

QUARTERLY UPDATE ON CONFLICT AND DIPLOMACY

16 FEBRUARY–15 MAY 2009

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

THE PALESTINIAN-ISRAELI CONFLICT

This quarter, the Israeli and Palestinian focus was on the transition to new Israeli and U.S. administrations. Israeli elections on 2/10/09 had placed Kadima and Likud within 1 seat of each other in the Knesset, leaving it up to Israeli pres. Shimon Peres to choose either Likud's Benjamin Netanyahu or Kadima's Tzipi Livni to form a new government, a matter still undecided as the quarter opened. U.S. Pres. Barack Obama, sworn in on 1/20/09, had promised a fundamental readjustment in how the U.S. engaged the Middle East, including an early, active role in the peace process.

On the ground, Gazans were grappling with the massive fallout from Israel's 23-day assault on Gaza, Operation Cast Lead (OCL), which had ended a month before (see Quarterly Update in *JPS* 151), and were entering their 21st month under the near-total Israeli blockade imposed after Hamas's takeover of the Strip in 6/07. Tough Israeli limits on imports, which allowed enough to prevent a humanitarian crisis but not enough to meet Gazans' basic needs, greatly complicated repairs and essential services provision; entry and exit of individuals was almost entirely banned. Moderate cross-border violence continued, raising concerns that serious violence could erupt anew. In the West Bank, governed by the Fatah-led Palestinian Authority (PA) under Pres. Mahmud Abbas, violence was low, though the Israel Defense Forces (IDF) continued near-nightly arrest raids and house searches, and strict restrictions on Palestinian movement (more than 600 roadblocks and checkpoints) that effectively divided the territory into 3 can-

tons and severely limited Palestinian access to Jerusalem and the Jordan Valley. As of 2/15, at least 7,475 Palestinians (including 49 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,086 Israelis (including 345 IDF soldiers and security personnel, 213 settlers, 528 civilians), and 64 foreign nationals (including 2 British suicide bombers) had been killed since the start of the al-Aqsa intifada on 9/28/00.

Israel-Hamas Cease-Fire Talks

As the quarter opened, Israeli-Palestinian relations were largely on hold while Israel's Peres began consultations to decide whether he would authorize Likud or Kadima to build a coalition. Egypt, meanwhile, continued efforts to mediate a long-term cease-fire between Hamas and the outgoing Israeli administration of Ehud Olmert; both had declared independent unilateral cease-fires ending OCL on 1/18, and Hamas had fired about 50 rockets and mortars in the month since then (a "daily dribble," which Israeli DM Ehud Barak had dismissed in a 2/16 interview with the Jewish Telegraphic Agency as "nothing more than a pathetic attempt by Hamas to show it's still around"). Israel's chief negotiator Amos Gilad returned (ca. 2/16) to Cairo for another round of talks with Egyptian intelligence chief Omar Sulayman on a cease-fire plus a prisoner exchange that would include the release of captured IDF soldier Gilad Shalit, held by Hamas since 6/06. Egypt and Hamas had long advocated keeping the 2 sets of talks separate, but Olmert was eager to win Shalit's release before he left office to end his premiership on a high note. Gilad came away from the Cairo meetings with separate Egyptian-brokered

offers from Hamas for a cease-fire and a prisoner exchange trading Shalit for hundreds of Hamas prisoners. When 4 names of Hamas prisoners previously opposed by Israel were still on the list, the Israeli cabinet rejected (2/18) both offers out of hand, stating for the first time that a cease-fire agreement and any opening of Gaza's borders would be contingent upon Shalit's release, dimming Hamas's hopes, expressed last quarter (see Quarterly Update in *JPS* 151), that a deal for the import of some cement and steel for reconstruction might be imminent. When Gilad warned publicly that Israel was jeopardizing its relationship with Egypt by pressing its demands, calling the government's stance "simply madness," Olmert reprimanded (2/18) and then fired (2/23) him when he refused to retract the statement. Gilad was reinstated (2/25) after he made a public apology.

A new round of talks resumed in Cairo ca. 3/15, led on Israel's side by Shin Bet chief Yuval Diskin and veteran prisoner release negotiator Ofer Dekel, but the men returned (3/16) after a day stating that Hamas had hardened its positions. In his 3/17 cabinet session to brief the government and the public on the Cairo talks, Olmert stated that Israel had agreed to release about 320 of 450 prisoners sought by Hamas and had offered proposals to deport others or substitute alternative names, but that Hamas had insisted on the release of prisoners Israel deemed too dangerous to be freed, including Abdallah Barghouti (a ranking Hamas military official and explosives expert, sentenced to 67 consecutive life sentences for building bombs used in suicide operations) and Hasan Salameh (serving 48 consecutive life sentences for his role in planning suicide attacks). Barring a last-minute change of heart by Hamas, Olmert conceded that no prisoner exchange deal to free Shalit would be reached before he left office.

In apparent efforts to pressure Hamas into changing its position in the prisoner release/cease-fire talks, Egypt—for only the second time since 6/06 (see Quarterly Update in *JPS* 151)—halted and searched (3/17) the Hamas delegation on its return to Gaza through the Rafah crossing, barring 2 members from crossing with night-vision goggles and \$900,000 in cash in Euros and dollars. Israel then launched (3/18) late-night incursions into Hebron, Nablus, Ramallah, and Zatarah near Bethlehem to raid and search the homes of 8 senior figures affiliated with Hamas, arresting them for their "ongoing ef-

forts to restore the administrative branch of the Hamas terror organization in [the West Bank]." At the same time, an Israeli Justice Min. committee opened (3/18) debate to limit privileges (e.g., visitation, phone calls, study groups) of Hamas prisoners in Israel. Hamas did not issue a new offer, and the Olmert administration ended without further Cairo talks.

Meanwhile, the U.S., NATO, and various European states, which last quarter had given Israel vague pledges to take serious steps to curb smuggling of weapons into Gaza in order to secure Israel's unilateral halt to OCL (see Quarterly Update in *JPS* 151), met in London on 3/13 to discuss details. At the close of the meeting, Britain, Canada, Denmark, France, Germany, Italy, Netherlands, Norway, and the U.S. agreed to a "program of action" that promoted greater cooperation and coordination on information and intelligence sharing to monitor smuggling networks, using diplomatic pressure against countries that aid Hamas, and carrying out military and law enforcement activities (including interdicting suspect ships at sea, but not requiring use of force to do so). Injecting a sense of urgency, Shin Bet chief Diskin claimed (3/29) that Palestinians had smuggled 22 tons of explosives, 45 tons of "raw materials" for producing bombs, 100s of mortars, 10s of rockets, and 10s of antitank and anti-aircraft rounds into Gaza since the 1/18 cease-fire, blaming lax Egyptian security along the Rafah border.

Clinton and Mitchell Tours

Meanwhile, the Obama administration was eager to demonstrate an active engagement in the peace process and to stake out its basic positions on the Middle East, even while it reserved full engagement until it could complete top-down reviews of existing U.S. policy on the Middle East and until a new Israeli government was in place. To this end, Obama dispatched newly appointed Secy. of State Hillary Clinton on her first tour of the region (2/28–3/4) and special envoy George Mitchell on his second tour (2/26–3/2). Both trips were billed more as listening tours aimed at demonstrating a desire for deep involvement in the region while refraining from pressing initiatives at this stage while Israeli coalition talks were under way. Nonetheless, the U.S. was clear about its baselines. Mitchell reportedly emphasized in meetings with Netanyahu (2/26) and Abbas (2/27) U.S. support for a 2-state

solution and a halt to settlement expansion in keeping with the road map, while Clinton reportedly privately pressed Israeli leaders (3/3) to ease restrictions on imports to Gaza to allow in more humanitarian and reconstruction aid.

Only Clinton spoke publicly during her tour. Her comments tended to be strongly critical of Hamas and Iran and supportive of Abbas's PA. She blamed (3/3) Hamas for making it "very difficult to solve this dilemma" of getting aid to Gazans by continuing "to rain rockets down on Israel," and denounced Iran (3/4) for "trying to undermine the [PA] by exhorting Muslims to resist Israel" and continuing efforts "to fund terrorism, whether it is Hizballah or Hamas or other proxies." Although Israel, in the week before her arrival, announced plans to demolish scores of Palestinian homes in East Jerusalem, displacing 1,500 Palestinians, and Israel's Peace Now released (3/2) a report warning of massive Israeli settlement expansion plans that could double the number of West Bank Jewish settlers (see "Settlements and Settlers" below), Clinton pointedly avoided questions regarding the U.S. position on settlement construction, refusing even to say the word "settlements," referring instead to "that issue." In her address (3/2) to a major international donor conference in Sharm al-Shaykh seeking reconstruction aid for Gaza (see "Donors" below), she did not mention Israeli restrictions on Palestinian movement, seen by donors as key to the success or failure of rebuilding efforts. Instead, she spoke generally of pursuing "a comprehensive peace between Israel and its Arab neighbors . . . on many fronts." The U.S., she said, intended to begin by playing "a coordinating and facilitating role" to revive talks but could take on a much larger role if talks progressed. Departing the region on 3/4, Clinton stated that Mitchell would return to the region as soon as a new Israeli government was sworn in.

Conditions on the Ground

Meanwhile, in Gaza, Israel's siege continued, slowing the recovery from OCL. The World Health Organization reported that as of 2/16 most Gazan health facilities were operating at full capacity, with full stocks of medicines, for the first time since OCL ended on 1/18. By 2/23, only 2 United Nations Relief and Works Agency (UNRWA) schools were still being used as shelters for Palestinians displaced by OCL (hous-

ing 178 Palestinians), though a number of tent camps also remained. According to UNRWA on 3/18, 65% of Gazans were living below the poverty line, with 37% living in extreme poverty. Unemployment stood at 40%. UNRWA also noted (2/24) that damage to schools had forced it to relocate 4,711 students, mostly in n. Gaza, resulting in classroom overcrowding and long commutes for students, while Israeli bans on the import of paper and books resulted in textbook shortages. With Israel's permission, Egypt allowed (2/22) some 600 Gazans with valid student visas to transit through Rafah crossing to resume their studies abroad. Overall, however, only a handful of medical cases, staff members of international organizations, and VIPs were allowed to enter or exit Gaza through the Erez and Rafah crossings.

Israel allowed in 100-120 truckloads of humanitarian aid and limited consumer goods per day, 6 days a week, through Kerem Shalom crossing (up from 5-11 truckloads/day in 11/08, but still far from the 500/day that the UN said was needed to meet Gazans' basic needs); limited fodder and seed through the Qarni crossing; and enough fuel through Nahal Oz crossing to run Gaza's electricity plant and hospitals near capacity. (Some cooking fuel and gasoline for rescue vehicles were permitted, but no gasoline for the general public.) Staples such as eggs, red meat, poultry, fruit, and flour were in short supply. Gaza farm, fishery, and poultry owners reported severe shortages of feed, seed, fertilizer, repair materials for irrigation networks (e.g., pipes), pesticides, seedlings, live animals, vaccines, and gas (for hatchery incubators) needed to keep their operations going. Most importantly, most reconstruction of damaged homes, commercial buildings, government institutions, and infrastructure could not take place because of Israeli bans on imports of necessary building materials. Ca. 3/24, Israel allowed the first shipment of cement into Gaza since 11/08 (50 tons for the Coastal Municipal Water Authority to repair damaged waterworks) and the first shipments of soap and shampoo since 10/08. On 3/22, Israel announced that it would lift restrictions on the import of foodstuffs to Gaza "provided that the source of the shipments is approved by the Israeli authority" (not further clarified), but this had no immediate impact.

Municipal authorities in Gaza were able to increase access to water and electricity slightly. As the quarter opened, around 10%

of Gazans (mostly in Bayt Lahiya, Gaza City, and Jabaliya) remained without power and the other 90% experienced rolling blackouts for around 4-8 hours/day because of fuel shortages. By 3/31, the rolling blackouts for the most part had been reduced to 4-5 hours/day (on 3/16-18 they were up to 8-12 hours/day when the electricity plant shut down 1 turbine until Israel allowed in spare parts for repair). Overall, the plant was operating at 69% capacity due to restrictions on fuel and spare parts. Similarly, between 2/16 and 3/31, the number of Gazans without access to any running water was reduced from 50,000 to 35,000, while another 100,000 Gazans (mostly in Bayt Hanun, Gaza City, Jabaliya r.c., and Rafah) went from receiving running water only once every 7-10 days to once every 2-3 days.

Incidents of low-level cross-border violence in Gaza were frequent in both directions. According to the UN and press reports, between 2/15 and 3/31, Palestinians fired more than 60 rockets and mortars and 2 rocket-propelled grenades (RPGs) into Israel (causing damage in 2 instances, but no injuries). (The IDF claimed that between the 1/18 cease-fire and 3/10, Palestinians fired 160 rockets and mortars, including 9 long-range rockets; these figures could not be corroborated.) Most of the rocket fire targeted the Sederot area and the IDF's Kissufim base on the Gaza border. Palestinians also detonated 2 roadside bombs inside the Gaza border as IDF patrols on the Israeli side passed (causing no injuries). In response to these attacks, Israel carried out around 45 air strikes targeting tunnels along the Rafah border (injuring 4 Palestinians), an abandoned Hamas-affiliated police post (no injuries), and a building in al-Tuffah in Gaza City (destroying it but causing no injuries); and made 2 incursions into Gaza to engage rocket-firing teams (2/18 and 2/20, killing 2 armed Palestinians and wounding 2 others). Additional air strikes (3/4, 3/6) assassinated 2 Islamic Jihad senior military commanders, prompting a cross-border exchange of fire involving Islamic Jihad RPG fire (causing no injuries) and more IDF air strikes (killing another 3 Islamic Jihad gunmen and wounding 1).

IDF troops inside Israel routinely fired on Palestinians who strayed near the border fence, injuring 3 civilians. IDF gunfire (3/31) on armed Palestinians laying a roadside bomb near the Gaza border fence sparked a cross-border exchange of gunfire and an IDF air strike that left 2 armed Pales-

tinians dead and 3 armed Palestinians and 1 IDF soldier wounded; the IDF briefly entered Gaza to clear the area. In addition to this incursion and the 2 mentioned above to chase rocket-launching teams, the IDF made 3 other ground incursions into s. Gaza: entering and firing on residential areas of al-Shuka near Rafah (3/13), wounding a child; bulldozing land along the border near Abasan (3/22); and arresting a Palestinian in Abasan (3/25).

On 2/19, the IDF further restricted Palestinian fishing to 3 nautical miles off shore, keeping the new cordon in place through the end of the quarter. (Under the 1994 Gaza-Jericho Accord, Israel had agreed to allow Palestinian fishing up to 20 naut. mi. from shore, but since the al-Aqsa intifada began in 2000, Israel had reduced this to 6 naut. mi. Just prior to the outbreak of the intifada, however, British Gas Group discovered a major natural gas deposit 10-15 naut. mi. off shore; many suspect that Israel has imposed stricter fishing limits to control the natural gas field.) Israeli naval vessels occasionally fired on Palestinian fishermen to force them back to shore, wounding 3 Palestinians, including a woman and toddler on shore (3/7); and intercepted and detained the crew of one boat (3/24). The Israeli navy also fired (3/10) at a Hamas-affiliated police vehicle traveling along the Bayt Lahiya coast, causing no injuries.

Most casualties in Gaza were related to smuggling along the Rafah border: 19 Palestinians were killed and 20 injured in tunnel incidents (collapses, electrocutions, and falls). In addition, 1 Gazan was killed when he accidentally triggered unexploded IDF ordnance (UXO) from OCL, and 3 Palestinians died of injuries sustained during OCL.

In a major incident, UN and Hamas officials in Gaza reported (2/18) that they were investigating the theft of a cache of UXO from OCL that had been collected by Hamas police and turned over to the UN for safe disposal. The UXO had been stolen after Hamas police guarding the storage site had fled fearing an attack by IDF drones operating nearby. The cache was not recovered before the end of the quarter.

In the West Bank, IDF-Palestinian violence and Jewish settler violence against Palestinians between 2/16 and 3/31 were moderate to low. The IDF maintained heavy restrictions on Palestinian movement; continued near-nightly late-night arrest raids and house searches; bulldozed land for expansion of the separation wall, settlement

infrastructure, and IDF checkpoints; demolished 4 Palestinian homes and 1 floor of an apartment building in East Jerusalem; and routinely fired on weekly nonviolent demonstrations against the separation wall (see Chronology for details).

Of note: During the protests in Ni'lin on 3/13, IDF troops hit American protester Tristan Anderson in the head with a tear gas canister, critically injuring him (at the quarter's end, he was still hospitalized with serious brain damage). Only 1 Palestinian was killed (2/16) when he accidentally triggered IDF UXO near an IDF training base near Tubas. The only Israeli deaths during this period occurred on 3/15, when unidentified gunmen fatally shot 2 Israeli border policemen driving near Massu'a settlement in the Jordan Valley n. of Jericho, marking the first Israeli deaths in the West Bank since 4/25/08. Israel blamed Palestinians; responsibility was later (3/16) claimed by individuals identifying themselves as part of the Imad Mughniyah Group (a Palestinian group named after the Hizballah military commander assassinated in Damascus by unknown assailants in 2/08).

In Jerusalem on 3/5, a Palestinian construction worker from Bayt Hanina, a West Bank suburb of Jerusalem, commandeered a construction vehicle and pushed a police car into an empty bus, injuring 2 police officers before being shot dead. Israel considered the act a terrorist attack, though it believed the man acted alone. No group claimed responsibility.

Inside Israel on 3/21, a 200-lb. car bomb malfunctioned and failed to detonate outside a shopping mall in Haifa, preventing what would have been the first car bombing inside Israel since 2002. A little-known Israeli Palestinian group named Free Men of the Galilee claimed responsibility, but Israel expressed doubts; by the close of the quarter no suspects had been identified. Overall, during the last 6 weeks (2/16–3/31) that Olmert's lame-duck administration was still in place, 28 Palestinians (27 from Gaza and 1 from the West Bank) and 2 Israelis (both in the West Bank) were killed, bringing the comprehensive death toll to 7,504 Palestinians and 1,088 Israelis.

