see Iran section below).

Meanwhile, domestic political violence continued, fueling concerns of growing sectarian divides. Lebanese police found (4/26) the bodies of 2 Sunnis (ages 12, 25), both from families loyal to coalition member Druze leader Walid Jumblatt, who had been kidnapped in Beirut on 4/23. The pair reportedly were abducted by a Shi'i clan to avenge the death of a family member who was apparently killed by a Jumblatt supporter for backing Hizballah. Hizballah denounced (4/26) the "horrific killing" of the Sunnis, with spiritual leader Grand Ayatullah Shaykh Muhammad Husayn Fadlallah calling it a "major crime whose perpetrators should be prosecuted."

On 3/13, Lebanese authorities announced that they had arrested 4 members of Fatah al-Islam and were searching for 2

others in connection with the bus bombings in Bikfaya on 2/13 that killed 3 Lebanese (see Quarterly Update in *JPS* 143). The 4 reportedly were captured after explosives were found in an apartment in the Christian neighborhood of Achrafieh in Beirut. Little is known about Fatah al-Islam, which apparently broke away from the Fatah Uprising, a splinter group of Fatah sponsored by Syria, in 11/06, when it became apparent that Fatah Uprising was gaining no popular support among Palestinians in Lebanon's refugee camps. Fatah al-Islam's ideology and support base are in dispute, though its leader, Shakir al-Abssi, reportedly has connections to al-Qa'ida and is thought to have received funding from Salafi groups in Iraq, Jordan, and the Gulf states. He is wanted on terrorism charges by Jordan for plotting and training gunmen involved in the assassination of USAID administrator Lawrence Foley on 10/28/02. His group is thought to have 150-300 members, including Algerians, Bangladeshis, Pakistanis, Saudi Arabians, Sudanese, Syrians, Yemenis, and possibly some from Western European countries; as few as 10% are Palestinians. Its primary bases are in 'Ayn al-Hilwa r.c. and Nahr al-Barid r.c. On 3/13, Abssi denied any connection to the 2/13 attack and said he had no plans to stage attacks in Lebanon.

On 3/17, Palestinians in Nahr al-Barid r.c. held a sit-in to protest the presence of Fatah al-Islam in the camp, declaring that the group was not Palestinian and did not represent Palestinian aims. Days later, the Lebanese army set up (3/19) checkpoints to search cars entering and leaving the camp and, suspecting that Fatah al-Islam members wanted in connection to the 2/13 bombings were inside, vowed to keep security measures in place until the men were captured. The deployment sparked clashes in the camp between angry refugees and Fatah al-Islam members, leaving 1 refugee and 1 Fatah al-Islam member dead. Palestinians held a second sit-in protest against the group on 3/20. No further violence was reported through the end of the quarter, though tensions remained high.

Of note: A report by the Lebanese research group Information International estimated (4/3) that 60,000 Lebanese Christians (total Christian pop. of ca. 850,000) had left Lebanon since the summer 2006 war and that more than 100,000 had submitted visa applications to foreign embassies out of fear that a Sunni-Shi'i civil war might be looming. Similarly, 22% Sunnis and 26% of Shi'a polled

said that they were considering leaving the country.

The Status of the Truce with Israel

UN Secy.-Gen. Ban Ki-Moon issued (3/14) his third periodic report on the implementation of UN Security Council (UNSC) Res. 1701 that ended the 2006 Lebanon war. He welcomed the completion of UNIFIL's second stage of deployment (to 12,431 troops, including a 1,772-unit maritime force, from 29 countries as of 2/20) and the Lebanese army (55,000 troops) in s. Lebanon, but expressed concern over Israeli reports (as yet unconfirmed) of cross-border arms shipments to Hizballah and the danger posed to Lebanese civilians by unexploded IDF cluster munitions. He also criticized Israel's daily overflights of Lebanese territory, which he called a "continuing violation of resolution 1701." Ban noted that wording was being finalized concerning a "temporary security arrangement" for n. Ghajjar, the disputed border area where IDF troops were still deployed, that would allow their withdrawal. (The UNSC on 4/17 urged Israel and Lebanon to fulfill their pledges to finalize the arrangements, but by the end of the quarter the IDF was still deployed in the town; for background on the Israeli presence there, see Quarterly Update in *JPS* 143.) He also stated that progress was being made on delineating control of the disputed Shaba' Farms area.

Israel continued to challenge Lebanese sovereignty with daily surveillance overflights, stepping up the number of flights/day in late 2/07, prompting the Lebanese army to fire (2/21) on an unmanned IDF drone near Tyre. The UN reiterated (2/21) that Israeli overflights constitute a violation of UN Res. 1701. The IDF also challenged the UN monitoring force patrolling Lebanon's coast on three occasions, raising protests from the UN, which saw the military moves as a challenge to its authority and a violation of UN Res. 1701: On 4/29, an Israeli naval vessel approached a Swedish patrol boat. On 4/30, an Israeli naval vessel sped toward a German frigate that was part of the UN monitoring team without identifying itself; the German boat signaled that it was "ready for combat" and the Israeli boat veered away. On 5/9, Israeli fighter jets buzzed another German naval vessel.

Investigations of IDF Actions

The ramifications of the 2006 war continued to be felt in Israel as well, as several more investigations into the Olmert government's

handling of the offensive released their conclusions (see Quarterly Update in *JPS* 143 for earlier investigations). Most significant was the interim report of the Winograd Commission issued on 4/30, covering the first 5 days of the war. (The government received the full classified report, while an official summary was released to the public: see Doc. C1. The final report was due out in 7/07.) The interim report concluded that Olmert, DM Peretz, and then IDF Chief of Staff Gen. Dan Halutz (who resigned in 1/07 over internal IDF investigations criticizing his role; see Quarterly Update in *JPS* 143) gravely mishandled events, calling Olmert's decision to launch a major campaign a "misguided and rash judgment," criticizing Peretz for not grasping "the basic principles of using military force to achieve political ends," and faulting Halutz for "impulsively" seeking an "immediate, intensive military strike." (The report did not mention FM Livni, whom Olmert previously criticized as not being fully supportive of his war decisions.) According to the findings, Halutz and Peretz threw out standing IDF plans for dealing with the type of incident that triggered the war on 7/12/06. While the standing plans called for a limited retaliation followed by a lull to allow Hizballah to stand down and the situation to dissipate, Halutz and Peretz recommended initial heavy assaults, which were approved by the Israeli cabinet despite IDF, Shin Bet, and Mossad warnings of the likely dangers.

