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Summary

Since Israel's founding in 1948, successive U.S. Presidents and many Members of Congress have demonstrated a commitment to Israel's security and to close U.S.-Israel cooperation. Strong bilateral ties influence U.S. policy in the Middle East, and Congress provides active oversight of the executive branch's actions. Israel is a leading recipient of U.S. foreign aid and a frequent purchaser of major U.S. weapons systems. By law, U.S. arms sales cannot adversely affect Israel's "qualitative military edge" over other countries in its region. The two countries signed a free trade agreement in 1985, and the United States is Israel's largest trading partner.

Israel regularly seeks help from the United States to bolster its regional security and defense capabilities. Legislation in Congress frequently includes proposals to strengthen U.S.-Israel cooperation, such as the U.S.-Israel Security Assistance Authorization Act of 2018 (S. 2497 and H.R. 5141).

Concerns about Iran dominate Israel's strategic calculations. Prime Minister Binyamin Netanyahu influenced President Trump's May 2018 decision to withdraw from the 2015 Iranian nuclear agreement and to reimpose sanctions on Iran, and Israel has made common cause with several Arab states to counter Iran's regional activities. During 2018, Israel and Iran have clashed over Iran's presence in Syria, fueling speculation about the possibility of broader conflict between the two countries and how Russia's presence in Syria might affect the situation. A serious threat persists from Hezbollah's rocket arsenal in Lebanon, adding to the uncertainty along Israel's northern border.

Hamas and other militant groups in Gaza may present less of an immediate threat to Israeli population centers. Nevertheless, various forms of conflict have taken place around the Gaza-Israel frontier in 2018. Improving difficult living conditions for Palestinians in Gaza while also ensuring Israel's security presents a challenge, given: Hamas' control of Gaza, Israeli and Egyptian control of its access points, and recent reductions in U.S. and Palestinian Authority (PA) funding.

Israel's political impasse with the Palestinians continues. Israel has militarily occupied the West Bank since the 1967 Arab-Israeli war, with the PA exercising limited self-rule in some areas since the mid-1990s. The Trump Administration's recognition of Jerusalem as Israel's capital in December 2017 and its relocation of the U.S. embassy there in May 2018 were greeted warmly by Israel but rejected by Palestinians and many other international actors. The success of an anticipated U.S. diplomatic proposal may depend on a number of factors, including whether Israel embraces it and can persuade Palestinians or Arab state leaders to do so. Approximately 590,000 Israelis live in residential neighborhoods or "settlements" in the West Bank and East Jerusalem. These settlements are of disputed legality under international law.

Israel has a robust economy and an active democracy. Prime Minister Netanyahu's governing coalition includes various right-of-center and religious parties. Domestic debates continue about the government's commitment to rule of law and freedom of expression, and how to balance market-friendly economic policies with individuals' concerns about cost of living. The role and status of Arab citizens presents challenges for the state and society. Netanyahu is facing a number of corruption allegations, and some political commentators anticipate that Netanyahu will call national elections ahead of the attorney general's decision on whether to indict him.

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Introduction

U.S.-Israel defense, diplomatic, and economic cooperation has been close for decades, based on common democratic values, religious affinities, and security interests. On May 14, 1948, the United States was the first country to extend de facto recognition to the state of Israel. Subsequently, relations have evolved through legislation, bilateral agreements, and trade.

U.S. officials and lawmakers often consider Israel's security as they make policy choices in the Middle East. Congress provides military assistance to Israel and has enacted other legislation in explicit support of its security. Such support is part of a regional security order—largely based on U.S. arms sales to Israel and Arab countries—that has avoided major Arab-Israeli interstate conflict for about 45 years. Some Members of Congress have occasionally authorized and appropriated funding for programs benefitting Israel at a level exceeding that requested by the executive branch. Other Members have sought greater scrutiny of some of Israel's actions.

Iran continues to be a top Israeli security concern. Israel has sought to influence U.S. policy on Iran, and supported the Trump Administration's May 2018 withdrawal from the Iranian nuclear agreement. In recent years, Israel and Arab Gulf states have discreetly cultivated closer relations with one another in efforts to counter Iran.[1] As Iran-backed groups have been successful in helping Syria's government regain effective control of the country, Israel has conducted a number of airstrikes targeting these groups. Israeli officials consider an indefinite Iranian presence in Syria to be a serious security threat exacerbating the threat already posed by Hezbollah in Lebanon, and have vowed to prevent it. As a result, Israel's relationship with Russia, which cooperates with Iran in Syria and hosts advanced air defense systems there, has become more important. Israel also remains threatened by Hamas and other terrorist groups in the Gaza Strip while considering ways to work on Gaza's difficult humanitarian and security situation with neighboring Egypt and a wide range of actors.