A New Israeli Government

Meanwhile, after nearly 2 weeks of consultations with Netanyahu and Livni, Israeli pres. Peres tapped (2/20) Netanyahu to form a government, judging him more able to form a sustainable coalition. Netanyahu,

who had run on a platform rejecting final status talks with the Palestinians while promoting an "economic peace" that would allow continued settlement expansion, could have quickly formed a right-wing coalition controlling 65 of the Knesset's 120 seats (Likud itself held 27 seats) but opted to try to negotiate a deal with Kadima (28 seats) or Labor (13 seats) to form a broad-based centrist government. After a week of talks with Kadima, the parties were unable to resolve major policy differences, including on the peace process. Netanyahu then shifted (2/27) efforts toward reaching deals with the mainstream Labor party and smaller right-wing parties.

The first deal Netanyahu reached (3/16) was with the extreme right-wing Yisrael Beitanu party, which had a surprisingly strong showing in the elections (see Quarterly Update in *JPS* 151). (Party head Avigdor Lieberman, a West Bank settler, was widely seen as racist against Arabs for his long-standing positions advocating requiring Israeli Palestinians to pledge a loyalty oath to the State of Israel or face expulsion, and supporting the creation of a Palestinian state only as part of a land swap that would greatly reduce the number of Arabs in Israel.) Under the deal, Lieberman would become FM, and Yisrael Beitanu would receive key portfolios including tourism, national infrastructure, immigrant absorption, and national security. Lieberman would also head Israel's delegation to the semiannual meetings of the American-Israel strategic dialogue comm., where key decisions are made regarding both countries' policies on key strategic issues, such as Iran. Netanyahu also indicated (3/16) that he would pick former Mossad director Uzi Arad as his national security adviser, even though the U.S. had barred Arad from entering the country since 6/07, considering him an intelligence risk. (Arad had been identified in the 2005 indictment of former Pentagon analyst Larry Franklin as the Israeli official to whom Franklin leaked classified information regarding Iran; see Quarterly Update in *JPS* 139.)

As the proposed makeup of the Netanyahu government emerged, the EU warned (3/16) that it would reconsider its relationship with Israel if it did not remain committed to the creation of a Palestinian state. While Netanyahu continued to refuse to endorse a 2-state solution, he began to nuance his positions on dealing with the Palestinians. Netanyahu political adviser Ron

Dermer stated (3/19) that Netanyahu was not opposed to peace negotiations in principle but thought talks should be focused on Palestinian economic development as a way of building civilian institutions and relations with Israel. Former Israeli negotiator Yossi Beilin argued (3/19) that Netanyahu would seek to sway Obama to his views by stressing that “economic peace” would mean easing restrictions on Palestinian movement inside the West Bank, improving import and export of goods, allowing more Palestinian workers into Israel—all things that Obama would support, even if only as preliminary steps and not as the endgame Netanyahu envisioned. In anticipation of tensions between a Netanyahu government and the Obama administration and possible image problems, the outgoing Olmert government granted (mid-3/09) the FMin. an extra \$2 m. to “rebrand” Israel and improve its image through cultural events and “information diplomacy” to show “Israel’s prettier face.”

With the Yisrael Beitanu deal in hand, Likud secured agreement with the religious Shas party (11 seats) on 3/22. Then, on 3/24, a sharply divided Labor party voted (680–507) to join the coalition, giving Netanyahu control of enough Knesset seats (66 of 120 seats) to present his government for endorsement. Labor party leader and acting DM Barak had pressed hard for Labor to join the government, arguing that a broad government was in the national interest and that Labor could be more effective within the government than in the opposition. Under the deal, Barak would stay on as DM and Labor would have 4 other portfolios. Although Labor called for the continuation of the peace process, the signed coalition deal stated that the new government would seek comprehensive peace with all its neighbors (without mention of 2 states) while preserving Israel’s vital interests, and pledged to uphold all previously signed peace agreements. Asked to comment, Obama reaffirmed (3/24) U.S. support for a 2-state solution. The next day (3/25), Netanyahu personally vowed to continue negotiations with the Palestinians “for peace, for security, and for rapid economic development of the Palestinian economy,” but again did not endorse a 2-state solution.

On 3/31, the Knesset approved (69–45, with 5 Labor MKs who had opposed joining the coalition abstaining, 1 Israeli Palestinian MK absent) Netanyahu’s government, which billed itself as representing Israelis unhappy

with the peace process, worn down by Palestinian rocket fire from Gaza, and worried about Iran’s regional influence. With 30 ministers and 7 dep. ministers, the government was the largest in Israeli history; Ehud Barak (Labor), Avigdor Lieberman (Yisrael Beitanu), Eli Yishai (Shas), Dan Meridor (Likud) were dep. PMs; the tiny religious Zionist party, Habayit Hayehudi (Jewish Home; 3 seats), which joined the coalition almost as an afterthought on 3/25, was the only coalition partner not given a dep. PM slot. Arad was appointed national security adviser.

Emerging U.S. and Israeli Policies

Once sworn in, Netanyahu ordered a top-down review of Israel’s policies in the aim of presenting his government’s official platform on 5/18/09. Meanwhile, to avoid a widely anticipated clash with the U.S. over settlements and the peace process, he tried to shift the U.S. focus to Iran and Israel’s security agenda (only two of the “many” important issues to the two allies). Addressing the Knesset at his swearing-in on 3/31, Netanyahu vowed to confront “extreme Islam” (“the biggest threat to humanity” being “a radical regime armed with nuclear weapons”) and to fend off international pressure to make territorial concessions to the Palestinians. In this regard, he emphasized that although peace talks with the Palestinians would not involve statehood or independence, they would have “all the rights to govern themselves except those that endanger the security and existence of the State of Israel” under the final settlement. In an interview with the *Atlantic* released on 3/31, he warned that if the Obama administration did not stop Iran’s nuclear program, Israel might be forced to attack.

The day after the swearing-in, newly installed FM Lieberman gave (4/1) his first official statement as FM to FMin. employees (see Doc. C2 in this issue), announcing that the new government would suspend final-status talks with the Palestinians and that the only agreement binding Israel was the road map. While Quartet envoy Tony Blair quickly warned (4/1) that the peace process was in “very great jeopardy,” the initial White House response (by the National Security Council spokesman on 4/1) was that the U.S. looked forward to “frank discussions . . . based on an underlying shared commitment to Israel and its security.” On 4/4, Obama used his speech in Turkey on U.S.-Muslim relations (see “United States”

below) to rebut Lieberman indirectly, forcefully emphasizing U.S. support for the 2-state solution, "a goal that the parties agreed to in the road map and at Annapolis."

Mitchell returned to the region on 4/16-17 to meet with the new Israeli government and the PA, stressing that the U.S. would "vigorously pursue" a 2-state solution and continue to support the 2003 road map as the basis for peace talks. Abbas said the PA would expect Israel to take serious steps toward implementing the road map, including freezing settlement construction. Netanyahu stated that he did not favor Palestinian statehood (fearing Hamas takeover) and emphasized that Israel must see serious progress on Palestinian security and economic and civil society development before it could make any unilateral concessions. He also stated that Israel would insist on prior Palestinian recognition of its right to exist as a Jewish state before any political dialogue.

Following Mitchell's visit, the State Dept. announced (4/21) that Obama had invited Abbas, Netanyahu, and Egyptian pres. Hosni Mubarak to visit the White House separately in mid-to-late 5/09 to discuss "ways the United States can strengthen and deepen our partnerships with them, as well as steps all parties must take to help achieve peace between Israelis and Palestinians, and between Israel and the Arab states." The PA said Abbas would visit on 5/28. Israel said Netanyahu would visit as soon as possible after his government's policy platform was released on 5/18. In an immediate effort to manage expectations, Israeli Dep. FM Danny Ayalon warned (4/21) that the Netanyahu administration would not move forward on "core issues" with the Palestinians until it saw progress on U.S. efforts to halt Iran's nuclear program and curb its regional influence. The linkage marked a major strategic shift for Israel, which since the 1991 Madrid peace process had tried to delink the Palestinian issue from other regional issues so as to pressure the PLO to compromise. Separately, Netanyahu's office released (ca. 4/22) a statement saying that until the PA recognized Israel's right to exist as a Jewish state, "it will not be possible to advance the diplomatic process and reach a peace settlement." On 4/23, Netanyahu himself told Czech PM Mirek Topolánek (the rotating EU head) that he had no intention of halting settlement construction. With regard to international preoccupation with settlements and occupation instead of "security, stabil-

ity, and prosperity," FM Lieberman praised (4/28) the 1974 partition of Cyprus for successfully creating all 3 conditions while also separating the ethnic populations without a formal peace agreement.

Meanwhile, the U.S. was extremely uncomfortable with Israel's presentation of resolution of concerns about Iran as a precondition to resumption of the peace process. Asked about the emerging Israeli positions in her appearance before the House Appropriations Comm. on 4/23, Secy. of State Clinton said that while she did not want to "prejudge the Israeli position until we've had a chance to meet face to face," progress toward a 2-state solution must go "hand-in-hand" with efforts to curb Iran, arguing that progress on a sustainable, permanent Israeli-Palestinian peace would give Arab states added strength to stand up to Iran. She also reaffirmed the former Bush administration's position that the U.S. would not "deal with nor in any way fund a Palestinian government that includes Hamas unless and until Hamas has renounced violence, recognized Israel, and agrees to follow the previous obligations of the Palestinian Authority," fulfilling the Quartet's 1/06 demands.

In preparation for the Netanyahu and Abbas meetings in 5/09, Obama invited King Abdallah of Jordan to the White House on 4/21 (his first meeting as president with an Arab head of state) to seek his help in quietly relaying to his fellow Arabs Washington's plans for jumpstarting the peace process. Before coming to Washington, Abdallah had spent days holding extensive consultations with the FMs of Egypt, Lebanon, the PA, Qatar, and Saudi Arabia so as to be able to convey a united Arab position to Obama. After the visit, Abdallah returned to the region and, over the next 2 weeks, presented Obama's developing plan to Arab leaders individually before formally presenting it for Arab League endorsement on 5/7.

The PA for its part had said relatively little about the new Israeli government's already anticipated hard line; Abbas's first direct contact with Netanyahu since the Israeli elections was his telephoned Passover greetings on 4/12. After the invitations to Washington, when Israel began to lay down red lines for resuming talks, Abbas warned (4/27) that Palestinians would feel no pressure to make peace as long as settlement construction continued, and stressed that while the PLO had already recognized Israel, Palestinians were not obligated to

recognize Israel as a Jewish state, calling Israel's character an internal Israeli matter.

Also during this early phase, Egyptian intelligence chief Sulayman traveled to Tel Aviv on 4/22 to meet personally with Netanyahu, Lieberman, Mossad dir. Meir Dagan, and Shin Bet dir. Uzi Arad together, and with Netanyahu privately, to brief them on the status of the Israeli-Hamas cease-fire and prisoner release talks, and to urge the new government to quickly resume negotiations from where Olmert had left off on 3/16. No talks were held before the end of the quarter.

In an interview with the *New York Times* (NYT; excerpts of which were published 5/5), Hamas leader Khalid Mishal, recently elected to his fourth 4-year term as the organization's head, indirectly addressed both incoming administrations. Among other messages, he emphasized Hamas's readiness to "be part of the solution" and suggested that the armed resistance option was being evaluated by the movement's leaders (see Doc. B2 in this issue).

Continuing Violence

Between 4/1 and 4/30, Israeli-Palestinian violence dropped to its lowest level since 10/08 (when the 6-month Israel-Hamas cease-fire came fully into effect), in part because the IDF scaled back operations and imposed general closures on the West Bank for observance of religious and national holidays from 4/7 through 4/18 and from 4/26 through 4/29. In total, 8 Palestinians (3 in Gaza, 4 in the West Bank, 1 in East Jerusalem) and 1 Jewish settler (in the West Bank) were killed, bringing the comprehensive toll to 7,512 Palestinians and 1,089 Israelis.

In Gaza, the level of imports allowed by Israel declined slightly to around 90-100 truckloads/day, 6 days a week. Limited fuel for Gaza's power plant and emergency services continued, as did the import of restricted amounts of fodder and seed. Tight restrictions on the entry and exit of individuals were maintained. Gazans' access to electricity showed no improvement, while the number of Gazans without access to running water dropped slightly from 35,000 to 32,000, and another 100,000 Gazans received it once every 2-3 days. By 4/21, hospitals reported new shortages in pharmaceutical drugs, with 65 essential drugs at zero levels across the Strip and 90 central medical disposal items out of stock. On a positive note, by 4/30, only 6 tent encampments housing Gazans displaced by OCL

remained operating, with all other displaced persons having either returned home or found alternative shelter. Also as of 4/30, Israel had allowed 15 truckloads of flowers (629,000 flowers) to leave Gaza, the only commercial exports permitted out of the Strip this quarter. (In a normal season, Gaza produces 40 m.-50 m. flowers for export, constituting a major cash crop for Gazans; this season, mid-2/09 to late 4/09, only 6 m. were even planted.)

As for cross-border violence, Palestinians fired 6 rockets and mortars into Israel and at the IDF's Kissufim base on the Gaza border, causing no damage or injuries. Armed Palestinians engaged in 1 cross-border exchange of fire with the IDF (no injuries) and detonated 1 roadside bomb near the border fence (no injuries). Israel carried out 2 air strikes, 1 on an allegedly booby-trapped vacant home and 1 on a smuggling tunnel on the Rafah border (no injuries in either case). The IDF shelled (4/4) a group of armed Palestinians laying a roadside bomb near the Gaza border, killing 2. The third Gaza fatality was a 4-month-old infant who died (4/16) of injuries sustained during OCL. The IDF fired into Gaza at Palestinians near the border fence or crossings on 4 occasions (no injuries, but damage to 4 homes in 1 case). The Israeli navy fired on fishing boats, on one occasion forcing them back to shore, seized 3 fishing boats, and fired (4/13) on an empty craft floating off shore, causing it to explode.

In the West Bank, the IDF continued late-night arrest raids and house searches, house demolitions, and land leveling for the separation wall and upgrading settlement infrastructure (see Chronology for details). Between 4/24 and 4/28, the IDF also made now-rare daytime raids into 6 villages near Jenin and Ramallah, wounding 1 Palestinian woman but making no arrests. The 4 Palestinian fatalities in the West Bank during this period included: a 16-year-old bedouin girl shot (4/4) by IDF border police after she allegedly fired a pistol toward their post (causing no injuries); a man hit (4/17) in the chest by a high-velocity IDF tear gas canister during a nonviolent protest against the separation wall in Bil'in; a teenager allegedly preparing to throw (4/17) a Molotov cocktail at IDF troops; and a teenager shot (4/17) by Beit Haggai settlement guards in disputed circumstances.

In a major incident on 4/2, an unidentified assailant with an ax killed a 13-year-old Jewish settler and wounded a 7-year-old inside Bet Ayn settlement in the Gush Etzion

bloc near Bethlehem. Though several Palestinian groups (including the al-Aqsa Martyrs Brigades, the Imad Mughniyah Group, and Islamic Jihad) claimed responsibility, the IDF believed the attacker was a Palestinian worker in the settlement who acted alone and set up (4/2) a manhunt in the neighboring Palestinian village of Khirbat Safa, imposing a 3-day curfew, patrolling streets, and searching homes. Troops withdrew on 4/4 without making an arrest but maintained a closure on the village until 4/6. On 4/12, the IDF reentered Khirbat Safa, arresting 22-year-old resident Musa al-Teet. In another major incident on 4/18, a Palestinian deliberately drove his car into 2 Israeli border police officers at a checkpoint into Jerusalem, causing no serious injuries. He was arrested and detained.

Jewish settler violence across the West Bank increased significantly after the Bet Ayn attack, including attempts to seize Palestinian property to expand settlements and create new outposts (see "Settlers and Settlements" below). Settlers from Bet Ayn and other Gush Etzion settlements rampaged (4/8) through Khirbat Safa, firing on homes and wounding 6 Palestinians. When Palestinians fought back with stones, IDF troops reoccupied the town, imposed a curfew, and fired live ammunition, tear gas, and percussion grenades at stone-throwing Palestinians, sparking a 90-minute riot that left another 35 Palestinians injured (including 6 wounded by IDF gunfire and 3 by settler gunfire).

In East Jerusalem on 4/7, Israeli police fatally shot an East Jerusalem Palestinian when he allegedly attempted to run over 3 officers guarding workers demolishing a Palestinian home. The account was disputed by Palestinian witnesses who affirmed that the man was merely speeding past the officers. The shooting sparked stone-throwing at Israeli police by some 50 Palestinians; police dispersed the crowd with tear gas, causing no injuries.

The Arab League Receives Obama's Plan

Prior to the 5/7 Arab League session, numerous inter-Arab consultations were held to draft a united Arab response to Obama's ideas relayed by King Abdallah. Meanwhile Quartet special envoy Tony Blair stated (5/6) that the Obama administration was working with its Quartet partners (EU, Russia, and the UN) to draft a new strategy for peace talks that would be developed "in

consultation with the parties to the conflict but not necessarily with their agreement" (*Ha'Aretz* 5/7).

On the eve of the summit, Abdallah publicly revealed (5/6) that the U.S. had proposed "a packaged effort" involving Arab states, Europeans, and the U.S. working as a team to bring Israelis and Palestinians to the table (along with Lebanese, Syrians, etc.). (On 5/7, Blair confirmed the intention to launch simultaneous negotiations on the Palestinian-Israeli and Syrian-Israeli tracks aimed at reaching a comprehensive Arab-Israeli deal.) To this end, Obama had asked the king to relay a request to the 22-member Arab League to amend its 2002 peace initiative "to make it more palatable to Israel," specifically by dropping demands for the Palestinian refugees' right of return, agreeing to settle refugees in a future Palestinian state or in host countries, and setting a timetable for normalization with Israel. The U.S. reportedly hoped that these concessions would encourage Israel to reach a peace agreement with the Palestinians quickly, thereby weakening Iran's regional standing and creating a positive trickle-down effect across the region and especially in Iraq and Afghanistan. During the 2 weeks of inter-Arab consultations, Egypt and Saudi Arabia raised concerns that the ultimate U.S. endgame was to forge a "grand bargain" to secure regional peace via Arab concessions (on refugees and normalization) and Israeli acceptance of a Palestinian state in exchange for Iran halting its nuclear program, but the U.S. denied (5/5) this. (For additional information, see Associated Press, *al-Quds al-Arabi*, and United Press International 5/6; *NYT* 5/12.)