Israeli reaction to the report was strong. Public opinion polls released on 5/2 showed 65–72% of Israelis thought Olmert should resign. Some 100,000 Israelis took part in a nationwide march and vigil (5/1–3) urging the same. One Labor minister resigned (5/1) his cabinet portfolio, refusing to remain in the coalition with Olmert. Olmert's Kadima party colleagues Livni and Avigdor Itzhaki urged (5/2) him to step down; Itzhaki resigned as head of Kadima's Knesset faction when he refused. Nonetheless, Olmert survived 3 Knesset no-confidence motions by wide margins (though 16 of his coalition partners either voted against him, abstained, or were absent, demonstrating a weakened coalition).

Of note: Sources within the Winograd commission released (3/8) to the press excerpts of Olmert's 2/1 closed-door testimony to investigators in which he stated that as early as 3/06 he planned a "broad military operation" against Lebanon in the event that IDF soldiers were captured on the border.

He also confirmed speculation that he intensified the ground war on 8/9/06 after receiving the draft of UN Res. 1701 in the hope of obtaining a more favorable UNSC draft (see Quarterly Update in *JPS* 141). Publicizing the excerpts was roundly criticized by Olmert supporters as playing politics, but commission sources defended the move, saying it was in the public interest and that the material was not classified.

Separately, Israeli state comptroller Micha Lindenstrauss concluded his investigation into the government's performance in protecting the "home front" during the 2006 war, but he delayed (3/6) release of his final report under pressure from Olmert, vowing to release it within 4 months.

SYRIA

This quarter, Israel and the U.S. (both the White House and Congress) slightly loosened their policy of isolating Syria. Most notable in this regard was the U.S. decision to participate alongside Syria and Iran (see below) in two meetings of Iraq's neighbors to discuss regional security issues—a mid-level meeting held in Baghdad on 3/10 and a FM-level meeting in Sharm al-Shaykh 5/3–4—marking Washington's first high-level public diplomatic contact with Bashar al-Asad's government since 2005. U.S. participation in the 2 meetings was seen as tacit acknowledgement by the Bush admin. that its former policy of completely isolating Syria and Iran had not helped to achieve U.S. regional aims and had possibly harmed them. Though the U.S. did not hold sidebar talks with Syrian officials at the 3/10 session, Secy. of State Rice met with Syrian FM Walid Mouallem on 5/3 for talks limited to Iraq. (U.S. officials traveling with Rice praised Syria for taking positive steps to secure its border with Iraq.) Afterward, she described the exchange as "very constructive" and affirmed U.S. interest in improving ties with Syria but added that "there needs to be some basis for a better relationship," hinting at previous calls for Syria to end support for Hizballah and Palestinian militant groups. In Damascus, the Syrian FMin. warned (5/3) that Syria would not tolerate being "lectured, ordered, or instructed to do anything regarding any neighbor, particularly Israel."

Congressional Visits

Meanwhile, members of Congress undertook several outreach missions to Dam-

ascus. House speaker Nancy Pelosi (D-CA) led (4/3–5) a bipartisan delegation to Syria, following up on the recommendations of the Iraq Study Group (ISG; see Doc. C3 in *JPS* 142) to reach out to Syria for help in reducing violence in Iraq. (Two previous congressional delegations visited Syria immediately after the release of the ISG report in 12/06; see Quarterly Update in *JPS* 143.) Pelosi's group—which included Reps. Keith Ellison (D-MN), Tom Lantos (D-CA), Nick Rahall (D-WV), Louise Slaughter (D-NY), Henry Waxman (D-CA), and David Hobson (R-OH)—hosted a dinner for Syrian opposition figures and members of parliament at the now-vacant U.S. ambassador's residence in Damascus (the ambassador was recalled in 2005, following the Hariri assassination in Lebanon).

Asad met with the group on 4/4 for talks focused on regional security issues, including Syria's support for Hamas and Hizballah and its alliance with Iran. The high point of the visit was Pelosi's transmittal of a message to Asad from Israeli PM Olmert (with whom the group met on 3/30) that Israel would be willing to resume peace talks with Syria if Syria halted support for Hizballah and Palestinian militias. Asad reiterated Syria's call for a resumption of talks without preconditions and invited the delegation to return for further talks. (Lantos stated that they had "every intention of going back.")

While the White House had not prevented the high-profile congressional visit, it made its displeasure known, with VP Dick Cheney calling (4/4) the visit "bad behavior" and the ranking House Republican, Jon Boehner (OH), stating that the group's agenda was "to embarrass the president." Pelosi's statement (4/4) in a Damascus press conference that "the road to Damascus is a road to peace," prompted a sharp response from National Security Council spokesman Gordon Johndroe in a press briefing on Air Force One. According to Johndroe, the administration believed that "unfortunately, that road is lined with the victims of Hamas and Hizballah, and the victims of terrorists who cross from Syria into Iraq. It's lined with the victims in Lebanon, who are trying to fight for democracy there. It's lined with human rights activists trying for freedom and democracy in Syria." Israel also issued (4/4) a statement saying that "although Israel is interested in peace with Syria, that country continues to be part of the axis of evil and a force that encourages terror in the entire Middle East."

Asad also received (4/1) a Republican congressional delegation comprising Reps. Robert Aderholt (AL), Joe Pitts (PA), and Frank Wolf (VA). Rep. Darrel Issa made his own visit on 4/5. Syria welcomed (4/3) the visits as a “positive step” but said it did not expect that they signaled a change in U.S. policy.

Peace Feelers

Olmert’s 3/30 message to Asad began a series of indirect public exchanges between Israel and Syria, apparently following several weeks of similar back-channel messages passed through Turkish officials. The feelers from both sides (though most were reportedly sent by Israel, with Syria often not responding) expressed the desire to resume peace talks, but neither party changed its baseline positions on the requirements for resumption: Israel demanded that Syria first end support for Hizballah and the Palestinian factions and that peace talks be held directly, while Damascus refused preconditions and wanted indirect negotiations through the U.S. or another third party (so as not to grant Israel official recognition before an agreement).

On 4/12, soon after the Pelosi transmission, Syrian American Ibrahim Suleiman, who was involved with former Israeli FMin. dir. gen Alon Liel in drafting the semi-official Syrian-Israeli peace initiative leaked to the public on 1/16 (see Quarterly Update in *JPS* 143), addressed the Knesset Foreign Affairs and Defense Comm., stating that Syria was serious about resuming peace negotiations with Israel and that he believed a comprehensive bilateral agreement could be achieved within 6 months if the sides were serious. (The meeting, scheduled for 1 hour, lasted nearly 3.) Olmert’s office reiterated Israel’s position that Syria must prove that it is serious by halting all support for Palestinian groups and Hizballah. Syria did not endorse Suleiman’s visit and stressed that he was acting on his own.