In the Israeli-Palestinian conflict, political disputes persist over key issues including security parameters, Israel-West Bank borders, Jewish settlements, Palestinian refugees, and the status of Jerusalem. Polls suggest wide skepticism among the Israeli public about prospects for a negotiated end to the conflict.[2] Contentious domestic politics for both Israelis and Palestinians make it difficult for them to make diplomatic concessions, particularly in a climate where questions surround the continued leadership of Prime Minister Netanyahu (see "Corruption Allegations Involving Netanyahu" below) and Palestine Liberation Organization (PLO) Chairman and Palestinian Authority (PA) President Abbas.[3] Possibly complicating the situation further, President Trump recognized Jerusalem as Israel's capital in December 2017 and the Administration moved the U.S. embassy from Tel Aviv to Jerusalem in May 2018. The Trump Administration may be contemplating a diplomatic proposal aimed at restarting Israeli-Palestinian negotiations with the support of the Arab states that Israel has been discreetly cooperating with against Iran. Israelis debate how their leaders should prioritize options such as participating in

[1] See, e.g., Adam Entous, "Donald Trump's New World Order," *New Yorker*, June 18, 2018; Neri Zilber, "Israel's secret Arab allies," *New York Times*, July 15, 2017.

[2] See, e.g., Tamar Hermann and Ephraim Yaar, "Will Trump's Peace Plan Gain Traction?" Israel Democracy Institute, July 2, 2018.

[3] "Abbas illness sparks succession race for Palestinian presidency," Middle East Eye, May 23, 2018; CRS In Focus IF10644, *The Palestinians: Overview and Key Issues for U.S. Policy*, by Jim Zanotti; Adnan Abu Amer, "US, Palestinian political fallout hasn't hampered security ties," *Al-Monitor Palestine Pulse*, June 6, 2018; Avi Issacharoff, "If you're asking about Abbas's successor, you're not paying attention," *Times of Israel*, May 25, 2018.

diplomatic initiatives, preserving the current facts on the ground, and acting unilaterally to influence outcomes.

Israeli leaders and significant segments of Israeli civil society regularly emphasize the importance of closeness with the United States. Yet, a number of geopolitical factors distinguish Israel from other developed countries, including the regional threats it faces, its unique historical experience, and its population's relatively higher level of direct military service.[4]

Figure 1. Israel: Map and Basic Facts

Sources: Graphic created by CRS. Map boundaries and information generated by Hannah Fischer using Department of State Boundaries (2011); Esri (2013); the National Geospatial-Intelligence Agency GeoNames Database (2015); DeLorme (2014). Fact information from CIA, *The World Factbook*; Economist Intelligence Unit; IMF World Outlook Database; Israel Central Bureau of Statistics. All numbers are estimates and as of 2017 unless specified.

Notes: According to the Department of State: (1) The West Bank is Israeli occupied with current status subject to the 1995 Israeli-Palestinian Interim Agreement; permanent status to be determined through further negotiation. (2) The status of the Gaza Strip is a final status issue to be resolved through negotiations. (3) The United States recognized Jerusalem as Israel's capital in 2017 without taking a position on the specific boundaries of Israeli sovereignty. (4) Boundary representation is not necessarily authoritative. See https://www.state.gov/p/nea/ci/is/.

[4] Military service remains compulsory for most Jewish Israeli young men and women, and most Jewish Israeli men remain on reserve duty until the age of 40 (for soldiers) or 45 (for officers).

Country Background

Historical Overview

The quest for a modern Jewish homeland can be traced to the publication of Theodor Herzl's *The Jewish State* in 1896. Herzl was inspired by the concept of nationalism that had become popular among various European peoples in the 19th century, and was also motivated by European anti-Semitism. The following year, Herzl described his vision at the first Zionist Congress, which encouraged Jewish settlement in Palestine, the territory that had included the Biblical home of the Jews and was then part of the Ottoman Empire.

During World War I, the British government issued the Balfour Declaration, supporting the "establishment in Palestine of a national home for the Jewish people." Palestine became a British Mandate after the war and British officials simultaneously encouraged the national aspirations of the Arab majority in Palestine, insisting that its promises to Jews and Arabs did not conflict. Jews immigrated to Palestine in ever greater numbers during the Mandate period, and tension between Arabs and Jews and between each group and the British increased, leading to periodic clashes. Following World War II, the plight of Jewish survivors of the Holocaust gave the demand for a Jewish home added urgency, while Arabs across the Middle East concurrently demanded self-determination and independence from European colonial powers.