At the 5/7 session, the Arab states supported the quick resumption of peace talks on all tracks but unanimously rejected amending the 2002 Arab League initiative as well as U.S. efforts to link the questions of Iran and the Arab-Israeli conflict. Arab League Secy.-Gen. 'Amr Musa explained, "We have received nothing from the other side [i.e., Israel] . . . no initiative, no response, and no proper talk about peace, so why should we change or amend [our position]?" Mubarak and Abbas planned to relay the Arab position to Obama personally during their Washington visits on 5/26 and 5/28, respectively, and to propose instead Arab goodwill gestures in exchange for reciprocal Israeli steps.

After the session, Netanyahu met with Mubarak in Sharm al-Shaykh (5/11) and King

Abdallah in Amman (5/14) to promote a regional coalition against Iran and his ideas for “economic peace” with the Palestinians. Both Arab leaders pressed Netanyahu to make a statement supporting a 2-state solution and accepting the 2002 Arab League initiative, including finding a solution for Palestinian refugees. At home, Netanyahu set up (ca. 5/9) a senior-level cabinet committee, chaired by himself, to oversee Israeli initiatives to improve the Palestinian economy in keeping with his idea of an economic, rather than a comprehensive, peace.

Violence Escalates

As the quarter came to a close (5/1-15), cross-border violence in Gaza increased while in the West Bank IDF-Palestinian violence remained low and Jewish settler violence declined slightly (see Chronology for details). In total, another 4 Palestinians (3 in Gaza and 1 in the West Bank, all by IDF fire) and 1 IDF soldier (friendly fire) were killed. The 3 Gazans killed (and at least 12 others wounded) were hit by IDF air strikes on smuggling tunnels along the Rafah border. Palestinian rocket and mortar fire into Israel was described as “sporadic” by the UN, causing no injuries but damaging 1 house in s. Israel. On at least 11 occasions, IDF troops inside Israel fired on Gazans (mostly farmers and shepherds) who strayed near the border fence, wounding at least 4 (all civilians). Another 3 Gazans (including 1 child) were injured when they accidentally triggered IDF UXO. The Israeli navy fired on Palestinian fishing boats on 3 occasions, forcing them back to shore (confiscating 1 boat and detaining 4 fishermen in 1 case). The IDF also made 2 incursions into Gaza: once to bulldoze land along the border fence (5/12); and once, entering under cover of artillery fire and firing on residential areas, possibly in pursuit of a rocket-launching team, causing damage but no injuries (5/2). On 5/4, the IDF fired incendiary shells at a border area of c. Gaza to burn 200 dunams (d.; 4 d. = 1 acre) of crops obstructing their lines of sight.

Israel’s siege of Gaza continued, with the rate of imports allowed into Gaza steady at 90-100 containers/day, 6 days a week. However, between 5/3 and 5/9, Israel approved the import of the largest shipment of industrial water and sanitation supplies (pipes, hoses, spare parts, generators) since 6/07, so Gaza municipal officials could carry out infrastructure repairs, but statistics for

Gazans’ access to water and electricity did not improve before the close of the quarter. As of 5/15, Israel was still barring entry of construction material, so that despite international community pledges of more than \$4 b. for Gaza reconstruction (see “Donors” below), no work had begun. Israel refused UNRWA’s request (5/09) to import “industrial-level quantities” of construction materials, including 148,100 tons of cement and 23,000 tons of steel, and its offer to oversee rebuilding projects itself, and the U.S. declined to support UNRWA on the issue. From 4/09 to 5/15, the number of essential drugs at zero supply level in Gaza increased from 65 to 82 and that for disposable items from 90 to 95.

On 5/15, UNRWA spokesman Christopher Gunness announced that conditions had stabilized enough so that Gaza was no longer in a humanitarian crisis, but in “a political crisis with grave humanitarian consequences.” Tent camps were emptying but some remained, including 100 tents in Bayt Lahiya. Israel allowed the PA to continue direct bank transfers of salaries to former PA employees, keeping PA schools and hospitals operating, and allowing some cash into the economy. As a result, the number of Gazans reliant on UN food aid dropped from 900,000 at the time of OCL to 750,000 by 5/15. Nonetheless, unemployment was still around 40%, and more than 75% of Gazans relied on outside aid of some sort to meet their basic needs.

In the West Bank, between 5/1 and 5/7, the IDF continued frequent late-night arrest raids and house searches, but only seriously engaged Palestinians to break up nonviolent demonstrations against the separation wall and settlement construction (see Chronology for details). Two fatalities took place in the West Bank during this period: On 5/6, IDF soldiers fatally shot a Palestinian who allegedly tried to take the gun of a soldier posted outside the Ibrahimi Mosque/Tomb of the Patriarchs in Hebron; and on 5/7, an IDF officer was killed in a friendly fire incident near Ramallah. From 5/8 to 5/15, the IDF scaled back operations and deployed additional troops to cordon off Palestinian areas in a successful effort to keep Israeli-Palestinian violence low during Pope Benedict XVI’s visit (see “Vatican” below).

Intifada Data and Trends

During the quarter, at least 41 Palestinians and 4 Israelis were killed in

Israeli-Palestinian violence (compared with 32 Palestinians and 1 Israeli in the quarter prior to OCL), bringing the toll at 5/15 to at least 7,516 Palestinians (including 50 Israeli Arabs and 19 unidentified Arab cross-border infiltrators), 1,090 Israelis (including 348 IDF soldiers and security personnel, 214 settlers, 528 civilians), and 64 foreign nationals (including 2 British suicide bombers).

The World Bank issued (4/1) a report on Israeli and Palestinian water use, determining that Israelis had access to 4 times as much water as Palestinians, and that the water available to Palestinians was "mis-managed." The report also stated that Israel currently used 50% more water from the 3 aquifers it shares with the Palestinian territories than was allocated under the Oslo II accords, recommending that a new formal agreement on water distribution be concluded. Israel did not challenge World Bank estimates of Israeli water use but countered that Israel was giving Palestinians as much water as required under the Oslo interim agreements, if not more.

Of note: Gaza's al-Mezan Center for Human Rights revealed (4/27) that in 1/09 Israel quietly halted disability payments owed to Gazans who had paid for insurance through Israel's National Insurance Institute while working in Israel and had been injured on their jobs. Israel stopped the automatic bank transfers as part of its suspension of nearly all banking contacts with Gaza.

Assassinations and Suicide Attacks

This quarter, the IDF assassinated only 2 Palestinians, both Islamic Jihad members in Gaza: Khalid Shalan (3/4) and Mahmud Fattuh (3/7). Five Palestinians, including 2 civilians and 3 Islamic Jihad members, were wounded in these attacks. There were no Palestinian suicide attacks this quarter. As mentioned above (see "Conditions on the Ground"), a car bombing was averted in Haifa on 3/21; the identity of the perpetrators could not be confirmed.

House Demolition, Land-Leveling, and Judaization of Jerusalem

This quarter, Israel completely demolished 8 Palestinian homes and 1 floor of an apartment building and partially demolished 1 home, all in East Jerusalem, displacing more than 60 Palestinians. (In the quarter before OCL, 7 homes were demolished in East Jerusalem and the West Bank.) As of 3/18, the UN Office for the Coordination

of Humanitarian Affairs (OCHA) reported that since 1/1/09, the IDF had demolished 16 structures in East Jerusalem, displacing more than 100 Palestinians. The IDF also demolished (4/22) all structures in the bedouin community of al-Fahm southeast of Nablus, confiscating contents of homes and displacing 50 Palestinians.

Of note: The East Jerusalem home partially demolished on 4/7 belonged to the family of a Palestinian who killed 3 Israelis with a bulldozer in West Jerusalem in 7/08 (see Quarterly Update in *JPS* 150). In 2005, responding to strong international criticism, Israel had suspended the practice of demolishing the family homes of Palestinian attackers. Citing a spate of deliberate hit-and-run attacks by Palestinians targeting Israelis in Jerusalem over the previous 18 months, Israel declared it was resuming sealing entire family homes or destroying that portion of the home used by the assailant.

Newly installed Interior M. Eli Yishai announced (ca. 5/3) that the Netanyahu government would pursue "with full strength" an existing \$100 m., multiyear development program in East Jerusalem intended to link and develop Jewish religious and Israeli national heritage sites with new parks and "green areas." The development plan, which entailed the destruction of many Palestinian homes, was approved by former PM Ariel Sharon in 2005 "to strengthen the status of Jerusalem as the capital of Israel," but work began only in 2008. By 5/09, the government had contracted part of the project out to a Jewish settler company, Ir David, which had been involved in controversial (possibly illegal) purchases of Palestinian land in East Jerusalem for Jewish settlement expansion. By 5/13, Americans for Peace Now sent Obama a letter asking him to press Israel to stop the plan, which "threatens to exacerbate violence and undermine Palestinian advocates of a two-state solution." The administration did not comment.

On 5/5, Jerusalem mayor Nir Barkat presented the Israeli Interior Min. planning comm. with a proposed 20-year master plan for Jerusalem, the first master plan in 50 years. The plan, which had been 10 years in the drafting, envisioned a unified "green" city (including 5 new parks), major tourism and employment projects (including 4 new industrial zones and various hi-tech business and tourism centers, anticipated to create 150,000 jobs), preservation of historic buildings and areas, affordable housing to draw in young Israeli homeowners, and new

housing (some 13,550 units) for Arab residents on the eastern outskirts of the city. Most of the new Arab housing would be grouped in al-Tur (1,500 units), Bayt Hanina-Shu'fat (2,500 units), Tal Adesa (2,000 units), and Jabal Mukabir (2,500 units). Barkat cautioned that only 70% of the Arab housing was expected to begin construction before 2030 because of the long processes needed to change existing zoning and create development plans for new neighborhoods as required by law before construction can begin. The committee was required to discuss the plan and hold hearings, and to address any objections before the plan officially could be adopted. Faced with immediate criticism from right-wing activists and some members of Jerusalem's city council for allowing too much construction for Palestinian residents, Interior M Yishai ordered the Jerusalem district supervisor's office not to release the master plan to the public, though it was not officially withdrawn.

Of note: In an interview with U.S. newspaper editors on 3/27, Barkat appealed to private U.S. citizens to invest in upgrading the city, arguing that since the international community had just raised more than \$4 b. to reconstruct Gaza (see "Donors" below), it was only fair that Israel receive something as well. He also stated that while Palestinians in the city would benefit from his development plans, he could not guarantee a halt to demolitions of Palestinian homes in East Jerusalem.

Meanwhile, OCHA released (4/09) a special report titled "The Planning Crisis in East Jerusalem: Understanding the Phenomenon of 'Illegal' Construction" whose findings include: only 13% of East Jerusalem land is zoned for Palestinian construction, most of it already densely built up; 28% of Palestinian housing in East Jerusalem was built without permits because of the extreme difficulty of obtaining them; at least 60,000 Palestinian residents of East Jerusalem are therefore at risk of having their homes demolished; Israel has already issued around 1,500 demolition orders, which, if implemented, would displace 9,000 Palestinians (almost half children); and the housing gap for Palestinians in East Jerusalem grows by about 1,100 units per year. (See Settlement Monitor in this issue for excerpts.)

Also of note: Following the Arab League's designation of Jerusalem as the capital of Arab culture for 2009 (the title rotates annually), Israeli authorities routinely cracked down on events in the city related to the cel-

ebration on the grounds that they violated Israel's ban on Palestinian political activity in Jerusalem. Israeli actions in East Jerusalem included police raids on a theater (2/21), a children's center (3/21) to prevent a Palestinian folklore group from performing, and a school (3/21) to disperse children gathered for a parade and celebration (the police also popped the children's balloons). Israeli authorities also raided (5/11) the Ambassador Hotel in Shaykh Jarrah and shut down a temporary news bureau set up by the Palestinian Media Center to cover Pope Benedict XVI's visit (see "Vatican" below), confiscating documents from the news team and threatening the hotel with closure if Palestinian media were allowed to work from the site again.

West Bank Movement and Access

This quarter, the Olmert administration announced the opening of several long-closed West Bank roads as gestures to the PA to improve freedom of movement in keeping with its road map obligations (see Chronology). An OCHA special report on West Bank movement and access during 3/09 (see Doc. A4 in this issue) acknowledged the easing of traffic flow through a number of checkpoints in the Hebron, Nablus, Ramallah, and Tulkarm regions but detailed the further entrenchment of various other mechanisms to enforce fragmentation and severely constrain Palestinian movement within the West Bank as well as access to Jerusalem. Separately, OCHA reported that as of 3/31, Israel had declared 28% of the West Bank as either closed military zones or nature reserves, off-limits to Palestinians. No new road reopenings took place after Netanyahu took office on 3/31, and OCHA reported no change in the overall number of road blocks and checkpoints across the West Bank (more than 600) during the quarter.

Separation Wall

This quarter, separation wall work was reported near Hebron, Qalqilya, and Salfit (part of the 22-km long "Ariel finger" linking Ariel settlement to Israel). Building the 5 new segments involved the confiscation and leveling of wide tracts of land as well as the installation of a secondary barrier around Azun Atma village near Qalqilya (to access Azun Atma, nonresidents were required to obtain "visitors' permits" from the IDF as of 3/25).

The Israeli High Court approved (3/22) the confiscation of 30 d. of land in Shu'fat r.c. northeast of Jerusalem to expand an

existing IDF checkpoint and extend the separation wall to create a new permanent crossing point into Jerusalem; 30 Palestinian shops were expected to be demolished, and at least 45,000 Palestinians were expected to lose direct access to Jerusalem.

Settlers and Settlements

The change of Israeli government this quarter raised concerns of accelerated settlement expansion in East Jerusalem and the West Bank. Israel's Peace Now reported (3/2) that Israel planned 73,300 new settlement housing units in the West Bank and East Jerusalem (including 15,000 in the West Bank that had received initial authorization), concluding that if all the plans were realized, the West Bank settler population would double. (Separately, Israel's Central Bureau of Statistics reported ca. 3/20 that the West Bank settler population reached 289,600 as of 12/31/08, up from 191,600 as of 12/31/00.) Most of the planned construction was slated for settlement areas that Israel intended to keep under final status, including Ariel, Beitar Ilit, Efrat, and Ma'ale Adumim.

In its final days, the outgoing Olmert government announced plans (late 2/09) to evict over 1,500 residents and demolish 143 homes in Silwan, East Jerusalem, to build a park, and authorized (2/16) the confiscation of 1,700 d. of Palestinian land in the villages of al-Ma'sara, Umm Salamuna, and Wadi al-Nas near Bethlehem for expansion of Efrat and Gush Etzion settlements (2,500 new housing units, increasing the settler population there from 9,000 to 30,000). (According to an OCHA special report on land use in the Bethlehem governorate released on 5/6, 66% of the governorate's land was designated as Israeli-controlled area C, including 19 settlements and 16 unauthorized outposts housing 175,000 Jewish settlers. Only 13% was available for Palestinian use, much of it fragmented, and Israel's planned separation wall route was expected to cut off Palestinian access to nearly 10% [64 sq. km] of the governorate's most fertile land.)

In one of the Netanyahu government's first acts, an Israeli Interior Min. committee issued (4/25) a recommendation that the government annex about 12,000 d. of land to Ma'ale Adumim's settlement boundaries to link Ma'ale Adumim with Kirdar settlement, 3 km to the east. Some 6,000 new housing units would be built in Kirdar to create territorial contiguity with Ma'ale Adumim, greatly reducing the geographi-

cal contiguity between the northern and southern West Bank and further restricting Palestinian access to Jerusalem.

Meanwhile, Jewish settlers continued to create facts on the ground and intimidate local Palestinian populations. The number of individual incidents of settler violence this quarter was 36 (the same as last quarter). Incidents included settler rampaging (2/23, 4/8); occupying or otherwise seizing Palestinian property (3/12, 4/2, 4/3, 2 on 4/9, 4/28); vandalizing Palestinian property (3/6, 3/8, 3/9, 3/30, 4/18, 4/19, 4/23, 4/29, 5/1, 5/12); barring Palestinian access to roads and land (3/8, 2 on 4/10, 2 on 4/23, 5/1); setting fire to homes (3/5); uprooting trees and damaging crops (2/28, 5/8); leveling land (2/18, 3/30, 5/13); and beating Palestinians (3/16, 3/28, 3/29, 4/9, 4/26, 5/1). Settlers also opened fire on Palestinians in 4 instances (4/6, 4/8, 4/17, 4/26), killing 1 Palestinian and wounding 10. IDF soldiers intervening in these instances shot and wounded 6 Palestinian on 4/8. IDF troops escorting Jewish settlers into 'Urif village s. of Nablus to hold prayer services on 4/24 fired live ammunition, rubber-coated steel bullets, and tear gas at stone-throwing Palestinian protesters who confronted them, injuring 12 (5 by live ammunition, 6 by rubber-coated steel bullets, 1 hit by a tear gas canister). The IDF also protected settlers who entered Palestinian areas to pray in Nablus (2/23), at the al-Aqsa Mosque compound (2/23), and at the evacuated Homesh settlement site (5/12). Incidents of settler violence occurred in Hebron (13), Bethlehem (5), Nablus (5), Qalqilya (5), Salfit (3), East Jerusalem (2), Ramallah (1), and near Homesh (2).

In the West Bank, most of the moves to seize Palestinian property (homes, shops, land) to expand existing settlements or establish new outposts took place in Hebron. These included the IDF confiscation (3/9) of 142 d. of land in and around Bil'in and 80 d. of land near Yatta settlement, as well as settlers' reoccupation (4/9) of the Beit Shalom site evacuated by the IDF last quarter (see Quarterly Update in *JPS* 151). In another large land grab, Jewish settlers razed (late 4/09) 200 d. of Palestinian land (including 50 d. of olive groves) w. of Salfit to expand Burkan settlement.

The IDF and Jewish settlers began work this quarter to build new settler-only bypass roads to Carmiel settlement near Hebron (early 3/09), Shavei Shomron near Nablus (3/29), and Efrat near Bethlehem (3/30).