Other Diplomatic Contacts

UN Secy-Gen. Ban met (4/25) with Asad in Damascus to ask him to “play a constructive role” in the peace process, endorse formation of a UN tribunal to try suspects in the Hariri case, cooperate with UN Res. 1701 regarding the disarming of Hizballah, and generally give assurances of Syria’s commitment to work for peace and security in the region. Asad said that Syria would accept a tribunal approved by a “broad-based” Lebanese government (see Lebanon section

above for the internal Lebanese debate on the subject) and promised to revive a long-stalled process to mark the Syrian-Lebanese border. No further details were released, though Ban said (4/24) the visit was very positive.

Syrian pres. Asad made (2/17–18) a 2-day visit to Tehran where he met with Iranian pres. Ahmadinejad and Grand Ayatullah Ali Khamenei. No details were released.

REGIONAL AFFAIRS

The Arab states’ main efforts on the peace process this quarter revolved around reaffirmation of their 2002 initiative calling for full normalization with Israel in exchange for full peace (see above). Though this was the main item at the 3/28–29 Arab League heads of state summit in Riyadh, discussions also included the crises in Iraq, Lebanon, and Sudan, and concerns about Iran’s nuclear ambitions. In his address to the opening session, host King Abdullah of Saudi Arabia pointedly blamed Arab heads of state for the civil strife and divisions plaguing the region, calling for a return to Arab unity. He also called the U.S. presence in Iraq an “illegitimate foreign occupation,” prompting a quick condemnation (3/29) by the White House and State Dept. (The Saudi government publicly replied that the king’s words represented “a statement of fact and not a change in Saudi policy.”) Also of note: Lebanon sent 2 delegations to the summit, highlighting the country’s internal conflict: the official delegation was led by Pres. Emile Lahoud and included several opposition MPs who resigned in 12/06, including Hizballah members; the other was headed by Western-backed PM Fuad Siniora, who attended as a personal guest of the Saudi king.

As conditions in Gaza deteriorated, Egypt became increasingly concerned that Palestinian violence would spill over into its territory. Fears were heightened in late 2/07, when Egyptian authorities confiscated (ca. 2/21–23) 1 ton of explosives (TNT recovered from land mines) and arrested 57 Egyptians and Palestinians in Egyptian Rafah and n. Sinai who allegedly were planning bombings in the Sinai targeting Israeli tourists as well as suicide bombings inside Israel; 3 of the Palestinians allegedly confessed to being Islamic Jihad members. As the Gaza situation worsened, Egypt—which has long been concerned about ties between Hamas (which emerged from the Palestinian branch of the Muslim Brotherhood) and the Egyptian

Muslim Brotherhood (Pres. Husni Mubarak's main opposition)—informed (4/22) Haniyeh that any Hamas member entering Egypt must meet 3 conditions: (1) refrain from contacting Muslim Brotherhood members in Egypt, (2) keep accompanying bodyguards and aides to a minimum, and (3) refrain from holding press conferences or seminars on Egyptian soil. On 4/30, angry Palestinians stormed the Egyptian legation in Gaza City demanding the release of 3 Palestinians whom Egypt had arrested for crossing the border illegally; Egypt said they were Hamas members, while Palestinians said they were individuals seeking medical care.

More than 1,000 Egyptian bedouin held (4/26) an antigovernment demonstration on the n. Egyptian border following the deaths of 2 bedouin in clashes with Egyptian police. The protesters urged Israeli soldiers to allow them into Israel as refugees, but Israeli authorities did not respond.

Egypt's trial of accused spy for Israel Muhammad al-Attar opened in Cairo on 2/24. Attar allegedly confessed that Mossad had helped him obtain residency status in Canada under a false name, found him a job at a bank, and paid him \$56,000 to spy on Egyptians and Arabs (especially Coptic Christians) traveling in Canada and Turkey. Attar said (2/24) his confession was obtained under torture and denied the charges. Three Israelis were also being tried in absentia in the case. Israel denied any involvement. On 4/17, Egypt announced that it had arrested Egyptian nuclear engineer Muhammad Sayyid Saber Ali for allegedly stealing documents from Egypt's nuclear agency and selling them to Israel's Mossad for \$17,000. Israel did not comment.

Israel Infrastructure Min. Benjamin Ben-Eliezer postponed (3/5) a trip to Egypt after Egyptian media ran reports that during the 1967 war, a unit he led may have executed 250 captured Egyptian soldiers instead of holding them as prisoners of war. Ben-Eliezer was supposed to discuss importing Egyptian natural gas to Israel.

The Baghdad-based Palestinian Muslims Association reported (4/24) that Palestinians who had sought refuge in Iraq's Anbar province, where they had been relatively safe, were now coming under harassment. Shi'i militants had recently placed notices on the doors of Palestinian homes in Ramadi (capital of Anbar province) giving residents a week to leave or face expulsion, and rumors circulated that 2 Palestinian girls had

been raped by Shi'i militants in Ramadi as a "warning" to Palestinians to leave the area. As a result, at least 17 families had fled to al-Walid r.c. near the Syrian border, seeking asylum in Syria, while others headed back to Baghdad, believing they would be safer there, even though the predominantly Palestinian neighborhoods of Baladiyah, Hurriya, and Iskan had been under attack for months (see Quarterly Update in *JPS* 143 and Doc. C1 in *JPS* 142).

INTERNATIONAL

UNITED STATES

U.S. focus this quarter was on reviving the Israeli-Palestinian peace process and buttressing Abbas against Hamas. To this end, Secy. of State Rice continued the "active engagement" efforts begun last quarter, making her third and fourth trips to the region in as many months (see above). In an address to Jewish Republicans in Washington on 5/10, U.S. Deputy National Security Adviser Elliott Abrams stated that the new U.S. efforts on the Israeli-Palestinian conflict were aimed at reducing pressure from Arab and European states for the U.S. to do more to push the peace process forward, adding that the talks are sometimes simply "process for the sake of process." Attendees publicly stated (5/10) afterward that Abrams gave them the impression that Rice's current initiatives did not have the full backing of Pres. Bush and assured them that the pres. would act as an "emergency brake" if necessary to prevent Israel from being pressed into a deal. The National Security Council declared (5/10) that "it is inaccurate to suggest that the White House and State Department are at odds on this issue."

In a notable policy shift, Rice announced (2/27) that the U.S. had accepted an invitation from Iraq to participate in talks on regional security that would include reps. from all of Iraq's neighbors, including Iran and Syria, with whom the Bush admin. had no high-level diplomatic contact. The first meeting took place in Baghdad on 3/10, and a second, attended by Rice, took place in Sharm al-Shaykh 5/3-4. Rice met with Syrian FM Mouallem but not with her Iranian counterpart (see Syrian section above and Iranian section below for details).