In 1947, the United Nations General Assembly developed a partition plan (Resolution 181) to divide Palestine into Jewish and Arab states, proposing U.N. trusteeship for Jerusalem and some surrounding areas. The leadership of the Jewish Yishuv (or polity) welcomed the plan because it appeared to confer legitimacy on the Jews' claims in Palestine despite their small numbers. The Palestinian Arab leadership and the League of Arab States (Arab League) rejected the plan, insisting both that the specific partition proposed and the entire concept of partition were unfair given Palestine's Arab majority. Debate on this question prefigured current debate about whether it is possible to have a state that both provides a secure Jewish homeland and is governed in accordance with democratic values and the principle of self-determination.

After several months of civil conflict between Jews and Arabs, Britain officially ended its Mandate on May 14, 1948, at which point the state of Israel proclaimed its independence and was immediately invaded by Arab armies. During and after the conflict, roughly 700,000 Palestinians were driven or fled from their homes, an occurrence Palestinians call the *nakba* ("catastrophe").[5] Many became internationally designated refugees after ending up in areas of Mandate-era Palestine controlled by Jordan (the West Bank) or Egypt (the Gaza Strip), or in nearby Arab states. Palestinians who remained in Israel became Israeli citizens.

The conflict ended with armistice agreements between Israel and its neighboring Arab states: Egypt, Jordan, Lebanon, and Syria. The territory controlled by Israel within these 1949-1950 armistice lines is roughly the size of New Jersey. Israel has engaged in further armed conflict with neighbors on a number of occasions since then—most notably in 1956, 1967, 1973, and 1982. Since the 1950s, Israel also has dealt with the threat of Palestinian guerrilla or terrorist attacks. In 1979, Israel concluded a peace treaty with Egypt, followed in 1994 by a peace treaty with Jordan, thus making another multi-front war less likely. Nevertheless, as discussed throughout the report, security challenges persist from Iran and groups allied with it, and from other developments in the Arab world.

[5] CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

Government, Politics, and Society

Overview

Israel is a parliamentary democracy in which the prime minister is head of government (see textbox below for more information) and the president is a largely ceremonial head of state. The unicameral parliament (the Knesset) elects a president for a seven-year term. The current president, Reuven Rivlin, took office in July 2014. Israel does not have a written constitution. Instead, Basic Laws lay down the rules of government and enumerate fundamental rights. Israel has an independent judiciary, with a system of magistrates' courts and district courts headed by a Supreme Court.

The political spectrum is highly fragmented, with small parties exercising disproportionate power due to the relatively low vote threshold for entry into the Knesset (3.25%), and larger parties needing small-party support to form and maintain coalition governments. Since Israel's founding, the average lifespan of an Israeli government has been about 23 months. In 2014, however, the Knesset somewhat tightened the conditions for bringing down a government.

Primer on Israeli Electoral Process and Government-Building

Elections to Israel's 120-seat Knesset are direct, secret, and proportional based on a party list system, with the entire country constituting a single electoral district. All Israeli citizens age 18 and older may vote. Turnout in elections since 2001 has ranged between 62% and 72% of registered voters (before that it generally ranged between 77% and 80%). Elections must be held at least every four years, but are often held earlier due to difficulties in holding coalitions together. A Central Elections Committee is responsible for conducting and supervising the elections. The committee includes representatives from parties in the current Knesset and is headed by a Supreme Court justice.

National laws provide parameters for candidate eligibility, general elections, and party primaries—including specific conditions and limitations on campaign contributions and public financing for parties.[6] Since 2007, a "cooling-off law" requires that senior Israeli military officers wait at least three years before entering civilian politics.[7]

Following elections, the task of forming a government is given by Israel's president to the Knesset member the president believes has the best chance to form a government as prime minister. The would-be prime minister has 28 days to assemble a majority coalition, and the president can extend this period for an additional 14 days. The government and its ministers are installed following a vote of confidence by at least 61 Knesset members. Thereafter, the ministers determine the government's course of action on domestic issues, while military and national security actions are largely directed through a "security cabinet" (formally known as the Ministerial Committee on Defense) consisting of a group of key ministers—some whose membership is set by law, others who are appointed by the prime minister—who number no more than half of all cabinet ministers.[8]

[6] For additional details on Israel's campaign finance laws, see Ruth Levush, "Campaign Finance: Israel," Law Library of Congress, July 25, 2012.

