

PolicyWatch #1676 : Special Forum Report

## Netanyahu Comes to Washington: Assessing U.S.-Israel Relations

Featuring Stephen Hadley and [Michael Herzog](#)  
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*On July 1, 2010, Stephen Hadley and [Michael Herzog](#) addressed a special Policy Forum luncheon at The Washington Institute to discuss Israeli prime minister Binyamin Netanyahu's upcoming visit to the United States and its implications for bilateral relations. Mr. Hadley served as national security advisor to President George W. Bush and is currently the senior advisor for international affairs at the U.S. Institute of Peace. Brig. Gen. Herzog has recently been named a Milton Fine international fellow by The Washington Institute. Over the past decade, he has served as senior advisor to Israeli ministers of defense and has been a key participant in virtually every Israeli peace negotiation. The following is a rapporteur's summary of their remarks.*

### **Stephen Hadley**

The two-state solution is widely accepted as the ultimate outcome of any Middle East peace process. Despite this consensus, progress toward a solution has slowed to a near halt. The difficulty Israel's right wing coalition faces in making concessions on key issues has proven a major obstacle to negotiations, while the split between a Palestinian Authority-controlled West Bank and Hamas in Gaza further diminishes the probability of reaching a solution in the foreseeable future.

Also detracting from Israel's willingness to negotiate is a growing sense of isolation. Iran's looming nuclear program, deteriorating ties with Turkey, and a strained relationship with Washington all threaten Israel's sense of security, making the current government even less likely to make necessary concessions.

Prime Minister Netanyahu has the ability to end once and for all the growing sense that Israel is under attack. Reaching a two-state solution would permanently end the debate about Israel's legitimacy in the Middle East. Yet Netanyahu must act fast, as the window of opportunity in which a solution can be reached is narrow. Israel's Arab partners are aging; the next generation of leaders could prove more radical and hostile to Israel and thus far less likely to enter direct negotiations.

Furthermore, the situation in Iran poses a grave threat to the peace process. Should Tehran achieve nuclear capability, not only would radical parties such as Hamas and Hizballah receive enhanced military and political support, but a nuclear arms race would likely break out in the region, destroying the international community's credibility and rendering the Nuclear Nonproliferation Treaty effectively null.

With Iran perhaps two years or less away from achieving nuclear capability, Washington is nearing crunch time. By the first quarter of 2011, we will know whether sanctions are proving effective. In the meantime, the United States must continue to push hard on sanctions, tie up oil revenues in a way that is nonattributable to the United States, and support civil resistance by transferring technology to aid in free communication and making outside broadcasting more available. Additionally, the administration should begin to plan now for a course of action should sanctions be deemed ineffective by the first or second quarter of next year. The military option must be kept on the table both as a means of strengthening diplomacy and as a worst-case scenario.

Whether through diplomatic pressure or military action, the administration can dramatically enhance the prospects for Middle East peace. A successful slowing of Iran's nuclear ambitions could deprive Hamas (the major opponent to the peace process) of Iranian sponsorship, leave the Arab states free to support the process, and enhance U.S. credibility as the major player in the Middle East. Furthermore, with Israeli anxiety over Iran reduced, Netanyahu would feel freer to reach an agreement.

It is imperative that Netanyahu and Obama have a good working relationship in stalling Iran's nuclear ambition as well as on all other issues vital to Israeli security. With the approaching UN General Assembly in September, Netanyahu is in great need of U.S. support, advice, and trust in facing issues that hold existential implications for Israel. His upcoming visit to Washington (currently scheduled for July 6) holds tremendous prospects for restoring U.S.-Israeli relations.

Finally, although the Gaza flotilla incident has strained Israeli-Turkish ties, the relationship is not irreparable. Both sides are upset about the outcome, and Washington is encouraging them to take mutual steps to repair their relationship.

### **Michael Herzog**

Recent strategic challenges -- including Iran's nuclear program, deteriorating ties with Turkey, and tensions with the United States -- have left Israelis feeling increasingly isolated from the international community. The growing perception is that even Israel's right to use force for self-defense is under international attack.

Although Israel and the Palestinian Authority are both striving toward a two-state solution while facing the common challenges posed by Iran and Hamas, they have repeatedly expressed different conditions for negotiations. Israelis believe that "nothing is agreed until everything is agreed." As such, Israel wants direct final-status negotiations and maintains that core issues (such as Jerusalem and refugees) are too important to be discussed through a third party.

The Palestinians want an Obama plan or a UN-imposed solution to the conflict and have set a host of preconditions -- including a full settlement freeze and the resumption of talks from where former prime minister Ehud Olmert left off -- that must be met before negotiations begin. Despite repeated U.S. efforts, these two approaches to negotiations continue to be unbridgeable.

Conditions conducive to peace must be created in order for negotiations to succeed. Current efforts on the ground are showing a positive trend: not only is the rate of economic growth in the West Bank unprecedented at 8 percent, but the level of coordination between Palestinian and Israeli security forces as well as the success of U.S. security coordinator Gen. Keith Dayton's efforts are cause for optimism. At the same time, however, Gaza remains in the hands of Hamas, a radical Islamist party, and reconciliation between Fatah and Hamas remains as futile as ever.

The situation regarding Iran shows similar cause for both optimism and pessimism. Although recent developments on the sanctions front reflect a positive trend of increasing international resolve on the issue, there is reason for skepticism regarding whether sanctions will actually be implemented and have the desired effect. It will take a minimum of six months to a year to determine whether these measures are in fact working, at which point the international community will have to critically examine the next step. For Israel, all options are on the table.

Resolving the Iran issue would provide a significant boost to ending the Israeli-Palestinian conflict. As the moderate states of Egypt and Saudi Arabia are growing weaker, Iran and Turkey are increasingly determining the future of the Middle East. At a time when Iranian policies continue to strengthen Hamas and Hizballah, Israel's relationship with Turkey has all but crumbled with Ankara's encouragement of the Gaza flotilla.

To make matters worse, the Obama administration's focus on engaging the Muslim world has left Israel

doubtful that Washington will continue to fully support its security interests. One thing is certain: for Netanyahu to make a historic decision regarding the peace process, he has to be confident not only that there is a Palestinian partner on the other side, but that America will provide a safety net should the process fail.

The peace process is nearing a critical point as the moratorium on settlement construction approaches expiration on September 26. The most important thing is to get both sides to the table for direct talks. In this regard, both Israel and the United States are determined to make Netanyahu's visit to Washington a success. The trip has great prospects for strengthening the two countries' relations and advancing negotiations.

*This rapporteur's summary was prepared by Sheli Chabon.*

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