U.S.-Israeli Bilateral Relations

In late 2/07, an Israeli delegation (Bank of Israel Governor Stanley Fischer, Finance

Min. Dir. Gen. Yarom Ariav, Foreign Min. Dir. Gen. Aharon Abramovitch, Israeli National Security Council head Ilan Mizrahi, and IDF reps.) came to Washington to discuss with U.S. officials a multiyear U.S. military aid package to begin in FY 2008. Israel had signaled to the U.S. over the previous 6 months its intention to seek significant new military aid, and Washington had conveyed its preference that Israel at this stage present its needs in general terms only, without specific dollar amounts. The previous aid agreement for FYs 1998–2007, negotiated by PM Benjamin Netanyahu, initially granted Israel \$3 billion—\$1.8 b. annually in military aid and \$1.2 b. in economic aid. The agreement stipulated, however, that economic aid was to be reduced by \$120 m./year and military aid increased by \$60 m./year until economic aid was eliminated in FY 2007 and military aid the same year totalled \$2.4 b. Israeli DM Peretz held (3/13) follow-up talks with U.S. Defense Secy. Gates, but no agreement had been reached by the end of the quarter.

As of early 4/07, a major U.S. arms sale (estimated by experts to be between \$5 b. and \$10 b.) to Saudi Arabia and several Gulf nations, considered as a moderate Sunni bulwark against Iran, was reportedly (*New York Times* 4/5) on hold because of objections from Israel, which said the advanced weaponry (including satellite-guided weaponry and Joint Direct Attack Munitions) would erode its regional military superiority. In 3/07, the administration scheduled 2 briefings for the Senate Foreign Relations Comm. on the package it planned to submit, but it canceled both under pressure from Israel. Reportedly concerned that Israel would urge Congress to block the sale, the White House dispatched Defense Secy. Gates to Israel (4/17–18) to stress the U.S. position that the arms sale was necessary to confront Iran and (arguably) would improve Israeli security. The U.S. was also reportedly considering allaying Israeli concerns by giving it a big military package as well. There was no further word on the deals by the end of the quarter.

From 3/10 through mid-4/07, Israel and the U.S. held their annual joint military maneuvers, called Juniper Cobra, to practice intercepting missiles equipped with weapons of mass destruction. This year the drills did not include intercepting live ballistic missiles “due to logistical constraints associated with last summer’s Lebanon war and U.S. deployments.”

The Israeli military contractor Rafael won (3/5) a \$37 m. contract to provide the U.S. Marine Corps with 60 Golan armored vehicles for service in Iraq. The shipments were to be delivered in 5/07.

Of note: The U.S. declined an invitation to attend a special session of the Knesset on 5/14 celebrating “40 years of reunification of Jerusalem.” The Israeli FMin. said that 20 of 80 ambassadors had accepted invitations.

Congressional Action

As noted above, two congressional delegations visited Syria this quarter: a high-profile bipartisan group organized by House speaker Nancy Pelosi (D-CA) on 4/3–5, and a small Republican delegation on 4/1. While the White House strongly criticized Pelosi’s mission, it did not comment on the Republican tour or a separate visit (4/5) by Rep. Darrel Issa (R-CA). Pelosi’s group also visited Israel (ca. 3/30–4/1), Ramallah (4/2), Lebanon (4/3), and Saudi Arabia (4/5); the Republican delegation also traveled to Jordan (4/2).

After the PA national unity government was installed (3/17), Reps. Robert Wexler (D-FL) and Elton Gallegly (R-CA) organized a letter signed by 237 members of Congress that was given (3/20) to visiting EU foreign policy chief Javier Solana calling on the EU to maintain its diplomatic isolation of and ban on direct assistance to the PA. The letter was strongly supported by American Israel Public Affairs Comm. (AIPAC).

In early 3/07, Reps. Gary Ackerman (D-NY) and Nita Lowey (D-NY) led a call by members of Congress for an investigation into several projects funded by USAID that they alleged funneled “U.S. tax-payer dollars . . . toward institutions that support terrorism,” specifically Hamas. The grants included 49 scholarships for students at the Hamas-affiliated Islamic University in Gaza; millions of dollars for projects administered by Americans for Near East Refugee Aid (ANERA), including providing computers to Islamic University’s library; and \$2.3 m. for Gaza’s al-Quds University, which has student groups affiliated with Hamas. USAID adamantly denied (3/5) that it had violated any laws, noting that the \$2.2 m. in scholarships given to al-Quds University was part of a State Dept. program to provide “assistance to moderate Palestinian leaders.”

Positioning for the 2008 Presidential Race

While more than a dozen presidential hopefuls had their campaigns underway by

this quarter, Sens. Barack Obama (D-IL) and Hillary Clinton (D-NY) led the pack in soliciting support from the pro-Israel lobby. Obama was particularly concerned about shoring up his pro-Israel image after his unsuccessful 2000 run for Congress, during which he was widely criticized by Jewish voters for advocating an even-handed approach to the Palestinian-Israeli conflict. (During his successful campaign for Congress in 2004, he told leading Palestinian activist Ali Abunimah, "I'm sorry I haven't said more about Palestine right now, but we are in a tough primary race. I'm hoping when things calm down I can be more up front.")

Both Clinton and Obama made significant gestures to Israel before the 3/11-13 AIPAC policy conference (see Pro-Israel Groups section below). On 3/1, Clinton introduced S. Res. 92 calling for the immediate, unconditional release of IDF soldiers held captive by Hamas and Hizballah. (The res. was a companion measure to H. Res. 107, which was introduced in the House by her Democratic colleague Rep. Ackerman of New York on 1/30 and passed by voice vote on 3/13, during AIPAC's conference.)

Meanwhile, Obama made (3/2) a speech to AIPAC in Chicago, stating that "we must preserve our total commitment to our unique defense relationship with Israel by fully funding military assistance," calling Israel "our strongest ally in the region and its only established democracy." He also asserted that the 2/8 Mecca accord was dangerous and that any Palestinian government must respect the 1/06 Quartet demands. At a small gathering in Iowa on 3/11, however, Obama stated in response to a direct question about the Palestinian situation that "nobody is suffering more than the Palestinian people," that he hoped to see positive change in the PA government so that direct aid could resume, and that Israel should help by easing travel restrictions. The comments drew immediate criticism from inside and outside the Democratic party, prompting Obama's spokesman quickly to "clarify" that Obama meant that Palestinians were suffering because of their Hamas-dominated leadership.

At the AIPAC conference itself, Obama and Clinton hosted (3/13) simultaneous receptions for AIPAC delegates, both stressing their support for Israel and their concern about Iran. While both parties were well-attended, some AIPAC members openly complained about Barack's 3/11

remarks, questioning his worthiness as a candidate.