[7] The law was reportedly intended to counter Israeli military officers' cultivation of civilian political connections and influence in anticipation of their possible career transitions.

[8] See, e.g., Isabel Kershner, "Israeli Law Vesting War Power in 2 Top Leaders Faces Criticism," *New York Times*, May 3, 2018; Dan Williams, "Netanyahu's new security cabinet may hesitate on any Iran war," Reuters, March 19, 2013.

Table 1. Israeli Security Cabinet Members

Member	Party	Ministerial Position(s)	Previous Knesset Terms
Binyamin Netanyahu	Likud	Prime Minister Minister of Foreign Affairs	8
Avigdor Lieberman	Yisrael Beiteinu	Minister of Defense	5 (resigned Knesset seat in May 2016)
Moshe Kahlon	Kulanu	Minister of Finance	3
Naftali Bennett	Ha'bayit Ha'Yehudi	Minister of Education	1
Ayelet Shaked	Ha'bayit Ha'Yehudi	Minister of Justice	1
Gilad Erdan	Likud	Minister of Public Security Minister of Strategic Affairs Minister of Information	4
Aryeh Deri	Shas	Minister of Interior	3
Yisrael Katz	Likud	Minister of Transportation Minister of Intelligence and Atomic Energy	6
Yoav Galant	Kulanu	Minister of Construction and Housing	0
Sofa Landver	Yisrael Beiteinu	Minister of Immigrant Absorption	6

Political and Societal Evolution

Israeli society and politics have evolved. In the first decades following its founding, Israeli society was dominated by secular Ashkenazi (Eastern European) Jews who constituted the large majority of 19th- and early 20th-century Zionist immigrants. Many leaders from these immigrant communities sought to build a country dedicated to Western liberal and communitarian values. From 1948 to 1977, the social democratic Mapai/Labor movement led Israeli governing coalitions.

The 1977 electoral victory of Menachem Begin's more nationalistic Likud party helped boost the influence of previously marginalized groups, particularly Mizrahi (Eastern) Jews who had immigrated to Israel from Arab countries and Iran. This electoral result came at a time when debate in Israel was intensifying over settlement in the territories occupied during the 1967 Arab-Israeli War. Begin and his successor in Likud, Yitzhak Shamir, helped drive the political agenda over the following 15 years. Although Labor under Yitzhak Rabin later initiated the Oslo peace process with the Palestinians, its political momentum slowed and reversed after Rabin's assassination in 1995.

Despite Labor's setbacks, its warnings that high Arab birth rates could eventually make it difficult for Israel to remain both a Jewish and a democratic state while ruling over the Palestinians gained traction among many Israelis. In this context, Prime Minister Ariel Sharon, a longtime champion of the Israeli right and the settlement movement, split from Likud and established Kadima as a more centrist alternative in 2005. He was succeeded as Kadima's leader and prime minister by Ehud Olmert in 2006. Likud returned to power in 2009 with Netanyahu as prime minister (he had

previously served in the position from 1996 to 1999). Since then Netanyahu has led two additional coalitions following elections in 2013 and 2015.[9]

The enduring appeal of Netanyahu and right-of-center parties to Israeli voters in recent years may stem from a number of factors, including

- Arguments by some that Palestinians have rejected peace and that Israeli military withdrawals from southern Lebanon (in 2000) and the Gaza Strip (in 2005) emboldened Hezbollah and Hamas and contributed to subsequent conflict.[10]
- The influence of distinct religious, ethnic, or ideological groups, such as Russian speakers who emigrated from the former Soviet Union in the 1990s, and citizens aligned with the "national religious" (modern Orthodox) movement. Both groups skew toward the political right and include many of the biggest supporters of settlements.

Given the fragmentation of Israeli political parties under its electoral system, compromise among diverse groups is a necessity for forming and maintaining a governing coalition. As mentioned above, the system generally gives smaller parties disproportionate influence on key positions they espouse. For example, Netanyahu relies on support from two Haredi (ultra-Orthodox Jewish) parties that are generally aligned with the other right-of-center parties on national security issues, but make specific demands (i.e., subsidies and military exemptions to support traditional lifestyles) in exchange for their backing. Such support is largely anathema to secular Israeli middle class voters, many of whom would prefer that government resources be used to benefit a broader cross-section of Israelis.

Also, many Arab Israelis, who make up nearly 20% of the population, are largely separate from Jewish Israeli citizens in where and how they live, are educated, and otherwise socialize. Arab Israeli citizens generally identify more closely with left-of-center parties. However, left-of-center parties face increased difficulty in forming governing coalitions because no Arab party has ever been part of a one.