The Carmiel project was expected to result in the confiscation of 1,000 d. of Palestinian land and displacement of 13 Palestinian families. The Efrat project was built on land that Israel had declared state land in 2/09, 1 month after settlers first attempted to seize the land for a road; Israel did not respond to legal appeals by the Palestinian owners before work began.

Of note: On 4/3, Jewish settlers escorted by Israeli police seized a Palestinian home in East Jerusalem's al-Sa'diya quarter, evicted the Palestinian family who had lived there more than 20 years, and arrested the father, claiming that the home had been purchased by a Jewish organization. The Palestinian family immediately appealed to the Israeli High Court, which ruled (4/3) that the settlers could stay in the home until the petition was heard. In the interim, Israeli police guarded the site, at one point (4/5) severely beating a group of Palestinians who tried to set up a solidarity tent outside the home. On 4/14, the High Court issued its final verdict, ruling that the home seized on 4/3 as well as a second Palestinian home nearby belonged to the settler organizations, ordering the eviction of the second Palestinian family.

Also of note: The local council of Har Adar settlement in East Jerusalem issued (3/22) instructions that Palestinian "laborers are strictly forbidden to move around the community on foot, between construction sites" and must be accompanied at all times by their employer or the employer's representative, claiming the orders were "meant to protect the community's residents." The IDF agreed (3/22) to enforce the order, which the Association for Civil Rights in Israel denounced (3/22) as "a racist instruction based on a general fear of Arabs."

Palestinians of Israel

On 3/24, some 100 supporters of Kahane Chai, an extreme right-wing Israeli group that has called for removing Arabs from Israel by force if necessary, marched in the outskirts of the major Israeli Palestinian town of Umm al-Fahm under heavy police escort for 30 minutes, waving Israeli flags and praising Israel as a Jewish state. (Israeli police had opposed the march because of the potential for violence, but the High Court ruled in favor of Kahane Chai's appeal on the grounds of free speech.) Umm al-Fahm residents held a counterdemonstration, raising Palestinian flags and throwing stones at the marchers; Israeli police used

tear gas, water cannons, and percussion grenades to disperse the Palestinians, resulting in fights that left 16 police officers and 15 demonstrators injured.

Other Israeli Domestic Matters

An Israeli special ministerial committee on land reform approved (5/4) a proposal to transfer lands held by the Israeli Land Administration (ILA) to private parties (individuals or businesses) holding long-term leases, allowing them to develop or sell the property and to market unleased land for sale. Until then, all lands held by the ILA could be leased only for 99 years.

Officials from the Jewish People Policy Planning Institute (JPPPI)—an independent Israeli think tank formed by the Jewish Agency in 2002 and chaired by Dennis Ross until his appointment as U.S. special envoy for the Gulf region on 2/23—briefed (2/22) the Israeli cabinet on JPPPI's 2008 annual assessment of Israel and the Jewish people worldwide. JPPPI warned of "complex and severe challenges and threats" facing Israel and the Jewish people, including the change of administration in the U.S., continuing erosion of the U.S.'s global position and the slide toward a multipolar world, the strengthening of Iran, the "new anti-Semitism," and the severe blow dealt to Jews' economic status by the global economic crisis (esp. eroding philanthropy). The officials recommended increasing cooperation and coordination between the Israeli government and Jewish groups worldwide.

INTRA-PALESTINIAN DYNAMICS

Tensions between Fatah and Hamas remained high this quarter, particularly in light of Fatah's perceived support for Israel's attack on Gaza last quarter. Popular outrage over OCL gave Hamas an uptick in opinion polls, at least in the short term: A poll of West Bank and Gaza Palestinians published by the Ramallah-based Palestinian Center for Policy and Survey Research (PCPSR) in early 3/09 showed Hamas's acting Gaza PM Ismail Haniyeh with a popularity rating of 47%, for the first time surpassing that of Abbas at 45%. (A PCPSR poll in mid-12/08, before OCL, had showed Haniyeh with a 32% rating compared with Abbas's 58%.) Overall, intra-Palestinian violence was moderate: At most, 9 Palestinians were killed and 25 injured in interfactional fighting in Gaza during the quarter, most in exchanges of gunfire among

local rival factions, bringing the total number of Palestinians killed in interfactional fighting since 10/06 to around 434 (not including those killed in interfactional fighting during OCL, when cases were hard to confirm; see Quarterly Update in *JPS* 151).

National Unity Talks

Following OCL, Fatah and Hamas gave priority to securing a national unity deal, each with its own agenda. Hamas, feeling strengthened by OCL, stuck firm to its demands for full participation in a new PA government. Fatah, strongly supported by Egypt (which was mediating the talks), believed that Hamas would more likely yield to Fatah demands if the formation of a national unity government were seen as likely to facilitate Israel's agreement to open Gaza's borders for reconstruction aid. National unity efforts had been suspended since early 11/08, before OCL, when Damascus-based Hamas leader Khalid Mishal, sensing Fatah-Egyptian collusion aimed at forcing through a national unity agreement unfavorable to Hamas, backed out of planned senior-level talks at the last minute (see Quarterly Update in *JPS* 150).

By late 2/09, the sides agreed to resume talks in Cairo on 2/25–26. On the first day, Egypt, Fatah, and Hamas hammered out the organization and aims of the talks; on the second day, they opened participation to 11 smaller Palestinian factions (including Islamic Jihad and the Popular Front for the Liberation of Palestine) to gain their endorsement. At the close of the session on 2/26, Fatah and Hamas announced that 5 committees would be formed to achieve detailed agreements by the end of 3/09 on: (1) forming a national unity government, (2) holding parliamentary and presidential elections, (3) fostering reconciliation (including breaking the siege of Gaza and reestablishing the unity of the territories), (4) reforming and unifying the security services, and (5) reforming the PLO to include Hamas and Islamic Jihad. Egypt reportedly (*Arab Reform Bulletin* [ARB] 4/09) planned to keep tight reins on the talks to pressure Hamas and to ensure that an outcome would be seen regionally as an Egyptian success. To this end, each of the 5 committees would meet under an Egyptian chair who would strictly limit discussions to the relevant issues and bar the Palestinian representatives from speaking to their leaders abroad while talks were ongoing. Fatah and Hamas also

pledged, as confidence-building gestures, to release detainees of each other's factions (no releases were reported) and to stop attacking each other in the press. These decisions were positive but did not mark substantive progress—the issues to be discussed had been on the table since 2006, with major differences yet to be resolved. Commenting on the Fatah-Hamas announcement, U.S. Secy. of State Clinton stated (2/27, 3/1) that the U.S. would deal with a national unity government only if it affirmed the 1/06 Quartet principles, including recognizing Israel's right to exist as a Jewish state, renouncing all violence, and adhering to all previous Israeli-Palestinian agreements.

In the run-up to the opening of the committee talks in Cairo on 3/10, PA PM Salam Fayyad, in an effort to encourage serious progress, declared (3/7) that he and his cabinet would resign as soon as an interim unity government was formed, but not later than the end of 3/09 (the committees' self-imposed deadline), to pave the way for presidential and legislative elections. The move was widely seen (e.g., *NYT*, *Washington Post* [WP] 3/8) both as a conciliatory gesture to Hamas and as an effort to “shock” the various parties (Palestinian factions, Israel, the U.S.) into rallying around the Abbas-led PA and quickly agreeing on practical steps in order to avoid a leadership vacuum. (Fayyad, an independent, enjoyed broad support even among Abbas critics, since his strong backing from Israel and the U.S., who viewed him as a moderate influence, helped ensure continued international donor aid.)

Three more rounds of talks were held in Cairo during the quarter: 3/10–19, 4/1–2, and 4/26–28. During round 2, marking the first committee meetings, Fatah and Hamas reportedly made quick progress reaffirming understandings reached in past unity talks and clearing up the more minor issues between them, notably setting the target date for new elections as 1/25/10. Insiders privy to the substance of the closed-door meetings (e.g., *ARB* 4/09) noted that Hamas had shown considerable flexibility (no details released) in the reconciliation, elections, security reform, and PLO reform talks but that fundamental (and long-standing) differences remained on such issues as a national unity platform, new draft electoral laws, the makeup and division of portfolios in a new government, and the unification of the security services.

The primary stumbling block was Fatah's demand that a national unity government fulfill the 1/06 Quartet requirements (as demanded by Clinton above) versus Hamas's refusal to participate in any government that recognized Israel's right to exist (as opposed to its de facto existence), renounced the Palestinians' right under international law to resist occupation (as opposed to agreeing to a cease-fire), and accepted previous agreements (as opposed to "respecting" them). To bridge this gap, Egypt suggested creating a "transitional national unity government" or interim "Palestinian national committee" with the limited mandate of (1) holding new elections, (2) overseeing immediate reconstruction of Gaza, and (3) liaising between the West Bank and Gaza until elections were held; it would have no political platform, thus deferring debate on a national unity platform until after the election of a new president and parliament. Fatah and Hamas were open to the idea, but differences remained on the composition of the interim body and whether it would be acceptable enough to the international community to result in a lifting of the siege on Gaza. Differences also remained on security and reconciliation. On 3/19, the Cairo talks adjourned with no plans to reconvene until 4/2. Though the 3/31 deadline passed without formation of a unity government, Fayyad's government did not step down. (Abbas had issued a statement on 3/7 calling on the government to remain in place until a national unity government was achieved.)

Few details were released regarding the third (4/2-3) and fourth (4/26-28) rounds of talks except to note: (1) that major differences remained on forming a national unity government, reforming security apparatuses, and drafting a new electoral law; and (2) that the Egyptian "interim" proposal remained on the table. A fifth round of talks was set for 5/16-17.

Of note: On 2/27, the day after the first round of talks ended, Hamas's Damascus-based second-in-command Musa Abu Marzuq, who had been present at the talks, made a secret 1-day visit to Gaza for the first time in decades, entering through the Rafah crossing with the rest of Hamas's Gaza delegation with Egypt's permission (acknowledged 2/28) and returning to Cairo later in the day. (Israel did not protest, suggesting it had quietly assented in advance.) No details of his visit were released. Also,

between the third and fourth round of talks, Fatah officials met (4/7) with their Hamas counterparts in Gaza for the first time since the 2007 Hamas takeover to discuss reconciliation efforts.

Also of note: After round 2 of the talks, Fatah's Muhammad Dahlan, recently appointed as special adviser to Abbas on the reconciliation talks, created a stir when he denied media reports that Fatah was pressuring Hamas to recognize Israel's right to exist, telling Palestine TV (3/20) that while the PLO had given such recognition as part of the Oslo agreements, Fatah had never done so, adding that neither Fatah nor Hamas should bend to demands to recognize the Jewish state. Israel denounced (3/20) the comments, but Fatah and PA officials speaking anonymously played down the remarks as a Dahlan bid to curry favor with disaffected Palestinians and extend his influence.

Rumored Tensions within the PA

As the quarter opened, rumors circulated (e.g., *al-Sharq al-Awsat* 2/18) about growing tensions among Abbas and his closest advisers: Ahmad Qurai', chief negotiator in the Annapolis follow-up talks with Israel; Saeb Erakat, his negotiation affairs adviser; and Fayyad, his acting PM. Among the rumors were that Abbas had either sidelined or fired Qurai' to punish him for acting unilaterally in talks with Israel and then given the chief negotiator job to Erakat, and that Fayyad, viewing Abbas as weakened by OCL, was positioning himself to challenge Abbas in future PA elections. Others countered that there had not been any Annapolis follow-up or final status talks since even before OCL, that Qurai' still held the post, that Erakat had merely been put in charge of handling day-to-day issues with Israel (a far more visible role than Qurai''s), and that Fayyad's responsibility for road map implementation issues required constant diplomatic engagement with the international community (e.g., urging pressure on Israel to halt settlement construction). Whatever the truth of the rumors, they underscored the fact that the failure to bring marked improvements on the ground undermined Abbas's legitimacy and that of Fatah as a whole.

Also hinting at tensions: On the eve of the scheduled resumption of unity talks in Cairo, Abbas announced (5/13) that he would dissolve the Fayyad government within 48 hours to carry out minor portfolio

adjustments, at the same time pledging that the new government would resign as soon as a national unity deal was reached. The previous day, unnamed Fatah officials who blamed Fayyad for being too conciliatory vis-à-vis Israel and the U.S. had asked Abbas to replace him and to consider several West Bank Fatah leaders for ministerial positions, but after Abbas's announcement these same individuals asked (5/13) him to postpone any government change until after the fifth round of unity talks set for 5/16. Fayyad also strongly opposed the suggested Fatah ministerial candidates and urged against dissolving his government. Under combined pressure, Abbas announced (5/14) that he would delay the shake-up.

Of note: Abbas removed (ca. 3/19) PLO amb. to Russia Afif Safieh from his post for attending a Moscow rally sponsored by Hamas to protest conditions in Gaza. No word on a replacement had been issued by the close of the quarter.

Hamas-PA Rival Governance

The PA in Ramallah and Hamas in Gaza continued to take administrative decisions this quarter aimed at consolidating their own power at the other's expense. For example, in 3/09, the PA in Ramallah began using a new style of passport for renewals and new issues (giving them only to West Bank residents). The PA had stopped sending blank passports to Gaza in early 2008 to prevent Hamas authorities from issuing new passports. The new move would mean that in time, even Gazan passports issued before Hamas's takeover of Gaza might not be recognized. The move was seen as a further effort to pressure the Hamas government, which reported (3/09) that 1,800 Gazans (including 500 medical cases) were awaiting passports.

Alleging corruption by Fatah-affiliated employees, Hamas authorities in Gaza took (3/22) control of the PA Referrals Abroad Dept., which assesses medical cases for specialized treatment in hospitals in the West Bank, Egypt, and Jordan. In response, the PA Health Min. in Ramallah and the Egyptian government said (3/22) they would no longer finance the transportation or treatment of patients referred by the office, while Israel said it would not grant travel permits for referrals to exit Gaza (see A. Hass, "Left Behind," in Hebrew Press section of this issue). After mediation by UN agencies, the

PA and Hamas reached an understanding regarding control of the department, allowing normal operations to resume on 4/27.

A military court in Gaza convicted (4/27) 4 Palestinians to death and 3 Palestinians to life with hard labor in the 7/06 death of an Islamic University professor during interfactional fighting; only 1 of those convicted was currently held by Hamas police; the others had escaped when the IDF bombed Gaza's central prison on 12/28/08, at the opening of OCL.

A PA court in Nablus sentenced (5/11) Hamas member Muhammad Qatanani, arrested by the PA 10 months previously on suspicion of illegal possession of weapons and explosives, to 18 months in prison for establishing Hamas cells aimed at staging a coup against the Abbas government.

On a related note: A PA court in Hebron sentenced (4/28) resident Anwar Breghit to death by hanging for selling private Palestinian land in Bayt Umar village to Jewish settlers from Karmeit Zsur settlement. The sentence had not been approved by Abbas, as required, before the end of the quarter.

Interfactional Fighting

This quarter, 2 Palestinian prisoners in Gaza died (3/16, 3/24) while in the custody of Hamas-affiliated security forces. In the first case, a 40-year-old Palestinian was arrested (3/15) on undisclosed criminal charges and died a day later of apparent torture. In the second case, the 19-year-old detainee, Jamil Assaf, held since 3/9 on charges of theft, had been visited by investigators with the Independent Commission for Human Rights who then alerted security officials of their concerns that Assaf had been tortured. Before any action was taken, Assaf was transferred to a hospital in a coma and died of kidney failure apparently resulting from a severe beating. The political affiliation of the detained men was not reported. Hamas's Interior Min. investigated both incidents, firing 11 police personnel and security officials by 3/31. Details on the remaining fatalities and injuries attributed to interfactional disputes this quarter were scant. Three of those wounded were injured in an exchange of gunfire among rival factions at a funeral for an Islamic Jihad member in Gaza's al-Maghazi r.c. on 3/6.

For several days ca. 4/20, Hamas-affiliated police in Gaza detained large numbers of Fatah and Fatah Youth Organization members. All were released within a few hours, with 3

reportedly shackled and beaten. Hamas gave no explanation for the sweeps.

In early 5/09, undercover PA security forces (PASF) units, reportedly part of a special counterintelligence squad recently set up to “uncover foreign agents,” conducted 13 arrest raids and house searches in the n. West Bank, closing Hamas-affiliated charity organizations and detaining at least 33 Palestinians (including imams, teachers, university professors, students, and journalists) accused of “collaborating” with Hamas and Hizballah. (One was an Islamic Jihad member.) Of those arrested, 11 were from Nablus, 7 from Tulkarm, 5 from Hebron, 4 each from Jenin and Qalqilya, and 1 each from Salfit and Tubas. The Palestinian Center for Human Rights-Gaza raised (5/12) concerns about the political motivation of the arrests and the possible use of torture in interrogating suspects. According to *Ha’Aretz* 5/5, the squad was also established to deal with ongoing problems of leaks within the PASF of information to resistance groups regarding PA plans to move them.

Also in the West Bank, the PA reported (4/14) uncovering an explosives lab in a mosque, implying that it was run by Hamas. The exact location was not specified.

Security Coordination

Israel and the PA continued to improve security cooperation under the guidance of U.S. security envoy Lt. Gen. Keith Dayton (see Doc. D2 in this issue). On 2/24, Israel granted permission to the PA to build an additional 12 police stations across the West Bank for new units trained under the Dayton mission (Israel previously approved 20, of which 19 have been built). Israel also issued 120 additional VIP travel permits, mostly to high-ranking PA security officers (bringing to about 390 the number of VIP permits issued to date).

PALESTINIAN OPINION

The following data are excerpted from a poll conducted by the Palestinian Center for Policy and Survey Research (PCPSR) between 5 and 7 March 2009. Results are based on a survey of 1,270 men and women from the West Bank (including East Jerusalem) and Gaza. The poll, the 31st in a series, was taken from PCPSR’s Web site at www.pcpsr.org.

1. Are you satisfied or dissatisfied with the performance of the Hamas government in the Gaza Strip with regard to providing housing and reconstruction to the victims of the Israeli attack?