Pro-Israel Groups

This quarter, the main effort of pro-Israel lobbying in the U.S. and by American Jewish groups abroad was to highlight the potential threats from Iran.

Iran was the theme of AIPAC's annual policy conference in Washington 3/11-13. Among those representing the Israeli government were Israeli PM Olmert (speaking via satellite), FM Livni, and DM Peretz. Olmert's comments focused on the threat posed by Iran, but he mentioned in closing the unacceptability of any Palestinian government that includes Hamas. In her speech, Livni stressed the division of the region into "moderates" and "extremists," stating that while Israelis "are moderates by definition," for others, "being a moderate is a title that has to be earned" by taking steps to confront terror, supporting the two-state solution, "preparing the Palestinian people for the compromises," and recognizing Israel's right to exist. Other speakers included VP Cheney, House speaker Pelosi, Senate majority leader Henry Reid (D-NV), Senate minority leader Boehner, and Senator Mitch McConnell (R-KY), as well as Pastor John Hagee, founder of Christians United for Israel, who each stressed the importance of preserving close ties with Israel and ensuring Israeli security. In his address to AIPAC on 3/12, House Foreign Affairs Comm. chmn. Lantos urged AIPAC delegates to lobby their representatives to pass a bill he introduced calling for tougher sanctions on Iran and removal of a presidential waiver allowing the president to ignore sanctions at his discretion. Some 6,000 AIPAC delegates had already planned to spend 3/13 lobbying members of Congress to increase government penalties on companies, banks, and nations that trade with Iran and to divest state pension funds from companies (such as France's Total and the British-Dutch Royal Dutch Shell) that do business with Iran. Israeli DM Peretz also met (3/12) with members of Congress on the sidelines of the conference.

Some 700 members of Norpac, a NJ-based pro-Israel political action comm., participated (5/9) in Norpac's 14th annual lobbying trip to Washington, where they met with 475 members of Congress (96 senators and 85% of reps.) to urge Congress to increase aid to Israel, back sanctions on Iran, and support the U.S.-Israel Energy Cooperation

Act (which would create grants for alternative energy technology research in Israel by approving \$140 m. in grants for Israeli scientists). Delegates were briefed in advance by AIPAC staffers.

An American Jewish Committee (AJC) delegation led by Exec. Dir. David Harris toured the Gulf and Israel in mid-3/07. In Doha, the group was received (3/11) by Qatari emir Shaykh Hamad bin Khalifa al-Thani at his palace for talks on the regional situation, including Arab-Israeli peace prospects, the situations in Iran and Lebanon, and the need for interreligious dialogue. In Jerusalem, Olmert received (3/15) the delegation, which reported that they had been impressed by the peaceful messages regarding Israel that they heard from Arab officials. No other details of the AJC tour were released.

On 2/25, the Amana Settlement Movement, the settlement arm of the Israeli's right-wing Gush Emunim, held a real estate fair in Teaneck, NJ, to encourage American Jews to buy homes in nearly a dozen Jewish settlements in the Hebron, Jerusalem, and Bethlehem areas, offering to rent the properties if owners did not plan to live there themselves and stating that if the houses were dismantled as part of final status, the owners would be reimbursed for the cost of their homes (the Israeli government refused to comment on this). The event marked the first such marketing campaign targeting Diaspora Jews. Under the 2003 road map, Israel pledged to the U.S. to halt settlement growth, which the U.S. officially calls an "obstacle to peace." The American host of the Amana event, Rabbi Steven Pruzansky of the B'nai Yeshurun synagogue, stated (2/25), however, that "Peace is an illusion. . . . By having Jews live there, we are strengthening the land, adding a safeguard." Amana reported (3/8) that 8 houses were sold as a result of the event and that dozens of attendees were considering buying (including NY State Assemblyman Dov Hikind). More events were planned across the U.S.

The American nonprofit organization Friends of the IDF (FIDF) held (3/28) its annual gala at the Waldorf Astoria in New York City, raising \$18 m. for Israeli soldiers. FIDF raised \$46 m. for the IDF in 2006. FIDF states its mission as the "support [of] social, educational, and recreational programs and facilities for the young men and women soldiers of Israel who defend the Jewish homeland."

Legal Actions

New York state's highest court ordered (4/2) a \$30-m. bank account held by the Palestinian Monetary Authority (PMA) to be unfrozen and to allow the PMA to resume operations in the U.S. The account had been frozen in 2005 when the PA failed to pay \$116 m. awarded to the family of an American rabbinical student killed in a 1995 Hamas attack; the family had sued on the grounds that the PA was responsible for the death by failing to prevent the attack. The 4/2 ruling judged that the PMA is a separate entity from the PA and therefore its monies could not be seized for payment of the claims. At the close of the quarter the money had not been released.

The U.S. Commerce Dept. announced (3/9) that it had fined the New York branch of the National Bank of Egypt \$22,500 for complying with the Arab boycott of Israel after learning that the bank had provided invoices to a Syrian firm guaranteeing that certain goods had not been produced in Israel. U.S. law prohibits firms from cooperating with the boycott. The Commerce Dept. also reported (3/19) 31 incidents in 2006 (up from 8 in 2005) in which the U.S.-backed Iraqi government took steps to restrict trade with Israel in keeping with the Arab boycott. Incidents typically included asking U.S. companies to certify their adherence to the boycott when applying to register their intellectual property rights in Iraq, to verify that their products contained no components made in Israel, and to attest that they have not done business with Israel.

The State Dept. announced (4/24) new sanctions barring for 2 years (renewable) U.S. assistance, government contracts, and export licenses to 14 foreign individuals, companies, and government agencies with alleged ties to the development of Syrian and Iranian missile technology and weapons of mass destruction. Among the 14 are Hizballah, Syria's navy and air force, 2 Syrian defense contracting agencies, and Iran's Defense Industries Organization (a conglomerate of state-run arms manufactures). Experts believed (see *Washington Times* 4/24) that the new sanctions were largely for show, because existing restrictions under the Iran and Syria Nonproliferation Enforcement Act of 2005 already hinder such cooperation.

Also of note: On 3/15, the Faculty of the College of Arts and Sciences of Washington, DC's Howard University voted (25-2, with 6 abstentions) to endorse a resolution for

divestment of university funds from companies supporting the Israeli occupation.