Current Government

Israeli Prime Minister Binyamin Netanyahu presides over a coalition government that includes six parties generally characterized as right of center (see **Appendix A**). The varying interests of the coalition's members and some intra-party rifts contribute to difficulties in building consensus on several issues, including

- How to strengthen Israel's security and protect its Jewish character while preserving rule of law and freedom of expression for all citizens.
- How to promote general economic strength while addressing popular concerns regarding economic inequality and cost of living.

[9] For a figure showing the various strains in Israeli politics over time, see a table in "The evolution of Israeli politics," economist.com, March 15, 2015.

[10] See, e.g., Hirsh Goodman and Alan Baker, "The Dangers of a Unilateral Israeli Withdrawal from the West Bank and Eastern Jerusalem," Jerusalem Center for Public Affairs, January 22, 2017.

Corruption Allegations Involving Netanyahu

The Israeli police recommended in February 2018 that Attorney General Avichai Mandelblit indict Prime Minister Netanyahu for bribery, fraud, and breach of trust.[11] Mandelblit may decide in 2019 whether to press charges.[12] In response to the police recommendations, Netanyahu—who has consistently denied the allegations—said that the recommendations "will end with nothing" and that he will stay in office to pursue Israel's well-being.[13] However, they could threaten Netanyahu's position as prime minister.

The recommendations cover two specific cases. One Israeli media source has summarized them as follows:

> In Case 1000, Netanyahu and his wife are alleged to have received illicit gifts from billionaire benefactors, most notably the Israeli-born Hollywood producer Arnon Milchan, totaling NIS 1 million ($282,000). In return, Netanyahu is alleged by police to have intervened on Milchan's behalf in matters relating to legislation, business dealings, and visa arrangements.
>
> Case 2000 involves a suspected illicit quid pro quo deal between Netanyahu and Yedioth Ahronoth publisher Arnon Mozes that would have seen the prime minister weaken a rival daily, the Sheldon Adelson-backed Israel Hayom, in return for more favorable coverage from Yedioth.[14]

Later in February, developments in ongoing investigations appeared to implicate Netanyahu or his close associates in additional instances of alleged corruption. One case deals with possible overtures made to a judge about quashing an investigation of Netanyahu's wife Sara in exchange for the judge's appointment as attorney general, and another deals with possible actions to enrich a telecom magnate in expectation of favorable media coverage.[15] In June 2018, Sara Netanyahu was indicted, along with a former staffer from Netanyahu's office, for the fraudulent use of state funds.[16]

Legally, Netanyahu could continue in office if indicted, but he could face public pressure to resign, and his coalition partners could face public pressure to withdraw their support for the government. Israel's previous prime minister, Ehud Olmert, announced his decision to resign in July 2008 amid corruption-related allegations, two months before the police recommended charges against him.[17]

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[11] Rory Jones, "Israeli Police Recommend Charges Against Netanyahu," *Wall Street Journal*, February 14, 2018. Netanyahu appointed Mandelblit to his post in 2016. Mandelblit earlier served as a cabinet secretary. Isabel Kershner, "Promoted by Netanyahu, Israel's Attorney General Must Now Scrutinize Him," *New York Times*, February 14, 2018. Separate investigations or reports implicate other figures from Netanyahu's Likud party or the government coalition, including former Knesset Coalition Chairman David Bitan, Welfare Minister Haim Katz, Interior Minister Aryeh Deri, and Israel's U.N. Ambassador Danny Danon. Mazal Mualem, "Israelis not ready to topple Netanyahu over corruption," *Al-Monitor Israel Pulse*, December 15, 2017.

[12] Ben Caspit, "Netanyahu seemingly unfazed by wife's fraud indictment," *Al-Monitor Israel Pulse*, June 25, 2018.

[13] "The Latest: Israel PM: Recommendations to indict 'nothing,'" *Times of Israel*, February 13, 2018.

[14] "Poll: Netanyahu's Likud would remain biggest party despite corruption probes," *Times of Israel*, February 21, 2018.

[15] David M. Halbfinger and Isabel Kershner, "New Netanyahu Corruption Allegations: The Details," *New York Times*, February 21, 2018.

[16] "Sara Netanyahu indicted for misusing $100,000 in state funds to buy gourmet food," *Times of Israel*, June 21, 2018.