	West Bank	Gaza	Total
a. Certainly satisfied	8.5%	7.9%	8.3%
b. Satisfied	43.6%	35.3%	40.5%
c. Dissatisfied	24.1%	34.9%	28.1%
d. Certainly dissatisfied	6.2%	15.5%	9.6%
e. Don’t know/No answer	17.6%	6.5%	13.6%

2. Given the outcome of the most recent Israeli elections, what are your expectations regarding the peace process? For example, do you think that negotiations will now be more successful in ending settlement expansion and bringing peace or will settlements expand and peace efforts fail?

	West Bank	Gaza	Total
a. Expect negotiations to succeed in ending settlement expansion and bringing peace	6.5%	8.5%	7.2%
b. Expect increase in settlement expansion and failure of peace efforts	60.8%	62.8%	61.5%
c. Expect conditions to stay as they are today	29.8%	24.6%	27.9%
d. Don’t know/No answer	3.0%	4.2%	3.4%

3. Given your expectations about the peace process, do you support or oppose return to Palestinian-Israeli negotiations before Israel freezes settlement activities?

	West Bank	Gaza	Total
a. Certainly support	2.2%	2.7%	2.4%
b. Support	32.5%	39.5%	35.1%
c. Oppose	48.0%	40.1%	45.1%
d. Certainly oppose	12.7%	13.0%	12.8%
e. Don’t know/No answer	4.6%	4.7%	4.7%

FRONTLINE STATES

JORDAN

As detailed above (see “Emerging U.S. and Israeli Policies”), the new Obama administration tapped Jordan’s King Abdallah to play a key intermediary role in the U.S.-led efforts to revive the Arab-Israeli peace process. The decision placed the king in an unusual role, responsible both for relaying the U.S. positions to Arab leaders and for conveying the Arab opinions (at least of the U.S.’s moderate Arab allies) to the U.S. and Quartet members. (During his week-long trip to Washington in late-4/09, Abdallah also met with congressional leaders.) In all meetings, Abdallah stressed continued Arab support for a 2-state solution and the 2002 Arab League initiative as the basis of negotiations.

Meanwhile, Israeli pres. Peres’s decision to ask Netanyahu to form a government and Netanyahu’s coalition deal with Lieberman’s extremist Yisrael Beitanu party were of particular concern. Jordanian officials anonymously stated (ca. 3/31) their conviction that the new government would work secretly toward turning Jordan into a Palestinian state.

LEBANON

Lebanon this quarter was focused internally on parliamentary elections for 6/7/09. The race, pitting the current government headed by the U.S.- and Saudi-allied March 14 coalition led by Saad Hariri’s Future Movement against the Hizballah-led, pro-Syrian March 8 coalition, which included the Free Patriotic Movement (the Christian party of General Michel Aoun), was expected to be tight.

In the run-up to the vote, U.S. Secy. of State Clinton made (4/26) a special visit to Lebanon to show support for the current leadership. She gave Pres. Michel Suleiman a letter from Obama expressing support for Lebanon’s sovereignty, laid a wreath at assassinated PM Rafiq Hariri’s tomb in the company of his son Saad, and made public comments praising the “voices of moderation in Lebanon” and vowing that the U.S. would “never make any deal with Syria that sells out Lebanon.” Around the same time, the State Dept. warned that the composition of the next government would determine if U.S. aid levels for Lebanon were maintained. (Since Syria was forced to pull out under international pressure in

2005, the U.S. has given Lebanon more than \$1 b. in aid, with half going to strengthen the Lebanese army as a counterweight to Hizballah.) Meanwhile, reports were rife of hundreds of millions of dollars flowing into the country from the worldwide Lebanese diaspora to buy votes (illegal under Lebanese law) and of other dubious practices (see *NYT*, 4/23).

Of note: Lebanon opened an embassy in Damascus on 3/16. A chargé d’affaires was appointed to head the office until an ambassador was named, which did not occur before the end of the quarter. Syria opened its embassy in Beirut in 12/08 and on 3/24 named Ali ‘Abd al-Karim Ali as its first ambassador to Lebanon.

Developments Related to Hizballah

On 3/4, Britain announced that it was reestablishing contacts with Hizballah’s political wing, 4 years after it had cut off all contact with the group when the U.S. declared it a terrorist organization. The Foreign Office said that the move was in keeping with its aim to encourage Hizballah “to become a nonviolent political party with policies focused on Lebanon, and not undermining Israel” and that PM Gordon Brown had discussed the move with Obama in Washington earlier in the week (see *NYT* of 3/6 for detail). Nonetheless, on 3/12, the Obama administration signaled its displeasure and “puzzlement” at Britain’s decision, with an anonymous official stating that Britain should explain “the difference between the political, social, and military wings of Hizballah, because we don’t see the difference.” In a taped address aired the next day (3/13), Hizballah leader Hasan Nasrallah stated that the Obama administration had recently offered to open official contacts with Hizballah contingent upon recognizing Israel but that he had rejected the offer, stating that Hizballah would not do so “even in 1,000 years.”

Meanwhile, on 4/8, Egypt accused Hizballah of recruiting a 49-member cell to carry out attacks on Israeli tourists in Egypt. The Egyptians claimed (*al-Manar* 4/10) the cell was part of a larger unit called The Belt, intended to coordinate resistance activities in the states bordering Israel. The Belt reportedly had operated for 2 years and had 3 parts: (1) recruiting Palestinians, Egyptians, and other Arabs to stage attacks on Israeli tourists in the Sinai; (2) arms smuggling to Gaza, mostly via Sudan; and (3) destabilizing the Mubarak regime (this wing reportedly was disbanded when Egyptian authorities

quietly informed Iran that they knew of its plans). To diffuse tensions, Egyptian officials stressed that Egypt viewed that matter as purely “a judicial and security issue,” not a political or ideological one. Nasrallah denied (4/10; see Doc. B1 in this issue) plotting to carry out attacks on Egypt or on Egyptian soil, but acknowledged that 1 of those detained was a senior Hizballah member dispatched to Egypt “to help the Palestinian brothers in transporting ammunition and individuals for the benefit of the resistance inside Palestine” several months before OCL (Israel interpreted this as admitting to smuggling weapons and fighters into Gaza)—a rare admission that Hizballah was operating in a foreign country and directly aiding Palestinian groups.

With the election campaign gearing up, Lebanese began moving (3/09) into the first 20 completed apartment complexes in Beirut’s Haret Hareik suburb, site of Hizballah’s headquarters and 282 other buildings obliterated by the IDF during the 2006 war. Hizballah planned to rebuild 241 of the destroyed buildings and to renovate 961 damaged buildings as part of a \$400 m. reconstruction project scheduled for completion in late 2010. About a third of the \$400 m. came via the Lebanese government from international donor pledges for the government’s reconstruction efforts; the provenance of the remaining funds was not disclosed. Hizballah said it would not move its offices back into the neighborhood, intending it as a model modern residential area, with wide streets, green spaces, and ample parking lots.

Security Issues

Unknown assailants fired (2/21) a Katyusha rocket from s. Lebanon into n. Israel, lightly injuring 3 Israelis. A second rocket landed inside Lebanon, causing no damage or injuries. Israel filed (2/21) a formal complaint with the UN, demanding stepped-up UNIFIL and Lebanese government enforcement in s. Lebanon in keeping with UN Res. 1701.

Unidentified assailants detonated (3/23) a roadside bomb outside Mieh Mieh r.c. in s. Lebanon as a convoy carrying senior Fatah official Kamal Madhat left the camp, killing him, 2 other Fatah members, and his driver and injuring 3 bodyguards. Madhat was military, political, and security adviser to Abbas Zaki, the senior PLO official in Lebanon (and a close adviser to Abbas) whom some analysts suspected (see *NYT* 3/24) may have

been the intended target. Speculation on the identity of the attackers ranged from Hamas (which recently had been attempting to extend its influence at Fatah’s expense, causing tensions) to Iranian elements intent on increasing tensions between Fatah and Hamas to sabotage a national unity deal that might reduce its regional influence. No group claimed responsibility.

Lebanese authorities reported (4/14) they had arrested 12 members of a network that had been spying on Hizballah for Israel for more than 10 years. Among those arrested was retired Lebanese gen. Adib al-Alam, who formerly worked in the Interior Min.’s General Security Dept. This was the third spy ring allegedly working on behalf of Israel that the Lebanese authorities had uncovered in the past year.

Hariri Investigation

The UN Tribunal for Lebanon formally began work on 3/1 to try suspects in Hariri’s 2/05 assassination and other political killings in Lebanon. The tribunal, housed in a suburb of The Hague, was to operate on rules that followed Lebanese law for crimes of terrorism and murder, but disallowed the death penalty in keeping with UN requirements. Because of the high tensions around the case, the names of the 11 judges (4 of them Lebanese) were not released, and witness protection programs were already in place for anyone brought to testify. (The UN intended to keep secret the identities of the donor countries funding the tribunal, but the *New York Times* reported on 3/1 that 49% of the costs would be funded by Lebanon, with the remainder coming from Britain, Canada, Germany, France, Italy, Japan, the Netherlands, and the U.S.) The court’s operating expenses were expected to be \$51 m. in the first year and \$45 m. in subsequent years. Administrators believed the tribunal would take up to 5 years, perhaps longer, to complete its work.

The tribunal’s first priority was to review the evidence against 4 Lebanese generals detained by Lebanese authorities in 9/05 at the request of former UN investigator Detlev Mikhil and held ever since without charge. The generals, widely believed to have been operating on Syria’s behalf, occupied the key Lebanese posts of chief of military intelligence, chief of the Lebanese police, dir. of internal security, and commander of the presidential guard. On 4/29, the tribunal ruled that there was not enough evidence to indict the men and ordered their immediate

release. The Lebanese government did so before the day's end, leaving no suspects in custody for investigation. (Earlier, on 2/25, a Lebanese judge without explanation released on minimal bail 3 suspects in Hariri's assassination: 2 Lebanese and 1 Syrian.)

On 4/19, UAE officials reported that they had arrested alleged Syrian intelligence officer Muhammad Zuhayr Siddiq, wanted in connection with the Hariri assassination. Siddiq was arrested in France in 10/05 at the request of the UN commission investigating the assassination but escaped house arrest in 3/08.

SYRIA

As the quarter opened, Syrian pres. Bashar al-Asad revealed that the Obama administration had in recent weeks quietly reached out to Syria through persons "close to" and "dispatched by the administration" (reportedly including Ellen Lajpison, a former adviser to Pres. Bill Clinton and a member of the Obama transition team) to explore the possibility of opening a formal dialogue. Asad welcomed (2/18) the initiative, saying he hoped to see full diplomatic ties with the U.S. (suspended amid accusations of Syrian involvement in the 2/05 Hariri assassination) restored as soon as possible. He cautioned the new administration, however, that Syria is "a player in the region. If you want to talk about peace, you cannot advance without us."

Soon after, Syrian amb. to the U.S. Imad Mustafa was invited to the State Dept. to meet (2/26) with Jeffrey Feltman, acting U.S. asst. secy. of state, for Near East affairs. The State Dept.'s announcement of the meeting on 2/25 noted "key differences" between the two governments, "including our concerns about Syria's support to terrorist groups and networks, Syria's acquisition of nuclear and non-nuclear conventional weaponry, interference in Lebanon, and worsening human rights situation," adding that "this meeting is an opportunity to use dialogue to discuss these concerns." Initially, no details were released about the meeting. Mustafa later revealed (4/7) that the U.S. had asked Syria's help to seal Iraq's western border from al-Qa'ida and that Syria had agreed while emphasizing that it would not allow U.S. raids on Iraq from its territory (as had occurred in 10/08; see Quarterly Update in *JPS* 150). To help Syria fulfill the mission, the Obama administration quietly pledged (mid-2/08) to seek sanction waivers to allow

the sale of spare parts for Syrian aircraft. The U.S. also urged Damascus to press Hamas to enter negotiations with Israel, but notably did not ask Syria to expel Hamas leader Mishal (as the previous Bush administration had repeatedly demanded).

Days after Mustafa's meeting with Feltman, Secy. of State Clinton met (3/2) quietly with Syrian PM Walid Moualem on the sidelines of a donor conference in Sharm al-Shaykh (see "Donors" below). The next day (3/3), during her visit to Israel, she made the surprise announcement that Feltman (representing the State Dept.) and National Security Council senior official on the Middle East Dan Shapiro (representing the White House), who were both traveling with her, would leave her regional tour for Damascus on 3/7 to hold "preliminary conversations" with Moualem on repairing relations strained over the U.S. war in Iraq and Syrian links to groups labeled terrorist by Washington. Asked afterward if he had pressed Syria to revive the indirect peace talks with Israel via Turkey, Feltman reaffirmed (3/7) U.S. support for a comprehensive Arab-Israeli peace but cautiously stated: "There will be a Syrian-Israeli track at some point. . . . [A]t this point, though, we need to be a bit patient." As a goodwill gesture, Syria began (by 3/11) to clear up a backlog of visa applications from Americans seeking to work at the U.S. embassy in Damascus, which had been working with a reduced staff since the U.S. withdrew its ambassador after the Hariri assassination in part because of Syria blocking entry visas. In a further sign of thaw, U.S. Dep. Secy. of State Jim Steinberg was allowed to participate (4/6) in a regional meeting with Syria.

After Jordan's King Abdallah and Quartet envoy Blair revealed that the emerging U.S. peace process strategy included reviving the Syrian-Israeli track in the aim of reaching a comprehensive Arab-Israeli peace and drawing Syria out of Iran's sphere of influence (see "The Arab League Receives Obama's Plan"), Feltman and Shapiro made a second visit to Syria on 5/6, in Feltman's words, "to talk about . . . how we can get Syria to change its behavior and see if it's willing to really engage seriously in dialogue [and play] a positive role in the Middle East." No details of the meetings were released, but within days the U.S. renewed (5/8) sanctions on Syria, accusing Damascus of supporting terrorism and undermining stability in Iraq by again allowing al-Qa'ida's transport of foreign fighters to Iraq via Syria. (In fall 2008,

the Bush administration had praised Syria for having virtually halted the flow of fighters to Iraq across its territory.) Commenting off the record, a U.S. military official said (5/8), “Right now . . . we just don’t know how much their senior leaders know about the foreign fighter network. . . . [W]e do think that the knowledge of these networks exists at least within the Syrian intelligence community. What level, if it’s low or high up, we just don’t have a good gauge on.” Syria called (5/10) the decision “foolish.”

Also of note: On 2/19, the International Atomic Energy Agency (IAEA) reported that further testing of soil samples taken from the site of a Syrian complex destroyed by Israeli air strikes on 9/6/07 conclusively showed that uranium found in the samples could not have come from Israeli missiles and was consistent with uranium produced in a nuclear reactor, and demanded that Syria give a fuller account of the activities undertaken at the facility. EU officials speaking anonymously revealed that a Syrian official testifying to the IAEA had recently stated that Syria had built a missile factory on the razed site.

REGIONAL AFFAIRS

The Arab League held (3/30) its annual summit in Qatar to discuss Arab unity issues, in hopes of ending divisions that have made the organization (and the Arab states) politically ineffective. (Commenting on the summit, observers—e.g., *NYT*, *Washington Times* 3/31—noted that OCL had created a shift in the Arab street, placing Saudi Arabia and its “moderate” allies on the defensive and strengthening harder-line positions such as Syria’s, particularly with regard to whether Iran or Israel was the greater regional threat. See also “The Regional Cold War” in Doc. A2 in this issue.) While parties differed on how to address Palestinian national unity talks and policy toward Iran, they rallied in strong united support for Sudanese pres. Omar Hasan al-Bashir, indicted (3/4) by the International Criminal Court (ICC) on war crimes charges. Accusing the ICC of enforcing a Western double standard against Arabs by not pursuing Israel for OCL war crimes, the states vowed to block an international warrant for Bashir’s arrest. They also showed uncommon unity in soundly rejecting Pres. Obama’s appeals (via Jordan’s Abdallah) that they amend the 2002 Arab

League plan (see “The Arab League Receives Obama’s Plan” above).

With regard to OCL, the Arab League had authorized (2/09) an independent fact-finding commission led by South African professor of international law and former UN Commission on Human Rights special rapporteur John Dugard to investigate violations of human rights and international humanitarian law during the operation. The team visited Gaza (via Israel) from 2/22 to 2/27 to observe conditions and conduct interviews. Israel did not cooperate with the investigation, requiring the team to rely on publicly available material to gauge Israel’s perspective. The commission’s report, issued 4/30, concluded that “Israel’s actions could not be justified as self-defense”; that the IDF and Palestinian militant groups engaged in “indiscriminate and disproportionate attacks on civilians” and “terrorized” civilians; and that Israel was additionally guilty of collective punishment, crimes against humanity, and possibly, by strict legal definition, genocide.

Of note: On 3/26, the Sudanese government revealed (in timing thought to be linked to anger over the ICC’s arrest warrant for Bashir—see *NYT* 3/27) that in 1/09, during OCL, Israeli aircraft (possibly Eitan unmanned combat vehicles) had attacked a truck convoy in the Sudan believed to be transporting arms to Gaza, killing at least 39 and perhaps more than 100 individuals. Officially, Olmert said (3/26) only that Israel will “operate everywhere we can hit terrorist infrastructure—near or far.” U.S. officials confirmed the Sudan attack, with one official, speaking anonymously, saying that it had been one of several Israeli strikes abroad targeting arms shipments to Gaza. The online publication *CounterPunch* later reported (4/13) that Israel had struck Sudan 3 times since the start of the year, including attacks on 1/17 and 2/11, and that Israel used U.S.-supplied F-15 and F-16 warplanes to do the job, killing or injuring at least 50.

Israel closed (3/6) its embassy in Mauritania at Mauritania’s request. Mauritania froze relations with Israel and closed its embassy in Tel Aviv in 1/09 in protest over OCL (see Quarterly Update in *JPS* 151).

On 2/19, the Jewish Agency carried out a “covert operation” (its words) to bring 10 Yemeni Jews (a family of 8 and 2 others) from their home in Raida, Yemen, to Tel Aviv. The agency refused to disclose details of the transfer, citing security concerns. The new arrivals will live in Beit Shemesh,

southwest of Jerusalem. An estimated 280 Jews remain in Yemen: 230 in Raida in Omran province, and 50 in Sana'a.