RUSSIA

As in previous quarters, Russia largely limited its involvement in the peace process to the Quartet and, while having strong differences with the U.S. over the boycott of Hamas, once again signed onto Quartet statements demanding that Hamas comply with its 1/06 demands to recognize Israel's right to exist and halt all violence before the international boycott be lifted. While Russia agreed to the final statement of the Quartet's 2/21 meeting in Berlin reiterating the 1/06 demands, Russian FM Sergei Lavrov told the press both before and after the session (ca. 2/20, ca. 3/1) that Russia thought the time was overdue for the boycott on the Hamas-led PA to be lifted. Moscow also approved a request for a meeting by Hamas leader Khalid Mishal, who traveled to Moscow with aide Musa Abu Marzuq on 2/26 for "consultations." While no details were released, Russia reportedly pressed Hamas to release captured IDF soldier Shalit. Mishal insisted that Shalit would be freed only as part of a larger prisoner exchange.

EUROPEAN UNION

In addition to its regular involvement in the Quartet, the EU, headed by Germany this quarter, sent at least 2 special delegations to the region to keep up positive momentum on the peace process. EU external relations commissioner Benita Ferrero-Waldner visited the region (Egypt, Israel, the occupied territories, Jordan) in early 3/07 to encourage formation of a Palestinian national unity government acceptable to the Quartet. German chancellor Angela Merkel toured (beginning 3/31) Jordan, Israel, Lebanon, and the occupied territories to stress the importance of building on the progress of Rice's 3/24-27 visit and the Arab League's 3/29 reendorsement of its 2002 initiative. Of note: The EU was among 60 invitees (including the U.S.) that declined an invitation to a special Knesset session on 5/14 celebrating "40 years of reunification of Jerusalem."

The EU-Israel Association Council, the ministerial body that monitors EU-Israel relations in the framework of their 2000 association agreement, held (3/5) its annual session, attended by Israeli FM Livni, EU foreign policy chief Solana, and German FM Frank-Walter Steinmeier (the rotating EU pres.). Israel expressed interest in joining Europol (an EU policing body that coordinates

activities on combating terrorism and organized crime), Eurojust (an EU legal body that facilitates investigations and prosecutions of cross-border and organized crime cases), and the European Environmental Agency, as well as in participating in EU cultural programs. No agreements were reached.

On a bilateral level, several groups in Britain took action to boycott Israel in protest over its occupation of Palestinian territories. The most significant of these was Britain's 40,000-member National Union of Journalists, which at its annual conference on 4/14 approved (with 150 regional reps. voting 66 to 54) a measure calling for "a boycott of Israeli goods similar to those boycotts in the struggles against apartheid in South Africa," urging Britain and the UN to impose sanctions on Israel. The measure did not call for a boycott of contacts with Israeli journalists. The union also passed by a wide margin a measure condemning Israel's 2006 war on Lebanon and actions in Gaza. On 4/21, 130 British doctors published a letter in the *Guardian* calling for a boycott of the Israel Medical Association and its expulsion from the World Medical Association, noting that "persistent violations of medical ethics have accompanied Israel's occupation."

In early 3/07, 27 Roman Catholic bishops from Germany made a mission to Israel to promote reconciliation between Jews and German Catholics. On their return home, however, 3 of the bishops sparked the outrage of Jews worldwide by calling Israel's treatment of the Palestinians "almost racism," and by comparing West Bank enclaves with the Warsaw Ghetto and the separation wall to the Berlin wall. After the Israeli government lobbied charges of anti-Semitism at the church, Germany's top Catholic official, Cardinal Karl Lehmann, sent (3/7) a letter to Israel's Yad Vashem Holocaust memorial denouncing the bishops' remarks.

A Paris court convicted (3/13) Shimon Samuels, the Simon Wiesenthal Center's Paris-based dir. for international relations, of defamation and fined him 1 euro (\$1.30) for wrongfully accusing the Committee of Welfare and Aid to the Palestinians of financing terrorism and sending funds to families of suicide bombers. Samuels, who stands by his accusations, said he would appeal.

UNITED NATIONS

Newly installed UN Secy-Gen. Ban made (3/24-4/2) his 1st official tour of the region, stopping in Israel, the West Bank, Egypt, Jordan, Lebanon, and Saudi Arabia.

Ban spent 3/25 touring the West Bank to assess the plight of the Palestinians, also meeting with Abbas and urging the new PA government to demonstrate a "true commitment to peace." In his meeting with Olmert on 3/27, Ban expressed concern regarding the Palestinian humanitarian situation, called on Israel to halt construction of settlements and the separation wall, and criticized ongoing Israeli violations of Lebanese air space (which violate UN Res. 1701). Israeli DM Peretz asked (3/24) Ban to take steps against Hizballah and Syria, which Israel claimed were jeopardizing the UN-brokered ceasefire in Lebanon by rearming Hizballah. In his meeting with PM Siniora, Ban urged (3/30) Lebanon to enhance border security in light of Peretz's claims, which the UN has not been able to independently verify. Siniora stated that there had not been a single incident of smuggling uncovered since the summer 2006 war, but agreed that border security should be strengthened. Ban also toured UNIFIL posts and met with UN investigator Serge Brammertz regarding the Hariri assassination case.

Israel underwent (2/22-23) 2 days of questioning before the UN Committee on the Elimination of Racial Discrimination (UNCERD) as part of its quadrennial review. The comm. focused in particular on Israel's controversial new construction at the Haram al-Sharif/Temple Mount (see Quarterly Update in *JPS* 143), questioning whether Israel protects places considered sacred to religions other than Judaism. The comm. noted that all 120 cities Israel has declared to date as holy sites are Jewish. Israel was also asked to explain whether it provides equally for Jewish and non-Jewish citizens in housing, education, public services, land rights, and legal protection against acts of violence. Israel submitted a statement reaffirming its democratic principles and support for the Convention to End Racial Discrimination, but stated that because of its unique security concerns, "resources that should be spent on implementing the Convention therefore often [have] to be used for security purposes." UNCERD country rapporteur Morten Kjaerum made a lengthy statement (see Doc. A1) acknowledging Israel's efforts and the conditions under which it operates, but strongly criticizing the biases evident in Israel's judicial system, land policies, and economic development plans and Israel's treatment of the Palestinians in the occupied territories. The comm. regretted that Israel's statements related only to Israel

proper and not to the occupied territories, as requested. After reviewing Israel's submissions, the UNCERD issued (3/9) its concluding observations (see Doc. A1), highlighting 25 areas of concern and recommendations for better compliance, including making equal rights part of Israel's Basic Law, ensuring equality in the right of return and right to own property, improving equal access to resources (including education), and curbing Jewish settler abuses of Palestinians. The report also reiterated the illegality of Jewish settlements and the separation wall.

The UNESCO team sent to Israel to investigate Israel's new excavations at the Haram al-Sharif/Temple Mount in 2/07 (see Quarterly Update in *JPS* 143) released (3/14) its final report. While concluding that Israel was conducting the work in full transparency and that the digging had not jeopardized the Haram al-Sharif, the report urged Israel to halt excavations immediately until the process could be coordinated with Waqf officials and UNESCO. The team also called for ongoing international monitoring of the project and strongly criticized Israel for not consulting and coordinating with Waqf authorities and UNESCO in advance. The UNESCO team had been invited by Israel.