[17] Ian Deitch, "Israel's ex-PM Ehud Olmert released from prison," Associated Press, July 2, 2017. For information on previous allegations against Netanyahu and other Israeli prime ministers, see Irit Pazner Garshowitz and Jonah Engel Bromwich, "Prime Ministers' History of Run-Ins with the Law," *New York Times*, February 15, 2018.

Major Domestic Issues

The Knesset has recently passed some notable legislation. In July 2018, it passed a Basic Law defining Israel as the national homeland of the Jewish people.[18] Also in July, the Knesset voted to withhold funds from the Palestinian Authority to "penalize it for paying stipends to Palestinian prisoners in Israel, their families and the families of Palestinians killed or wounded in confrontations with Israelis."[19] Another bill passed in July permits single women to be surrogate parents, but does not extend the same permission to single men or same-sex couples.[20]

Additionally, controversial legislation has passed to apply some aspects of Israeli law to settlements in the West Bank,[21] and is pending to limit the Supreme Court's power of judicial review over legislation.[22] Several of the government's opponents and critics have voiced warnings that these and other initiatives may stifle dissent or undermine the independence of key Israeli institutions such as the media, the judiciary, and the military.

Some government policies in the domestic sphere are the subject of contention. For example, in 2017, the government suspended a decision it had previously made to allow for a mixed-gender prayer space in the Western Wall plaza in Jerusalem's Old City. According to Netanyahu, the government is reviewing the issue and plans to suggest another approach.[23] Another issue has been Israeli government policy regarding African migrants who have reached Israel. The policy has fluctuated, partly based on rulings from Israel's Supreme Court. Considerable international criticism had centered on government proposals—which have since been scrapped—to forcibly deport some migrants to third countries (Rwanda and Uganda).[24]

Early elections could happen (legally, elections are required in the second half of 2019) if the governing coalition splits over the cases against Prime Minister Netanyahu or some other issue. If early elections take place, Netanyahu (if he runs) could face challenges from figures on the right of the political spectrum (including Education Minister Naftali Bennett and Defense Minister Avigdor Lieberman), or nearer the center or left (former finance minister Yair Lapid, Labor Party leader Avi Gabbay, and retired generals Gabi Ashkenazi and Benny Gantz). Reportedly, Netanyahu may call for elections before the attorney general decides on whether to bring criminal

[18] Some observers are concerned that the law might further undermine the place of Arabs in Israeli society, while others view its effect as mainly symbolic. See, e.g., Ruth Eglash, "Jewish or democratic? Israel debates its founding principles," *Washington Post*, July 12, 2018; Dov Lieber, "Law Sets Israel as 'Jewish State,'" *Wall Street Journal*, July 20, 2018. Before the law passed, lawmakers removed a clause that would have permitted the state to authorize "a community composed of people having the same faith and nationality to maintain the exclusive character of that community." "Israel adopts controversial Jewish nation-state law," Agence France Presse, July 19, 2018.

[19] Isabel Kershner, "Israelis Vote to Penalize Payments for 'Martyrs,'" *New York Times*, July 4, 2018. Israel is obligated to transfer said tax revenues to the PA per the Paris Protocol of 1994. Congress has enacted legislation (Taylor Force Act, Title X of P.L. 115-141) that places restrictions on U.S. economic aid to the Palestinians because of Palestinian payments "for acts of terrorism." CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

[20] Bar Peleg, "Hundreds Protest in Tel Aviv After Netanyahu Flip-flops on Surrogacy Bill," haaretz.com, July 18, 2018.

[21] Tovah Lazaroff, "In 'annexation' push, Knesset limits Palestinian access to high court," jpost.com, July 17, 2018.

[22] Jeffrey Heller, "Israeli Legislation Reining in Supreme Court Wins Preliminary Approval," Reuters, May 6, 2018.

[23] See, e.g., Chaim Levinson, "Netanyahu Pushes to Expand Western Wall Egalitarian Prayer Space," haaretz.com, June 19, 2018.

[24] Amnesty International, *Forced and Unlawful: Israel's Deportation of Eritrean and Sudanese Asylum-Seekers to Uganda*, June 2018.

charges against him, in hopes of claiming a popular mandate to continue in office even if he is indicted.[25]

Economy

Israel has an advanced industrial, market economy in which the government plays a substantial role. Despite limited natural resources, the agricultural and industrial sectors are well developed. The engine of the economy is an advanced high-tech sector, including aviation, communications, computer-aided design and manufactures, medical electronics, and fiber optics. Israel still benefits from loans, contributions, and capital investments from the Jewish diaspora, but economic strength has lessened its dependence on external financing.