PA pres. Abbas made an official trip to Iraq on 4/5, the first visit by a Palestinian leader since before the 2003 U.S. invasion. He appealed for support for his Palestinian leadership, especially financial assistance and preferential oil prices. Talks also touched on resettlement of some 2,300 Palestinians stranded in 2 refugee camps on the Iraq-Syria border and on the estimated 11,000 Palestinians still in Iraq, down from about 60,000 before the war. (Palestinians who sought refuge in Iraq after 1948, given preferential treatment under Saddam Hussein's regime, were persecuted when the regime fell.) Iraqi leaders vowed to protect the community remaining.

Of note: Egypt's 1979 peace treaty with Israel marked its 30th anniversary this quarter, on 3/26. With public anger still raw after OCL, Egypt opted to hold no public celebrations. According to the *New York Times* (4/5), Egyptians largely view the treaty as the starting point of Egypt's diplomatic decline (although older generations who were adults at the time had the most positive image, viewing the treaty as a "necessary evil" to end fighting with Israel that had depleted Egypt's resources). Israel issued (3/24) an official statement calling the accord a watershed that provided the foundation for stable Israeli-Egyptian relations, particularly on economic and military issues, and expressing hope that eventually "the peace with Egypt [will] become a vibrant, prolific peace." The Israeli FMin. and Israel's Harry S. Truman Research Institute for the Advancement of Peace held (3/25) a joint conference on 30 years of Israeli-Egyptian peace, the sole Egyptian participant being Egypt's amb. Yasser Reda.

INTERNATIONAL

UNITED STATES

The Obama administration took bold steps this quarter to set the parameters of its Middle East policy, even while internal policy reviews on specific issues were ongoing and staff appointments were still being made. The wars in Iraq and Afghanistan remained the top U.S. regional concerns. Containing Iran's regional influence and supporting "moderate" allies ran a close second, while Arab-Israeli peace remained a very important but secondary concern. A

major difference with the previous administration was a far greater willingness to engage diplomatically with adversaries in an effort to influence their actions. Steps taken to revive the peace process (see "The Palestinian-Israeli Conflict" above) and with regard to Iran's nuclear program (see "Iran" below) exemplified this.

Obama also made an early effort to improve the image of the U.S. abroad. Following a G-20 economic summit in London (4/2) and meetings with NATO allies in Strasbourg, France (4/4), Obama went to Ankara, Turkey, to give (4/6) his first major speech addressing the Muslim world from a Muslim capital. (The White House emphasized that this was not the speech in a Muslim capital on his views on the U.S. and Islam promised during his campaign; on 5/8 the White House announced that this address would be given in Egypt on 6/4.) Obama pledged that the U.S. "is not and will never be at war with Islam" and that his administration's relationships with the Muslim community and Muslim world "will not just be based upon opposition to terrorism" but on "mutual interest and mutual respect." He also vowed to push for a 2-state solution to the Israeli-Palestinian conflict.

U.S.-Israeli Bilateral Issues

Obama submitted (5/7) his proposed 2010 budget to Congress. A draft had been prepared by the Bush administration but shelved for review by the incoming administration. Given the global economic downturn, Israel supporters had feared that Obama might slash funding to Israel, but the budget moved forward with a substantial increase in aid to \$2.775 b. (compared with \$2.5 b. budgeted for 2009), as agreed with Israel in 8/07 (see Quarterly Update in *JPS* 145). The proposed budget also kept in place existing prohibitions on the establishment of new U.S. offices, departments, or agencies in East Jerusalem for conducting official government business with the PA; U.S. officials meeting with PA representatives in East or West Jerusalem; and any form of assistance to the Palestinian Broadcasting Corporation on the grounds that it incites violence against Israel. All assistance to the PA was to be left to the discretion of Secy. of State Clinton, who would be newly empowered to determine and certify to Congress that the PA recognized Israel and was prepared to fight terrorism and end the state of war with Israel (i.e., the Quartet's 1/06 demands).

Of note: The wording of the 2009 budget required the secy. of state to certify that no money would go to Hamas, any entity controlled by Hamas, or a unity government including Hamas unless the secretary certified that Hamas had met the Quartet requirements. This new wording, adding recognition of Israel, was first introduced in a 2009 budget supplemental allocating additional aid to the PA to further discourage Hamas from joining a national unity government. Previously, secretaries of state were required to certify that the PA had been democratically elected, but this provision was eliminated in 2008.

Netanyahu named (5/4) Georgetown professor Michael Oren as his amb. to the U.S. Oren is a dual Israeli-U.S. citizen, born and raised in upstate New York, and a former IDF soldier who served in Lebanon during the 1982 war and was embedded with the IDF as a reporter during OCL. Hours before the announcement was made, Oren addressed the American Israel Public Affairs Commission (AIPAC) conference (see "Lobbies" below) as a civilian, warning of the great regional and international threat posed by Iran.

Several press reports this quarter (e.g., Israel National News 4/21) made reference to a "decision by the Obama administration to delay weapons shipments to Israel" and/or hold up the processing of new Israeli arms requests (particularly for air-dropped bombs), saying the moves had raised Israeli concerns that the U.S. was "leveraging armaments to force the Netanyahu government to accept the establishment of a Palestinian . . . state." Asked to confirm the reports, the State Dept.'s Bureau of Political-Military Affairs agreed to look into the matter and came back with the response: "We have no opinion."

Meanwhile, Amnesty International reported (4/1) that a major U.S. weapons shipment that had been en route to Israel when OCL began and was diverted on 1/12 to avoid accusations of arming Israel for the assault on Gaza (see Quarterly Update in *JPS* 151) arrived in Israel on 3/22. The Pentagon previously stated that the arms were to resupply a U.S. weapons cache prepositioned in Israel for the use of the U.S. military in the region and were not intended for Israeli use.

Congress

Several members of Congress made trips to Gaza this quarter to view OCL destruction

first hand. Though none met with Hamas officials, Hamas welcomed the visits as a positive sign that U.S. policymakers wanted to see the situation for themselves. The first to visit was Sen. John Kerry (D-MA) (chmn. of the Senate Foreign Relations Comm.) on 2/19, marking the highest-level visit by a U.S. lawmaker since Hamas's 6/07 takeover of Gaza. During his tour, UN officials passed him a letter from Hamas leaders to Pres. Obama, which he delivered unopened to the U.S. consulate in Jerusalem. (Hamas's acting Dep. FM Ahmed Yousef said the 2-page letter asked the new administration to rethink U.S. policy toward Hamas.) Kerry also visited Sederot with Israeli FM Tzipi Livni. Kerry then went to Syria to meet with Pres. Assad, afterward stating that dialogue with Syria could be "very helpful" in creating a Palestinian unity government.

Reps. Keith Ellison (D-MN) and Brian Baird (D-WA) made a separate trip to Gaza and Sederot on 2/19. Baird, shocked by "the level and scope of destruction, specifically the civilian targets," accused Israel of having "apparently willfully destroyed any capacity of the Palestinians to rebuild their own infrastructure." On returning to Washington, he said (ca. 2/26) that he would call on fellow members of Congress to reconsider U.S. military support to Israel and urge U.S. pressure on Israel to open the Gaza crossings. On 3/17, Baird and Ellison held a public briefing on Capitol Hill about their trip, showing their videos of Gaza destruction and urging those present to press their members of Congress to call for the opening of Gaza's borders.

Congressmen Bob Inglis (R-SC) and Stephen F. Lynch (D-MA) visited (4/7) Gaza to meet with aid workers and tour the destruction left by OCL. They did not meet with Hamas officials. Afterward, they called on the international community to rapidly address the "legitimate humanitarian crisis" in Gaza.

Legal Actions

On 5/1, the U.S. government dropped its case (scheduled to go to trial on 6/2) against former AIPAC staffers Steven Rosen and Keith Weissman, accused in 2005 under a 1917 espionage law of obtaining classified information about Iran and leaking it to a reporter and an Israeli diplomat. The men were the first private citizens charged under the law for mishandling classified information obtained through conversation; previously, only government employees

with security clearances who misused classified information had been charged under the law. The case was closely watched because it had the potential to criminalize the exchange of sensitive information among journalists, lobbyists, and policy analysts.

The government's decision came after U.S. federal prosecutors lost (2/24) a key appeal in the case when an appellate court upheld a 2006 ruling that the prosecution must prove (1) that the information passed by the defendants was classified, "closely held," or potentially damaging to the U.S., and (2) that the defendants knew this and relayed the information in bad faith. Prosecutors decided that this ruling, combined with an earlier one allowing the defense to submit "national defense information" at trial, made it unlikely that they could win. The FBI strongly opposed (2/24) the decision, believing the case against the men was strong, but prosecutors said that given the uncertainty, the government did not believe pursuing the case was worth the public disclosure of the additional classified and intelligence information that would be required. Prosecutors also revealed that the FBI had maintained wiretaps on both men for at least 5 years before their arrest, suspecting them of spying for Israel. Charges were formally dismissed on 5/4.

Soon after the 2/24 appellate ruling, Rosen filed (3/2) a defamation suit in the District of Columbia Superior Court seeking \$21 m. in damages from AIPAC, its officials in charge at the time of his 2005 firing, and an outside spokesperson hired by AIPAC who repeatedly insisted that Rosen and Weissman were fired for failing to "comport with standards that AIPAC expects of all its employees." AIPAC had strongly defended the men when they were first targeted by an FBI raid but fired them 7 months later when it became clear that the U.S. intended to indict them. In bringing the suit, Rosen implicitly threatened to reveal details of AIPAC relations with the U.S. executive branch.

In a related matter, the *New York Times* reported (4/21) current and former government officials as confirming that the National Security Agency in late 2005 intercepted phone conversations between Rep. Jane Harman (D-CA) and "two members of a prominent pro-Israel lobbying organization" concerning a deal whereby Harman would intervene with an unnamed White House official to seek favorable treatment for Weissman and Rosen in exchange for

assurances that wealthy Californian donor Haim Saban would threaten to withhold campaign contributions from rising House Speaker Nancy Pelosi (D-CA) if she did not appoint Harman as chair of the House Intelligence Comm. The unnamed lobbyists initially requested that Harman intercede with the Justice Dept., but she said she would have more influence with her contact in the White House. Individuals involved with the Rosen and Weissman case say that Harman, who did not get the House intelligence post, apparently never intervened with anyone. On 4/21, Harman denied the influence-peddling allegations and accused the government of an "abuse of power" in tapping her calls. (The FBI replied that the wiretaps were legally obtained under a law permitting domestic surveillance of suspected foreign intelligence agents, confirming that Harman had not been a target of that investigation.) Harman has repeatedly described herself as a "friend of AIPAC" and records show that she has received nearly \$350,000 in campaign contributions from pro-Israel groups.

U.S. district court judge Leonie Brinkema ruled (3/9) in favor of a request by lawyers for former Florida University professor Sami Al-Arian to file a motion seeking dismissal of contempt charges against him, stating that the government's continued refusal to submit evidence regarding negotiations over Al-Arian's original plea deal, as demanded by the court, raised "serious questions about whether the government conducted bad faith dealings with the defense that could now result in Dr. Al-Arian's imprisonment." (Al-Arian's 2005 trial on terrorism charges for aiding Islamic Jihad had ended with a hung jury. In 3/06, he agreed to a plea deal ending the case in exchange for 57 months jail time, including time served, with the understanding, now disputed by the U.S. government, that he would not be compelled to give testimony in other federal cases. He was to be released and deported in 4/08 when another judge ordered him held on contempt charges for refusing to testify to a federal grand jury; see Quarterly Updates in *JPS* 149, 150 for background.) Al-Arian's lawyers filed their motion to dismiss on 3/26. Brinkema had not ruled on the motion by the end of the quarter.

Lobbies

In a major event this quarter, pro-Israel lobbyists successfully blocked the White House appointment (announced 2/26) of

Charles "Chas" Freeman as chairman of the National Intelligence Council (NIC). Pro-Israel groups immediately criticized Obama for picking Freeman, who as president of the mainstream Middle East Policy Council (MEPC) frequently criticized Israeli policy toward the Palestinians as self-defeating and the U.S.'s uncritical political and economic support for Israel as not in the U.S.'s self-interest. The NIC position, which does not require Senate confirmation, oversees production of the national intelligence assessments and other analyses that represent the consensus judgments on which national security policy is based. In the days following the White House announcement, an online campaign against Freeman mushroomed. The *Washington Post* (3/12) reported at length on how mainstream pro-Israel groups did not openly attack Freeman's appointment, instead letting "pro-Israeli bloggers and employees of other organizations [work] behind the scenes to raise concerns with members of Congress, their staffs, and the media." The report specifically cited AIPAC as officially stating that it "took no position on this matter and did not lobby the Hill on it," although its spokesman, Josh Block, repeatedly spoke off the record with reporters on the subject. The online blogging, led by former AIPAC official Steven Rosen, under indictment at the time for allegedly sharing classified U.S. intelligence (see "Legal Actions" above), prompted Sen. Charles Schumer (D-NY) to phone (ca. 3/3) the White House to complain of Freeman's history of "irrational hatred of Israel," and 8 members of the House, led by Rep. Mark Steven Kirk (R-IL), to send (3/3) a letter to U.S. Inspector General Edward Maguire calling on him to investigate whether Freeman had a conflict of interest because of MEPC's financial relationship with Saudi Arabia. (Freeman, who had been U.S. amb. to Saudi Arabia 1989-92, had accepted \$1 m. from Saudi Arabia to fund MEPC's endowment.) On 3/9, 7 members of the Senate Armed Services Comm. led by Sen. Joseph Lieberman (I-CT) sent a letter to NIC dir. Dennis Blair threatening to scrutinize all the NIC's work if Freeman were named chair. On 3/11, Freeman, concluding after the 3/9 letter that he would never be allowed to be effective in the NIC job, resigned, accusing pro-Israel lobbyists of libeling him and stating that "the aim of this lobby is control of the policy process through the exercise of a veto over the appointment of people who dispute . . . its views." The White House did

not comment on his resignation, though officials speaking with the press increasingly distanced Obama from the appointment, saying the decision had been Blair's and had immediately been questioned by several White House staffers.

On 3/26, 100s of Zionist Organization of America (ZOA) activists from around the country took part in ZOA's annual "activist mission to Washington," this year lobbying for tougher sanctions on Iran, restrictions on aid to the Palestinians, withdrawing U.S. funding for the Durban Review Conference on Racism (see "United Nations" below), and new transparency requirements for U.S. aid run through UNRWA, which the ZOA accuses of "employing, facilitating and funding terrorists." The ZOA also hosted (3/26) a luncheon briefing for members of Congress to press its positions. About 30 members of Congress gave brief remarks. Among the testimonials: Rep. Anthony Weiner (D-NY) declared that he was from "the ZOA wing of the Democratic Party"; Rep. Dan Burton (R-IN) pledged that if Israel ever ran out of soldiers to fight in Gaza, "give me a gun and I'll get over there"; Rep. Shelley Berkley (D-NV) called UNRWA "nothing but the face and arm of Hamas" and said that before she signed on to the legislation calling for tough restrictions on aid funneled through the agency she had called ZOA pres. Mort Klein "to make sure it was strong enough"; and self-described Zionist Christian Rep. Paul Broun (R-GA) stated that "The only vestiges of [God's] blessing on this nation today is because we continue to bless Israel and I will do everything in my power to continue to ensure that Israel is blessed by America."

AIPAC held (5/3-7) its annual conference in Washington, attended by 6,000 participants from across the country. Israeli officials addressing the conference—including PM Netanyahu (via satellite), Pres. Peres, and opposition leader Tzipi Livni—focused their comments on the Iranian threat. Among the U.S. officials attending were VP Joe Biden, White House Chief of Staff Rahm Emanuel, Foreign Relations Comm. Chmn. Sen. John Kerry (D-MA), and former rep. Newt Gingrich. More than half the members of Congress attended the gala banquet on 5/4. In his address, Biden pledged (5/5) that the U.S. would maintain aid to Israel and support Israel's right to self-defense, but stressed that "now is the time" for Israel, as well as the Palestinians, to make sacrifices. Specifically, he said Israel must "not [build]

more settlements, dismantle existing outposts, and allow Palestinians more freedom of movement.” (These comments were met with silence by the audience.) He also reiterated the Obama administration’s intention to engage diplomatically with Iran, saying if diplomacy failed, the world would have the moral authority to sanction and isolate Iran, adding that “nothing is being taken off the table” (seen by some as a reference to military action).

Timed to coincide with the AIPAC conference, pro-Israel groups opposed to Israel’s current policy on the peace process (including Americans for Peace Now, Brit Tzedek v’Shalom, and J Street) sent out letters urging their members and supporters to phone and visit their congressional representatives to offer alternative views in support of diplomacy with Iran, a 2-state solution to the Palestinian conflict, and the need to pressure Israel to halt settlement expansion. The action being urged was meant to counter AIPAC’s annual day of lobbying on Capitol Hill (5/7), when conference attendees deploy to meet with every member of the House and Senate.

The *Washington Post* reported (3/25) that a search of IRS records had identified 28 U.S. charities that collected a total of \$33.4 m. in private tax-exempt contributions to Jewish settlements and related organizations between 2004 and 2007. Recipients of U.S. donations include Ir David (for which \$8.7 m. was raised in 2004 and \$2.7 m. in 2006 for construction in East Jerusalem), Hebron Fund (which sends money—just under \$1 m. in 2006—to settlements in Hebron), and American Friends of Yeshiva High School of Kiryat Arba (which funneled \$730,000 to Kiryat Arba in 2006). Israeli nonprofit organizations overall receive an estimated \$1.5 b./year in U.S. donations. AIPAC reported (2/20) bringing in \$86 m. in 2007, stating that annual donations had doubled since 2004 and soared since the outbreak of the al-Aqsa intifada in 2000 and the 9/11 attacks in 2001.

The pro-Israel, pro-peace lobby J Street marked its first anniversary on 4/24 by announcing a partnership with the Union of Progressive Zionists to establish a campus outreach program to “provide space for students who support Israel but still want to debate openly and freely the hard questions surrounding the conflict.” J Street Exec. Dir. Jeremy Ben-Ami stated that the organizations were motivated by the aggressive “anti-Semitism” campaigns on college cam-

puses in recent years, led by groups such as Campus Watch, which had undermined “constructive and healthy dialogue about what best serves Israel’s and America’s interests.”