In Rome, the UN Committee on the Exercise of the Inalienable Rights of the Palestinian People closed (3/23) a 2-day international conference in support of Israeli-Palestinian peace by affirming the international community's obligation to support unconditionally the new Palestinian unity government and end the boycott against the PA, saying that the unresolved conflict fueled regional and international tensions.

Addressing the UN Human Rights Council (UNHRC) in Geneva, special rapporteur for human rights in the occupied territories John Dugard, a South African lawyer, equated (3/22) Israel's treatment of the Palestinians with apartheid and recommended that a new International Court of Justice advisory opinion be sought on the legality of Israel's colonization and occupation of Palestinian territory. U.S. Amb. to the UN in Geneva Warren Tichenor called Dugard's statements and recommendations "unhelpful."

The UNHRC voted (3/26) to end routine monitoring of Iran and Uzbekistan on human rights. The move had been expected, since the majority of the 47 members of the newly reconstituted UNHRC have long protested singling out individual states for review in special closed-door, confidential sessions under what is called the "1503 procedure."

The U.S., however, called (3/26) the move “deeply regrettable.”

IRAN

This quarter, the international community, led by the U.S. and Britain, kept up the pressure on Iran to halt its nuclear program. Significantly, however, the U.S. backtracked on its policy of refusing all diplomatic contact with Tehran, and for the first time in years allowed U.S. delegations to engage with Iran (alongside Syria) in regional security talks with Iraq’s neighbors on 3/10 and 5/3–4 (see also Syria section above). Secy. of State Rice represented the U.S. in the 5/3–4 meeting in Sharm al-Shaykh, where, according to the State Dept. (5/3), she intended to approach Iranian FM Manouchehr Mottaki informally at a 5/3 dinner to ask Iran to stop supporting Shi’i militias in Iraq, but the FM left before she could do so. Rice reportedly did speak with Iran’s ambassador to Egypt, but no details were released.

Meanwhile, on 2/21, the 60-day deadline set in UN Res. 1737 for Iran to halt uranium enrichment and reprocessing of spent nuclear fuel (see Quarterly Update in *JPS* 143) passed without Iranian compliance. That day, the International Atomic Energy Agency (IAEA) issued a report documenting increased activity within Iran’s enrichment program. The IAEA issued a follow-up report on 2/28, stating that it was not convinced that Iran’s nuclear program was intended solely for civilian purposes.

In response, the 5 permanent members of the UNSC and Germany (the P5+1) held an emergency session in London on 2/26 to begin drafting a new UNSC res. to impose additional nonmilitary sanctions on Tehran, even while stating (2/26) that they were “equally committed” to seeking a negotiated solution to halting enrichment. After several follow-up meetings of the P5+1 (e.g., 3/3, 3/12), the UNSC unanimously passed (3/24) UN Res. 1747 banning all Iranian arms exports, freezing assets of 28 Iranian individuals and entities linked to its military and nuclear agencies, and threatening additional sanctions if Iran did not halt nuclear activities and provide verifiable assurances that it was not seeking nuclear weapons within 60 days. Although Russia and China blocked the tough trade, travel, and military sanctions sought by the U.S. and EU, the U.S. expressed (3/24) satisfaction with the text and said it got more from the negotiations than it expected. On 4/16, in a step that

went beyond Res. 1747, the EU announced a freeze on assets of a group of officials linked to Iran’s nuclear program.

As debate on Res. 1747 drew to a close, Iran seized (3/23) 15 British sailors and marines near al-Faw peninsula, claiming they had entered Iranian territorial waters while on routine patrol inspecting merchant ships in Iraqi waters. Britain denied (3/23) the charge, accusing Iran of seizing the seamen as a ploy to influence voting on the new sanctions package. Other analysts speculated (see *Washington Post* 3/24) that the seizure was retaliation for a 1/07 U.S. raid on the Iranian liaison office in Irbil, Iraq, during which 5 Iranian consular staff were detained. The Iranians were still being held at the end of the quarter, but Iran released the British seamen on 4/3.

Meanwhile, Israel held (ca. 2/24) discussions with the U.S. on “contingency plans” for an Israeli strike on Iran’s nuclear facilities, reportedly seeking U.S. preapproval to overfly U.S.-controlled Iraqi air space; no details were released. In Israel, U.S. Defense Secy. Gates held (4/17–18) talks on Iran with Israeli PM Olmert, DM Peretz, and FM Livni, but stated afterward that military options had not been discussed. He added that the U.S. did not rule out military action but wanted to exhaust diplomatic options first.

In late 3/07, Iran informed the UN by letter of its decision to withhold certain information requested by the IAEA for fear of attack by Israel and the U.S., stating that the UN had repeatedly allowed confidential information on Iran to be leaked. The letter and a confidential reply from the IAEA urging Iran to reconsider were posted on an internal UN Web site and leaked to the Associated Press on 3/30.

Also of note: After weeks of talks between their envoys, Iranian pres. Ahmadinejad met (3/3) in Riyadh with Saudi Arabia’s King Abdullah for talks on sectarian conflicts in Iraq and Lebanon, and he agreed not to take any steps that would exacerbate or spread sectarian strife. Saudi Arabia also encouraged Iran to halt uranium enrichment.

VATICAN

A plenary-level meeting of the Israel-Vatican Bilateral Permanent Working Commission set for 3/30 (see Quarterly Update in *JPS* 143) was postponed at Israel’s request because the timing coincided with Rice’s visit to Israel and the Arab League summit. The Holy See expressed (3/30) deep regret

and hoped the meeting would be rescheduled soon.

On 4/12, Vatican amb. Archbishop Antonio Franco declared that he would not attend Israel's Holocaust memorial ceremony at Yad Vashem in Jerusalem on 4/15, citing his personal rejection of the museum's portrayal of Pope Pius XII as apathetic about the fate of Jews during World War II, which he said offended the Catholic Church. The Vatican has complained about the text of the museum's display since it opened in 2005. The museum had said it was willing to consider revisions if researchers were allowed to study church archives for new information, stating the display represented "the historical truth on Pius XII as is known to scholars today"; the Church did not respond. After public uproar over his announcement, Franco reversed his position and attended the ceremony.

OTHER

The International Comm. of the Red Cross issued (5/14) a confidential report (leaked to the *New York Times* the same day) on East Jerusalem and its environs accusing Israel of "general disregard" for "its obligations under international law" and of furthering "its own interests or those of its own population to the detriment of the population of the occupied territories." Israel rejected (5/14) the report's conclusions on the grounds that Israel does not consider Jerusalem occupied. The full text of the document was not released.