Israel's economy is experiencing a period of moderate growth (between 2.5% and 4% annually since 2014).[26] While International Monetary Fund (IMF) growth projections for Israel remain close to 3% over the next five years,[27] the Economist Intelligence Unit projects average growth of 3.8% through 2022 over much of that time due to expectations of greater domestic consumption and exports.[28] For information on prospective natural gas exports, see CRS Report R44591, *Natural Gas Discoveries in the Eastern Mediterranean*, by Michael Ratner.

Although Israel's overall macroeconomic profile and fiscal position appears positive, the country has the highest relative poverty level and the sixth-highest income inequality level within the 37-country Organisation of Economic Cooperation and Development (OECD).[29] Poverty and inequality particularly disadvantage Arab Israelis and Israeli Haredim (ultra-Orthodox Jews).[30]

Israeli Security and Challenges

Strategic and Military Profile

Israel relies on a number of strengths, along with discreet coordination with Arab states, to manage potential threats to its security and existence.

Military Superiority and Homeland Security Measures

Israel maintains conventional military superiority relative to its neighbors and the Palestinians. Shifts in regional order and evolving asymmetric threats have led Israel to update its efforts to project military strength, deter attack, and defend its population and borders. Israel appears to have reduced some unconventional threats via missile defense systems, reported cyber defense and warfare capabilities, and heightened security measures vis-à-vis Palestinians.

According to estimates from *IHS Jane's*, Israel's military features total active duty manpower across the army, navy, and air force of approximately 180,000, plus 445,000 in reserve—numbers aided by mandatory conscription for most young Jewish Israeli men and women, followed by

[25] Caspit, op. cit.

[26] Based on data from the International Monetary Fund's World Economic Outlook Database, April 2018.

[27] Ibid.

[28] Economist Intelligence Unit, *Country Report: Israel*, generated June 28, 2018.

[29] OECD Economic Surveys: Israel, March 2018.

[30] Ibid.

extended reserve duty. Israel's overall annual defense budget is approximately $16.4 billion, constituting about 4.6% of its total gross domestic product (GDP).[31]

Israel has a robust homeland security system featuring sophisticated early warning practices, thorough border and airport security controls, and reinforced rooms or shelters that are engineered to withstand explosions in most of the country's buildings. Israel also has proposed and partially constructed a national border fence network of steel barricades (accompanied at various points by watch towers, patrol roads, intelligence centers, and military brigades) designed to minimize militant infiltration, illegal immigration, and smuggling from Egypt, Syria, Lebanon, Jordan, and the Gaza Strip.[32]

Undeclared Nuclear Weapons Capability

Israel is not a party to the Nuclear Nonproliferation Treaty (NPT) and maintains a policy of "nuclear opacity" or *amimut*. A 2017 report estimated that Israel possesses a nuclear arsenal of around 80-85 warheads.[33] The United States has countenanced Israel's nuclear ambiguity since 1969, when Israeli Prime Minister Golda Meir and U.S. President Richard Nixon reportedly reached an accord whereby both sides agreed never to acknowledge Israel's nuclear arsenal in public.[34] Israel might have nuclear weapons deployable via aircraft, submarine, and ground-based missiles.[35] No other Middle Eastern country is generally thought to possess nuclear weapons.

U.S. Cooperation

Israeli officials closely consult with U.S. counterparts in an effort to influence U.S. decisionmaking on key regional issues. Israel's leaders and supporters routinely make the case to U.S. officials that Israel's security and the broader stability of the region remain critically important for U.S. interests. They also argue that Israel has multifaceted worth as a U.S. ally and that the Israeli and American peoples share core values.[36] See **Appendix B** for selected U.S.-based interest groups relating to Israel. The United States and Israel do not have a mutual defense treaty or agreement that provides formal U.S. security guarantees.[37]

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[31] "Israel Defence Budget," *Jane's Defence Budgets*, April 12, 2018. For purposes of comparison, *IHS Jane's* reports that the U.S. defense budget totals close to $657 billion annually, constituting approximately 3.3% of total GDP. The World Bank, citing data from the Stockholm International Peace Research Institute, states the following figures for defense spending as a percentage of GDP in other key Middle Eastern countries as of 2017: Egypt-1.4%, Iran-3.2%, Iraq-3.8%, Jordan-4.8%, Lebanon-4.7%, Saudi Arabia-10.2%, Turkey-2.1%. https://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS.

[32] Gad Lior, "Cost of border fences, underground barrier, reaches NIS 6bn," Ynetnews, January 30, 2018.