The Israeli human rights group B’Tselem (which recently opened an office in Washington to lobby the U.S. Congress and government) and Rabbis for Human Rights–North America sent (ca. 4/25) letters to Secy. of State Clinton urging her to press Israel to cooperate fully with a UN investigation into possible Israeli and Palestinian war crimes during OCL.

Also of note: The AIPAC-affiliated pro-Israel think tank, the Washington Institute for Near East Policy (WINEP), hired (2/20) John Hannah, formerly VP Dick Cheney’s national security adviser, to direct a new project on U.S. strategy in the Middle East. Hannah worked for WINEP on Soviet-Middle East policy in the late 1980s and early 1990s, before joining the George W. Bush administration.

RUSSIA

Russia took no initiatives on the Arab-Israeli conflict this quarter, restricting its activities to Quartet consultations on Pres. Obama’s emerging peace strategy (see “The Arab League Receives Obama’s Plan” above).

EUROPEAN UNION

A report assessing OCL’s impact on EU-Israel relations issued (4/09) by the Israeli European Policy Network found that while the EU had been relatively supportive of Israel during the air war phase, positions had hardened when the ground war began, with growing concerns about civilian casualties and weapons misuse. Looking forward, the analysts concluded that because of OCL, along with the new Netanyahu government’s refusal to endorse a 2-state solution, “Israel’s ambition to be more deeply integrated into the EU programs and projects, and eventually certain institutions, will have to be shelved for now. Upgrading the bilateral relations was always conditional on progress in the process of reaching a solution to the Israeli-Palestinian conflict and it remains the EU approach.” (Sweden, Spain, and Belgium—slated to hold the next EU rotating presidencies—were seen as particularly unlikely to push for upgrading relations with Israel.) The report also noted that the likely readjustment in Israeli-EU relations in the short term would be due not only to the

new Israeli government policies but also to the fact that in 2009 most EU institutional leaders were coming to the end of their terms, including the EU parliament (elections in 6/09), the European Commission (EC) president (election in 9/09), what was expected to be a majority of the members of the EC (the EU executive branch; terms end on 10/31/09 but may be renewed by the new president), and the high representative for the common foreign and security policy (currently Javier Solana, who planned to step down in 10/09). The group also expected the European-Mediterranean cooperation talks known as the Barcelona process (started in 1994 after the Oslo agreement), while already “almost defunct,” to continue to decline following Netanyahu’s election: Arab states initially backed away from the Barcelona process in 1996 in protest over the first Netanyahu government’s refusal to implement the Oslo accords.

This quarter, EU foreign policy chief Solana visited Israel (2/26), Gaza (2/27), and Ramallah (2/28), becoming the highest-ranking EU official to visit Gaza since Hamas took over in 6/07; he did not meet with any Hamas officials. Solana’s 2/26 meeting with outgoing Israeli FM Tzipi Livni focused on implementing last quarter’s agreement to upgrade bilateral relations (see Quarterly Update in *JPS* 151). Livni stressed that the EU must be cautious about recognizing a Palestinian unity government and must continue to demand that any Palestinian government accept the 1/06 Quartet principles.

Incoming Israeli FM Lieberman made his first official trip abroad (5/4–ca. 5/13) to tour European states, meeting with his counterparts in Italy, France, the Czech Republic (currently holding the rotating EU presidency), Germany, and Britain. (His request for a meeting with French pres. Nicholas Sarkozy was denied.) Lieberman emphasized his government’s position that focusing on Israeli-Palestinian final status issues should be secondary to dealing with Muslim states’ refusal to recognize the Jewish state and Iran’s growing regional influence.

Meanwhile, thousands of Palestinians from across Europe attended (5/2) the seventh annual Palestinians in Europe conference in Milan, Italy. The final conference statement, titled the “Milan Declaration,” reaffirmed the unity of Palestinians worldwide and the refugees’ right of return, specifying that European Palestinians “do not mandate any individual or party whatsoever to concede, bargain or divide” their right to

return to their “homeland and lands, with compensation.” It also noted “a disturbing deterioration in European foreign, military, and security policy” that increasingly falls in line with Israel at the expense of human rights and justice.

This quarter, several European political and legal figures took actions counter to the EU’s and their governments’ official policies on Israel and Hamas. Most notably, Northern Irish Republican leader Gerry Adams visited (4/8–9) Gaza, meeting with Hamas PM Ismail Haniyeh. Afterward, Adams criticized Israel’s ongoing siege and stated his belief that Haniyeh had a genuine willingness to work for peace, adding that he would brief U.S. envoy Mitchell on his meetings. Quartet envoy Tony Blair endorsed the visit and personally intervened with Israeli DM Barak to secure the proper visas for Adams’s travel, reportedly (*Jewish Telegraphic Agency* 4/10) arguing that Adams “had experience as a mediator, and could pass messages and act as a go-between for Israel and Hamas.”

Spanish judge Fernando Andreu accepted (5/4) a universal jurisdiction case bringing crimes against humanity charges against 7 Israeli officials for the 7/22/02 air strike on Gaza City that assassinated Hamas official Salah Shihada, killed 19 bystanders, and wounded 140. Many nations have passed universal jurisdiction laws that recognize the right of any country under international law to try extreme cases of crimes against humanity such as genocide, torture, and war crimes, even when neither the alleged perpetrator nor the victim is its national. Cases against Israeli officials have been brought in Belgium, Britain, France, Germany, and New Zealand, the most prominent being a Belgian case against Ariel Sharon for his role in the Sabra and Shatila massacres during the 1982 Lebanon war. None of the cases has resulted in trial. In accepting to hear the case, Andreu rejected a petition by the Spanish government asking him to reject the lawsuit on the grounds that the Israeli government was dealing with the issue properly. Israel made no comment on Andreu’s decision in anticipation that the Spanish government would appeal.

UNITED NATIONS

Despite anticipation this quarter that the Obama presidency might bring significant improvement in UN-U.S. relations and a marked departure from Bush administration policy on advancing civil and human

rights, U.S. actions in what were widely seen as the administration's first two tests proved mixed. The Obama administration's decision to boycott the 4/09 UN World Conference on Racism (WCAR, or Durban Review Conference) as biased against Israel was seen as continuing previous policy. On the other hand, opting to join the UN Human Rights Council (HRC) was seen as a welcome break with the past.

In a tension-raising incident, U.S. Deputy Permanent Representative to the UN Alejandro Wolff rebuked (3/10) United Nations General Assembly (UNGA) Pres. Miguel d'Escoto Brockmann for having "repeatedly abused his position to pursue his personal agenda" and undermined the integrity of the UNGA since assuming its presidency in 9/08 by making statements critical of U.S. policy on Cuba, Iran, and Iraq, and of Israeli actions against the Palestinians. The comments came a day after d'Escoto, on an official visit to Iran, criticized the U.S. for not cooperating with other UN nations and defended Iran's nuclear program. D'Escoto had previously called Israel an "apartheid state" and called for a boycott of Israel in response to OCL.

Durban Review Conference (WCAR)

The main UN event this quarter was the second WCAR, held 4/20–24 in Geneva, to examine world progress toward ending racism since the 2001 global antiracism summit in Durban, South Africa. That WCAR had ended with Israel and the U.S. walking out in protest over the perceived singling out of Israel for criticism (see Quarterly Update in *JPS* 122). By 2/19, when UN member states held their final preparatory talks on the summit, Obama had still not decided on U.S. attendance, saying the decision would hinge on wording of the final declaration, which was to be agreed before the actual conference. When the final draft emerged on 2/27, the State Dept. declared it "unsalvageable" and worse than the 2001 final statement, saying that the U.S. would be forced to boycott unless harsh criticism of Israel's occupation and a call for reparations for slavery were omitted. After weeks of what administration insiders described as "furious internal debate" and intense negotiations with UN members to alter the text, the U.S. announced (4/18) "with regret" that it would not attend the summit.

The WCAR, held as planned 4/20–24 in Geneva, was boycotted by Australia, Canada, Germany, Israel, Italy, the Netherlands, and

the U.S. out of concern for its treatment of the Israel question and (in the words of German FM Frank-Walter Steinmeier) because it might be "abused by others as a platform for their interests." Indeed, Iranian pres. Mahmoud Ahmadinejad's keynote address (4/20) denounced Israel as a "paragon of racism" founded on "the pretext of Jewish suffering," prompting European diplomats to walk out in protest. He also accused Zionists of controlling Western governments and blamed the U.S. and Western economic liberalism for the global economic crisis. UN Secy.-Gen. Ban Ki-moon issued a statement (4/20) "deploring" Ahmadinejad's use of the UN platform to "accuse, divide, and even incite." Pro-Israel activists made a strong showing on the WCAR sidelines, staging a disruptive demonstration challenging Ahmadinejad at the opening session and holding a major rally outside the UN compound, including speeches and a Holocaust commemoration.

Of note: Israel recalled (4/20) its amb. to Switzerland and summoned the Swiss amb. to Israel to the FMin. to formally protest Swiss pres. Hans-Rudolf Merz's meeting with Ahmadinejad on the WCAR sidelines. Switzerland defended (4/20) itself by noting it had no alliance with Iran but had always maintained relations with the Islamic republic and represented U.S. interests there.

U.S. Participation in the HRC and Formation of the Goldstone Mission

The Bush administration had refused outright to be a member of the HRC, but under Pres. Obama the U.S. sent (2/27) an observer to monitor the Council's proceedings while mulling whether to join. On 3/31, after some internal debate, the Obama administration announced it would seek a seat on the HRC as a cornerstone of its "new era of engagement" and because it believed that challenging negative HRC practices would be more effective from within the organization. Elections for the 3 open seats for Western countries on the 47-member council were held on 5/12, with only 3 candidates running: Belgium, Norway, and the U.S. (New Zealand having withdrawn its candidacy on 3/31 in favor of the U.S.). Members of the HRC hold 3-year terms.

UN special rapporteur Richard Falk, prevented by Israel from conducting an investigation of OCL on the ground (see Quarterly Update in *JPS* 151), explored

instead the international law and human rights dimensions of the war. Contrary to most human rights investigations of OCL, Falk's final report (see Doc. A1 in this issue), submitted to the HRC on 3/17, concentrates less on Israel's disproportionate use of force as a measure of war crimes than on the prior question of whether the entire operation was legal. He concludes that Israel's resort to force was not legally justified given the diplomatic alternatives available and was "potentially a crime against peace." Israel called (3/23) the report one-sided.

The primary recommendation of the special rapporteur was that a special expert mission of inquiry be convened to investigate the allegations of war crimes in Gaza, in keeping with a 1/12/09 nonbinding HRC resolution (see Quarterly Update in *JPS* 151). This strong recommendation, combined with appeals from Human Rights Watch, UNRWA, and a letter (3/16) to the UN Secretary General signed by 16 of the world's leading human rights investigators and judges with experience leading investigations of war crimes, led the HRC to appoint (4/3) the South African justice Richard J. Goldstone (one of the signatories of the 3/16 letter) to lead a high-level international fact-finding mission. Goldstone, who previously headed investigations of war crimes in Rwanda and Yugoslavia, stated (4/3) that at first he had been "shocked, as a Jew," to be invited to lead the mission, but that he had accepted because the HRC had agreed with petitioners that it was crucial to expand the mandate of the mission to include equal examination of the conduct of Palestinian fighters (the 1/12/09 resolution had called for investigation of Israel's actions only). Israel did not officially comment on the Goldstone mission's creation, but government officials said (by 4/22) that Israel was unlikely to cooperate with the investigation.

Meanwhile, on 3/20, the HRC issued a report (A/HRC/10/22) on human rights conditions in the Palestinian occupied territories in the immediate wake of OCL, noting declines in all areas of relevance to UN special rapporteurs, including poverty, food security, standards of living, education, health, women's rights, protection of civilians and occupied populations, and adherence to international law and domestic rule of law. The report provided significant details of the internal displacement of Gazans during the conflict.

UN Missions in Gaza

UNRWA reported (3/2) that the houses of 2,350 families in Gaza required total reconstruction as a result of OCL, while about 500 needed major and some 10,000 needed minor repairs. The United Nations Development Programme (UNDP) reported (3/11) that it had disbursed more than \$11 m. in cash assistance to 4,600 of the total 12,850 families. Those with only minor home repairs received cash (up to \$5,000) to carry out repairs immediately; those with major damage or totally destroyed homes received money to cover alternative housing either until repairs could be made or houses rebuilt.

The UNDP estimated (4/30) that some 600,000 tons of rubble from OCL needed to be removed. The UN expected some locations to be "heavily contaminated with asbestos and UXO . . . posing a serious risk to public health." As of 4/30, the UN had assessed 273 sites found to contain UXO, estimating cleanup to cost \$15 m.; donors had pledged \$7 m. toward those costs but none of the money had been received by the end of the quarter.

UNICEF Executive Director Ann M. Veneman made a week-long tour of the Middle East (ca. 3/6), including stops in Sederot and Gaza to personally inspect OCL damage. No formal report resulted from her visit, though in comments to the press during her tour she stressed the need for stronger protection for children and families and the unimpeded flow of humanitarian supplies and personnel into Gaza.

IRAN

As new Israeli and U.S. administrations took office this quarter, Iran catapulted from being an important regional issue affecting the Israeli-Arab conflict to being a central factor in reviving the Israeli-Arab peace process (see "The Palestinian-Israeli Conflict" section above). By the close of the quarter, acting U.S. asst. secy. of state. for Near East affairs Feltman told (5/14) members of Congress that Iran had eclipsed the Arab-Israeli conflict as the issue of highest concern in the region. Furthermore, the Obama administration, convinced that the previous administration had mishandled the Iranian nuclear issue by focusing almost exclusively on punishing Iran while dismissing European-led efforts to encourage change through diplomacy, repeatedly expressed its intention to engage Iran diplomatically

in an effort to persuade it to halt its nuclear program (see Quarterly Update in *JPS* 151). Iran welcomed the new U.S. tone, but continued to insist on its right to pursue a civilian nuclear program and maintained a deliberately ambiguous policy regarding its ultimate military and political intentions in the region.

As the quarter opened, IAEA inspectors reported (2/19) that Iran seemed to be curbing key aspects of its nuclear program, including slowing expansion of underground centrifuges to process and enrich uranium, in an apparent conciliatory gesture to Obama. They noted, however, that Iran had stepped up production of low-grade uranium (used for generating electricity, but also refineable into high-grade uranium for weapons use) and amassed enough to produce 1 nuclear bomb. IAEA (2/19) and U.S. intelligence officials (3/10) agreed that Iran presently showed no intention of reviving its weaponization program (suspended in 2003) but was keeping its options open and might be able to produce weapons-grade uranium in 1–5 years.

Meanwhile, Iran declared (2/18) that it had built an unmanned surveillance aircraft with sufficient range to reach Israel and on 3/8 successfully test fired an air-launched missile designed to hit naval targets. This latter test added weight to long-standing Iranian threats to disrupt traffic through the Strait of Hormuz, the waterway between the Gulf and the Sea of Oman through which about 40% of the world's traded oil is shipped, if it were attacked by Israel or the U.S. (Israel also has capability to attack Iran by ship and submarine, which could be countered by the type of missile tested on 3/8.) On 4/8, Israel successfully tested its Arrow II antimissile system, designed with the U.S. and intended to defend against Iranian missiles.

As the Obama administration fleshed out its policies this quarter, it continued to urge dialogue first with Iran, but also made clear that it was going to take tough stands on Iran's nuclear program and efforts to expand its regional influence and would not hesitate to punish Iran (at least via sanctions) if it acted against U.S. interests. Obama's first signal in this regard was to appoint (2/23) Dennis Ross (Pres. Bill Clinton's point man on the Israeli-Palestinian talks and known to be strongly pro-Israel and highly critical of Iran) to review U.S. Iran policy and prepare the administration's new national security policy on Iran as special adviser to Secy.

of State Clinton. Though Ross, who upon leaving the Clinton administration joined the AIPAC-affiliated WINEP while simultaneously serving as chairman of the newly created Israeli organization JPPPI, had no direct diplomatic experience with Iran, he had previously written in support of tough sanctions against Iran; he endorsed diplomacy only from the standpoint that if Iran rejected diplomatic advances (which he assumed it would), the U.S. would be in a stronger position to demand tougher sanctions. A State Dept. official speaking anonymously stated (3/2) that Secy. of State Clinton was also "doubtful Iran would respond" positively to diplomacy. Obama opted (3/12) to renew existing U.S. sanctions on Iran (first imposed in 1995 and annually renewed since) that outlaw U.S. trade and investment in Iran and bar U.S. companies from helping develop its oil industry.

On 3/2, U.S. officials acknowledged that diplomatic steps to increase pressure on Iran had already been taken (ca. 2/10), including hand delivery of a message from Obama to Russian pres. Dmitry Medvedev offering to suspend U.S. plans to deploy a new missile defense system in Eastern Europe if Russia helped stop Iran from developing long-range weapons. (Obama's move angered Republican leaders, who sent him a letter on 3/4 urging against trusting Russia or undermining U.S. allies Poland and the Czech Republic, which would benefit politically and economically from deployment of a U.S. missile defense system in their countries.) Russian FM Sergey Lavrov discussed the proposal with Secy. of State Clinton on the sidelines of a NATO meeting in Geneva on 3/6, but no details were released. Afterward, Lavrov indicated (3/6) that Russia still intended to sell missile components to Iran but realized the issue was sensitive for the U.S. and Israel. Russia had also signed a contract with Iran to provide long-range S-300 rockets that Iran could use to strike Israel, but as of 5/15, had not delivered them.