The World Jewish Congress (WJC), the nonprofit group that led efforts to compel Swiss banks to pay billions of dollars in restitution to Holocaust survivors and their families, fired (2/15) its long-time secy. gen. Israel Singer after a 3-year investigation concluded that he at the least "violated his fiduciary responsibility" and possibly intended to steal nearly \$1.2 m. of Swiss bank restitution funds that were routed through suspicious transfers to a bank account in London held by an Israeli lawyer. Singer also used WJC funds to cover personal expenses. Soon after, Edgar Bronfman felt compelled to resign (5/7) as WJC pres., a position he had held since 1979, raising concerns about the future of the organization. WJC officers estimated that the group would need \$5 m. in donations over the next 2 yrs. to survive, which would be difficult given Singer's financial improprieties and the departure of billionaire Bronfman, who had personally covered 15% of the WJC's annual budget in recent years.

The newly reconstituted North American Council of the Jewish Agency for Israel (JAFI) met (3/19) in New York to discuss ways of doubling the \$140 m. in donations JAFI receives annually from individual donors in the U.S. to help cover its \$317 m. budget. The bulk of JAFI's budget is covered by the United Jewish Communities (UJC, which itself raises \$2 b./year from North American donors), which has drafted new fundraising plans that would increase the membership dues paid by UJC's 189 Jewish federations and 400 independent communities in the U.S. JAFI fears this could lead to a decline in UJC membership, and hence in UJC revenue and the portion allocated to JAFI. JAFI chmn. Ze'ev Beilski stated (3/19), however, that "the pie is so big," referring to the donor base in North America, he personally was confident JAFI could increase its revenue stream. He noted in particular how UJC was quickly able to raise \$360 m. in summer 2006 for its Israel Emergency Campaign to help Israeli families affected by the war on Lebanon. JAFI's purpose is to facilitate Jewish immigration to Israel and aid Jewish communities in Israel, while the UJC's mandate is to provide humanitarian support to Jewish communities worldwide and "to strengthen the relationship between North American Jews and the Israeli people."

Spurred by Israel's use of cluster bombs in Lebanon during the 2006 war, 46 nations meeting in Oslo signed (2/22) a nonbinding treaty banning the use of cluster munitions and expressed hope that they could conclude a binding treaty by 2008 that would "prohibit the use, production, transfer, and stockpiling of those cluster munitions that cause unacceptable harm to civilians." China, Israel, Russia, and the U.S. declined to attend the session. Of those participating, Japan, Poland, and Romania refused to sign.

DONORS

Because of the ongoing U.S.-led boycott of the PA, most donor activity this quarter involved the Temporary International Mechanism (TIM), established by the EU in 6/06 to route assistance to the Palestinians while bypassing the Hamas-led PA. (On 3/21, the EU approved an extension of the TIM mandate to the end of 6/07.) At the local level in the territories, the main donor working groups focused on humanitarian assistance, economics (e.g., 2/26), infrastructure, and governance and reform continued to meet regularly, with subgroups

meeting on election reform (3/20), judicial reform (4/18), private sector development and trade (2/22), health (3/14), agriculture (2/19), energy (2/20), and education (3/28). No details of these meetings were released.

The IMF reported (3/20) that aid to the Palestinians had increased in 2006 as donors attempted to prevent economic catastrophe stemming from the U.S.-led sanctions on the PA: The UN increased aid from \$1 b. (including \$350 m. in direct budgetary support) in 2005 to \$1.2 b. (including \$740 m. in direct budgetary support) in 2006; the U.S. increased aid from \$400 m. to \$468 m. (including aid directly to Abbas and made through the UNRWA); the EU subsidized a quarter of the population in the occupied territories at a cost of \$916 m. (\$711 m. through TIM, the rest through UN agencies); and Arab states gave an estimated \$400 m. (including \$140 m. in direct budgetary support).

The IMF report also stated that in 2006, in the West Bank and Gaza combined, the GDP dropped 6.6% (the World Bank put the figure at 8% on 3/6), poverty rose 30%, unemployment reached 30% (the World Bank put the figure at 25% overall and 35% in Gaza), and 49% of the population was dependent on food aid for subsistence. On 3/6, the World Bank put the figures for the decline in GDP at 8% and for unemployment at 25% overall and 36% in Gaza. The World Bank also warned (3/6) that the PA's existence could be in jeopardy if it continued to increase the public payroll (up by 9% in 2006) despite declining revenues, recommending that the PA impose a hiring freeze, reduce salaries, and encourage voluntary retirement to bring its wage bill down to \$80 m./month from \$93 m./month. A separate World Bank report warned (4/16) that PA industry was "bound to fail" if Israel did not lift restrictions on Palestinian movement of people and goods in the occupied territories.

Early in the quarter, the EU announced (2/25) plans to expand donations through the TIM for new projects, including upgrading Qarni crossing and helping the Palestinian judiciary and electoral commission

(both controlled by Abbas). The EU money for Qarni's expansion was meant to augment the money pledged by the U.S. for the project as part of Rice's new \$86.4 m. aid package, not to offset it after a congressional hold imposed on the \$86.4 m. last quarter (see Quarterly Update in *JPS* 143). On 4/11, newly appointed PA Finance M Fayyad met with EU officials in Brussels to request \$1.3 b. in EU aid for the remainder of 2007 to prevent an "acute financial crisis" in the territories. The EU had not responded by the end of the quarter. On 5/2, however, Fayyad announced that Saudi Arabia had informed the PA of the imminent transfer of the first \$250 m. of the \$1 b. the kingdom pledged at the Mecca talks in 2/07 (see Quarterly Update in *JPS* 143), after receiving U.S. assurances that it would not be penalized under U.S. law for sending the money, provided it went to PLO bank accounts.

Fayyad's first act on being sworn in for his 2d term as finance minister was to consolidate all domestic revenue under the Finance Min.'s sole operating account, where expenditures could be tracked and audited in keeping with international financial standards. Fayyad had complained (3/10) that the auditing and financial oversight mechanisms he put in place when he last served as finance minister before the 1/06 elections had been completely eroded because of the U.S.-led boycott, when Abbas diverted foreign aid away from the Hamas-led Finance Min. to accounts under his control. As a result, Abbas's use of the hundreds of millions of dollars in foreign aid received for general budget support could not be accounted for. In Fayyad's first meeting with Rice on 4/17 in Washington, he stressed the need for all foreign donations to stop running through TIM or to accounts held by Abbas and to be brought back to the ministry's sole operating account, to guarantee transparency. This did not happen before the end of the quarter, though the U.S. informed (5/14) the EU that it was willing to discuss the recommendation. There was no word on what this would mean for the future of the TIM.