Meanwhile, Israeli concern about Obama's take on Iran, especially in light of the 2/19 IAEA report seen as evidence that Iran had crossed a threshold toward nuclear militarization, led the outgoing Olmert government to dispatch IDF Chief of Staff Gabi Ashkenazi to Washington on a 5-day visit (3/13–17) to meet with senior Obama administration officials on the matter. The object was to present Israel's latest intelligence on Iran, press the U.S. to abandon

plans for dialogue with Tehran, and press for the release of weapons and systems long sought by Israel (including aerial refueling equipment, air-to-ground weapons, sensors, and the F-22 fighter jet). The Obama administration, however, sending what an unnamed U.S. diplomat called (*Nation* 3/12) “a very clear message to Israel [that] we want to talk about Palestine and not Iran,” limited Ashkenazi’s access, denying his request for meetings with policy-making officials, including Defense Secy. Robert Gates, Joint Chiefs head Adm. Michael Mullen (Ashkenazi’s counterpart), VP Biden, and National Intelligence dir. Dennis Blair. He was granted meetings with National Security Adviser Gen. James Jones (who pressed Israel to ease restrictions on Palestinian movement in the West Bank and Gaza, refusing to discuss Iran), special envoy Ross, and Secy. of State Clinton. Unable to secure the desired meetings, Ashkenazi left a day early, returning to Israel on 3/16.

Obama made (3/20) his first direct diplomatic overture to Iran in a videotaped message to the Iranian people marking *Nowruz*, the Iranian new year, expressing hope for a new beginning in Iranian-U.S. relations and stressing that the new administration was “committed to diplomacy that addresses the full range of issues before us.” He stated that the U.S. “wants the Islamic Republic of Iran to take its rightful place in the community of nations” and did not intend to advance its agenda by issuing threats. These statements, and especially the reference to Iran as an Islamic republic, were perceived as a subtle message that the U.S. was no longer interested in regime change. At the same time, sources indicated that the administration was considering direct communication between Obama and Iran’s supreme leader Ayatollah Ali Khamenei and lifting the ban on direct contacts between junior U.S. and Iranian diplomats. Iran analysts viewed (see *NYT* 3/21) the timing of the overtures as intended to influence the 6/09 Iranian elections, noting that they placed Iran’s hard-liners in a difficult position by accentuating cleavages and making them “look increasingly like they are the impediment.” Officially, Iran responded (3/20) with a neutral statement that Obama’s actions must match his words.

On the sidelines of a meeting (3/31) on Afghanistan at The Hague, U.S. envoy Richard Holbrooke spoke briefly and informally with Iran’s Dep. FM Mohammad Mehdi Akhundzadeh, marking the first diplomatic

contact between the administrations, while the U.S. delegation to the session passed the Iranian delegation a letter seeking Iran’s intercession in 2 legal cases involving Americans being held or missing in Iran. The more prominent case was that of Iranian-American journalist Roxana Saberi, arrested in 1/09 on charges of spying for the U.S. when found with an Iranian government report on the war in Iraq and sentenced (4/18) after a closed-door trial to 8 years in jail. Amid international outcry and the U.S. appeal, Iran’s judiciary ordered (4/20) a review of Saberi’s case and Pres. Ahmadinejad personally ordered (4/20) Tehran’s chief prosecutor to ensure that she had full defense for her appeal, even while Iran’s FMin. repeatedly (e.g., 4/18, 4/20) condemned the U.S. for interfering in Iran’s internal affairs; the mixed messages were seen by some as possible indications of a leadership split concerning rapprochement with the U.S., as well as political posturing in advance of the 6/09 elections. An Iranian appeals court held a 1-day closed trial on 5/11, ordering that the charges against Saberi be reduced to “possessing classified material” and freeing her on a 2-year suspended sentence.

On 4/8, the UN Security Council permanent members and Germany (known collectively as the P5+1) followed Obama’s lead by inviting Iran to open direct talks to discuss disputes over Iran’s nuclear program; the U.S. confirmed (4/8) its participation the same day. Iran said (4/9) it would consider talks provided they were based on Iran’s “rights” (i.e., right to produce nuclear energy) and on justice (noting that others in the region already had nuclear weapons and both sides should be “treated equally”).

The inauguration of the new Israeli government on 3/31, with PM Netanyahu’s immediate call to shift international focus to Iran, insistence on Iran’s containment as a precondition to Israeli-Palestinian peace talks, and warnings that Iran’s failure to halt its nuclear program might force Israel to attack, inevitably changed the dynamics. Israel’s strong positions, reiterated by Israeli officials in nearly every meeting through the end of the quarter, ran counter to the U.S. view that progress on the peace process would undermine Iran’s regional influence and make it easier for Arab states to stand up to Iran. Obama dispatched CIA dir. Leon Panetta on a quiet trip to Israel (ca. 5/1; acknowledged ca. 5/15) to meet with Netanyahu, DM Barak, and Mossad head Meir Dagan to urge Israel to tone

down its rhetoric on Iran. In response to Panetta's warning against a military strike, Netanyahu pledged not to attack Iran without first consulting with the U.S. He also said that Israel would give the U.S. a year to show that its Iran diplomacy was working, demanding that the U.S. provide benchmarks for progress in the diplomatic efforts. (Several days later, on 5/5, Israeli FM Lieberman stated that Israel would give the U.S. 3 months to show progress.)

Also of note: At a major UN conference (5/4-15) in New York to prepare for a 2010 review of the nuclear nonproliferation treaty (NPT), Iran presented 4 papers drawing attention to U.S. violations of the NPT, Israel's undeclared possession of nuclear weapons, and U.S. nuclear aid to Israel and India (neither signatories of the NPT). U.S. Asst. Secy. of State Rose Gottemoeller's remark at the 5/5 session that Israel should join the NPT (which requires the declaration and relinquishment of nuclear weapons) raised Israeli concerns that Obama might try to press Israel to make nuclear concessions in exchange for Iran doing the same. Asked to comment, the White House said (5/5) that Iran's and Israel's nuclear programs were "apples and oranges."

TURKEY

Turkey, which had been very active diplomatically on the Israeli-Palestinian front during OCL, was domestic focused this quarter on important nationwide municipal elections on 3/29. (Turkish PM Recep Tayyip Erdogan's party narrowly won nationally but lost its majority in some key cities, including Adana, Diyarbakir, and Izmir.) Still outraged by Israel's conduct during OCL, however, Turkey granted (by 3/25) Palestinian lawyers access to previously restricted Ottoman land registry archives to help prove in court that the land documents purporting to show Jewish ownership of land in Shaykh Jarrah, East Jerusalem, on which some 500 Palestinians had been living for decades, were fraudulent. The unprecedented access to the archives was viewed as a possible watershed for Palestinian legal challenges to Israeli land claims in Jerusalem (see N. Hasson in the Settlement Monitor section of this issue).

The U.S. made two gestures this quarter recognizing Turkey's growing regional influence: Obama's choice of Turkey's capital, Ankara, to make (4/6) his first major speech to the Muslim world, and Obama's strong support for Turkey's admission to the

EU. (Obama's choice of Ankara, his visit to Ataturk's mausoleum, and his statement that Ataturk's "greatest legacy is Turkey's strong, vibrant secular democracy" were seen by many as indirect efforts to bolster the idea of the separation of religion and state.) Also, U.S. special envoy Mitchell, on his second tour to the region, made a point of stopping first in Turkey to meet (2/26) with Erdogan to express U.S. "appreciat[ion for] Turkey's continuing commitment to a comprehensive peace and a 2-state solution."

VATICAN

In 5/09, Pope Benedict XVI made his first official visit to the Christian holy places of the Middle East, marking the second visit to Israel by a pope (the first was by Pope John Paul II in 2000; Pope Paul VI made an unofficial trip in 1964). The 8-day trip was intended as a pilgrimage to sites visited by Jesus to pray for "the precious gift of unity and peace for the Middle East and all humanity." The Vatican hoped the visit would improve Benedict's relations with Israel and the Muslim world, which had been marred by several missteps deeply embarrassing to the Vatican and to the pope personally. These included a 9/06 statement seen as defaming Islam and the Prophet Muhammad, and most recently, his decision (last quarter) to reinstate a bishop (Richard Williamson) excommunicated in 1988 for schism, apparently unaware of the man's history of Holocaust denial (see Quarterly Updates in *JPS* 142 and 151). In both incidents, Benedict had been forced to backtrack, in the first case by issuing apologies and qualifications of his statement, in the second by reversing Williamson's reinstatement until he retracted his past denials. The Williamson imbroglio continued to cloud Vatican-Israeli relations in the run-up to the pope's regional tour. On 2/26, the excommunicated bishop apologized for his Holocaust statements but did not recant, saying "If I had known beforehand the full harm and hurt to which [my statements] would give rise, . . . I would not have made them." The Vatican dismissed (2/26) the apology as insufficient and issued (3/11) another statement regretting that the handling of the Williamson affair had come across "as the denial of reconciliation between Christians and Jews." That same day, the Vatican received a delegation from Israel's chief rabbinate to discuss mutual concerns and prepare for Benedict's trip.

The first 3 days of the pope's tour (5/8–10) were spent in Jordan, where he gave an address at Amman's al-Husayn bin Talal Mosque denouncing the "ideological manipulation of religion" for political ends and calling for religious cooperation. At an open-air mass, he urged Christians to build bridges to other religions and cultures to counter religious extremism. He also met privately with Islamic leaders and diplomats. Some Islamist groups protested his visit, stating that he had never adequately apologized for his 2006 statements against Islam.

The pope arrived in Israel on 5/11. After attending a welcoming reception at Pres. Peres's residence, he was taken to Yad Vashem Holocaust memorial, where he gave an address calling for Israelis and Palestinians to settle their differences "so that people can live in security in a homeland of their own, with internationally recognized borders." He also denounced the Holocaust as "an atrocity" that "disgrace[d] mankind." Yad Vashem's dir. Avner Shalev and chmn. Rabbi Yisrael Meir Lau welcomed (5/11) the statements on the Holocaust while noting that they were more "restrained" than hoped and regretting that the pope had not expressed "a personal note of contrition." (Over the next several days, criticism of the pope's Yad Vashem statements increased, many complaining that a German-born pope should have "expressed regret for his country's central role in the extermination of 6 million Jews.")

In nearly a dozen public statements, on visits (5/12) to the Western Wall and Noble Sanctuary/Temple Mount, at a mass on the Mount of Olives, and throughout the first 5 days of his tour, Benedict confined himself to calls for peace, interfaith cooperation, and the need to avoid religious extremism and politicization. As a result, observers reported (e.g., *WP* 5/12, 5/14) that neither Israelis nor Palestinians were satisfied, finding his statements "bland" and "generic," and complaining that he seemed to avoid taking moral stands on political issues.

Attentive to the pervasive complaints, Benedict began to change the tone of his addresses beginning on 5/13. During visits to Bethlehem and 'Aida r.c. and at a meeting with Abbas that day, the pope made pointed comments about Israel's occupation, in what observers characterized (*WP* 5/14) as "a running critique of Israeli policies toward the Palestinians." He particularly denounced the separation wall and restrictions on movement that divided families

and closed off opportunities for trade and cultural exchange. He twice urged international pressure on Israel for the creation of a Palestinian state, citing Palestinians' right to a sovereign homeland "in the land of your forefathers, secure and at peace with its neighbors, within internationally recognized borders"; expressed solidarity with all the homeless Palestinians "who long to be able to return to their birthplace"; declared solidarity with the civilians of Gaza, offering "my prayers that the embargo will soon be lifted"; and urged Palestinians to reject "violence or terrorism." His mass in Bethlehem was celebrated in front of a giant Palestinian flag. Palestinians welcomed the new tone, but Israeli unease increased.

The West Bank stops were followed on 5/14 by masses in Nazareth (before a crowd of 50,000 mostly Israeli Arabs but also many foreign delegations) and mass at the Basilica of the Annunciation, with both sermons focusing on interfaith cooperation. That day (5/14), Benedict met privately with Netanyahu, who urged him to speak out "loudly and continuously" against statements by Iran denying the Holocaust and calling for Israel's destruction. The pope ended his tour on 5/15 with a visit to the Church of the Holy Sepulchre and a farewell speech appealing for peace and stressing that the Holocaust, "that appalling chapter in history, must never be forgotten or denied." During his tour, Benedict also took part (5/11) in an interfaith dialogue with Jewish and Muslim leaders and met with the parents of captured IDF soldier Gilad Shalit (5/11), as well as with families of Palestinians detained by Israel (5/13).

Overall, the papal visit was disappointing for the Vatican and those in the region, and old tensions remained unresolved. Benedict was unable to connect with the people (particularly compared with the charismatic Pope John Paul II), and both Palestinians and Israelis were left with the sense that he did not truly appreciate their concerns or elucidate his positions on critical issues relating to the conflict.

DONORS

On 3/2, Egypt and Norway sponsored a major international donor conference in Sharm al-Shaykh to raise \$2.8 b. toward the "Palestinian National Early Recovery and Reconstruction Plan for Gaza, 2009–2010," drafted by the PA with the help of the UN, EU, and World Bank within the international

donor bodies that regularly meet. (Israel and Hamas were not invited to attend the conference, but UN Secy.-Gen. Ban and several heads of state, including French pres. Sarkozy, attended. Secy. of State Clinton and special envoy Mitchell represented the U.S.) In total, 75 states pledged more than \$4 b., including: \$1.65 b. from the Gulf Arab states, spread over up to 5 years; \$900 m. from the U.S.; and \$552 m. from the EU.

Many factors made it unclear, however, what these figures really meant and how much of the assistance would reach Gaza. First, it was often unclear whether the amounts promised constituted entirely new pledges; reallocations of outstanding pledges made at previous donor conferences or of previously budgeted money committed bilaterally by states to the PA, UN agencies, or NGOs; or a combination of newly allocated and redirected funds. The U.S.'s handling of its \$900 m. pledge serves as an example: Though the funds were pledged to the Gaza reconstruction plan, they included only \$300 m. for humanitarian aid directly to Gaza, with the other \$600 m. allocated to the PA in the West Bank (\$200 m. for recurrent salary expenses, \$400 m. for "reform and development"). The amount included new money and reallocations of money previously allocated to the PA (including \$85 m. pledged by the outgoing Bush administration to UNRWA in 12/08; see Quarterly Update in *JPS* 151).

Moreover, the Arab states' record of disbursing pledged funds has been poor, making it less than certain that any of their \$1.65 b. would be received. Perhaps most importantly, most donors demanded that systems be instituted to guarantee that the aid money would not benefit Hamas. (Secy. of State Clinton, for example, firmly stated on 2/27 that U.S. funds "will only be spent if we determine that our goals can be furthered rather than undermined or subverted," stressing that strict limits, approved by Congress, would be placed on the aid.) Israel also said it would not ease restrictions on Gaza to allow the import of construction material unless such guarantees were in place. While structures such as PEGASE (the new EU-financing mechanism in support of the PA) and the PA's unified treasury account could guarantee that money did not run through Hamas-controlled accounts, it was more difficult to guarantee that rebuilding would not give Hamas a more intangible

bounce in popularity. These details were not worked out before the end of the quarter, meaning none of the pledged funds had been disbursed before 5/15.

Hamas authorities in Gaza, meanwhile, took steps in 4/09 to ensure that donor aid would not go toward building up Fatah in Gaza as a counterweight to Hamas, requesting all international NGOs providing humanitarian assistance in Gaza to register with its Interior Min. within 1 month and to provide copies of annual reports and detailed information on their employees and beneficiaries. The NGOs asked that their registration with the Interior Min. in Ramallah be accepted in Gaza, but the issue remained unresolved by the end of the quarter. Assurances of a very different kind were sought by a group of Palestinian and Israeli human rights groups, which issued (5/4) an appeal to international donors to restrict aid until assurances of Israeli compliance with international law were given, arguing that by consistently providing reconstruction and humanitarian aid to Palestinians, donors only encouraged Israel to act with impunity (see Doc. A3 in this issue).

The PA plan itself, intended to lay out "the basis for mobilizing [international] resources and efforts" to rebuild Gaza, focused both on rapid emergency response (especially rebuilding Gaza's health sector and basic infrastructure) and on medium- to long-term reconstruction (including clearing UXO, repairing environmental damage), seeking \$1.3 b. for early recovery and reconstruction and \$1.45 b. for recurrent budget expenses (including covering PA salaries and cash payments to Gaza's hardship cases, who might otherwise receive assistance from Hamas). The plan made clear that the PA envisioned reconstruction being led by the PA, as part of a process of restoring Gaza to PA rule. In addition to stressing the importance of opening Gaza's borders to imports, the plan warned that reconstruction efforts would fail unless accompanied by a Palestinian national reconciliation to improve stability necessary for winning donor funds and implementing long-term recovery. The text also stressed that Gaza and the West Bank were a single integral unit and assured that aid would be channeled through the PA's single treasury account or existing donor mechanisms such as PEGASE.

Last quarter, the donors revived the Humanitarian Task Force on Emergency Needs, which had not met for several years,

to discuss provision of basic humanitarian assistance in Gaza in light of OCL, to prepare for the Sharm al-Shaykh donor conference, and (after the conference) to oversee discussion on an acceptable framework to provide donor assistance to Gaza. The task force also discussed immediate concerns regarding the severe drought in the territories and Palestinian access to education in East Jerusalem. One meeting had been held last quarter on 1/26; this quarter, meetings were held on 2/19 and 5/4.

Other routine donor meetings this quarter included the regular monthly sessions (2/25, 3/30) of the Local Development Forum to discuss the PA's reform, development priorities, and budget issues, and to plan for a meeting of the Ad Hoc Liaison Comm. set for 6/6. Of the 4 main donor "strategy groups" (SGs), the economic policy SG met on 3/24 in a joint meeting with

its subsidiary fiscal sector working group (SWG), and the social development and humanitarian assistance SG met on 2/19. The infrastructure and governance and reform SGs did not meet. Various SG subcommittees also held regular follow-up meetings. These included meetings of the economic SG's private sector development and trade SWG (3/17) and micro and small finance task force (4/22); the governance SG's election reform SWG (3/26), judicial reform SWG (3/3), municipal development and local governance SWG (4/28), and security SWG (3/4); the infrastructure SG's water and sanitation SWG (5/7) and solid waste thematic subgroup (3/17); and the social and humanitarian assistance SG's health SWG (3/4) and "social protection" SWG (which addresses the Social Safety Net Reform Project funded through PEGASE; 5/6). Details of the meetings were not released.



Pope Benedict XVI waves as his armored car passes in front of the separation barrier during a visit to 'Aida refugee camp in Bethlehem, 13 May 2009. The pope spent eight days touring Israel and the occupied Palestinian territories. (Uriel Sinai/Getty Images)

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