[33] Hans M. Kristensen and Robert S. Norris, "Worldwide deployment of nuclear weapons, 2017," *Bulletin of the Atomic Scientists*, vol. 73(5), 2017, pp. 289-297.

[34] Eli Lake, "Secret U.S.-Israel Nuclear Accord in Jeopardy," *Washington Times*, May 6, 2009.

[35] Kristensen and Norris, op. cit.; "Strategic Weapon Systems," *Jane's Sentinel Security Assessment – Eastern Mediterranean*, June 26, 2018; "Operation Samson: Israel's Deployment of Nuclear Missiles on Subs from Germany," *Der Spiegel*, June 4, 2012.

[36] Joshua S. Block, "An ally reminds us of its value," jpost.com, May 8, 2018; Marty Oliner, "US-Israel relationship: More critical than ever," *The Hill*, May 3, 2017.

[37] The United States and Israel do, however, have a Mutual Defense Assistance Agreement (TIAS 2675, dated July 23, 1952) in effect regarding the provision of U.S. military equipment to Israel, and have entered into a range of stand-alone agreements, memoranda of understanding, and other arrangements varying in their formality.

Iran and the Region

Iran remains of primary concern to Israeli officials largely because of (1) Iran's antipathy toward Israel, (2) Iran's broad regional influence, and (3) the possibility that Iran will be free of nuclear program constraints in the future. As mentioned above, in recent years Israel and Arab Gulf states have discreetly cultivated closer relations with one another in efforts to counter Iran.

Iranian Nuclear Agreement and the U.S. Withdrawal

Prime Minister Netanyahu has sought to influence U.S. decisions on the international agreement on Iran's nuclear program (known as the Joint Comprehensive Plan of Action, or JCPOA). He argued against the JCPOA when it was negotiated in 2015, and welcomed President Trump's May 2018 withdrawal of the United States from the JCPOA and accompanying reimposition of U.S. sanctions on Iran's oil and central bank transactions. In a September 2017 speech before the U.N. General Assembly, Netanyahu had called on the signatories of the JCPOA to "fix it or nix it."[38] Then, a few days before President Trump's May announcement, Netanyahu presented information that Israeli intelligence operatives apparently seized in early 2018 from an Iranian archive. Netanyahu used the information, which purportedly describes past work by Iran on a nuclear weapons program, to express concerns about Iran's credibility and its potential to parlay existing know-how into nuclear-weapons breakthroughs after the JCPOA expires.[39]

Although concern about Iran and its nuclear program is widespread among Israelis, their views on the JCPOA vary. Netanyahu and his supporters in government have routinely complained that the JCPOA fails to address matters not directly connected to Iran's nuclear program, such as Iran's development of ballistic missiles and its sponsorship of terrorist groups.[40] Media reports suggest that a number of current and former Israeli officials have favored preserving the JCPOA because of the limits it placed on Iranian nuclear activities for some time or these officials' doubts about achieving international consensus for anything stricter.[41]

Commentators speculate on the possibility that Israel might act militarily against Iranian nuclear facilities if Iran resumes certain activities currently stopped under the JCPOA.[42] According to one analyst, one group of Israeli officials have preferred to keep the nuclear deal in place while focusing on pressing challenges in Syria, while another group (including Netanyahu) have favored seizing the opportunity to make common cause with the Trump Administration to pressure Iran economically and militarily.[43] However, shortly after Netanyahu publicly presented the Iranian nuclear archive, he said in an interview that he was not seeking a military confrontation with Iran.[44]

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[38] Israeli Prime Minister's Office, PM Netanyahu's Speech at the United Nations General Assembly, September 19, 2017.

[39] Israeli Prime Minister's Office, PM Netanyahu reveals the Iranian secret nuclear program, April 30, 2018.

[40] See, e.g., Israeli Prime Minister's Office, Statement by PM Netanyahu, May 8, 2018; Jonathan Ferziger and Udi Segal, "Netanyahu's Challenge: Help Trump Fix or Scrap the Iran Deal," Bloomberg, October 18, 2017.

[41] David E. Sanger and David D. Kirkpatrick, "A Risky Bet on Breaking Tehran's Will," *New York Times*, May 9, 2018; Amos Harel and Yaniv Kubovich, "Despite Faults, Iran Nuclear Deal Works, Israeli Military Chief Tells Haaretz," *Ha'aretz*, March 30, 2018; Bernard Avishai, "Why Israeli Nuclear Experts Disagree with Netanyahu about the Iran Deal," newyorker.com, October 24, 2017.

[42] See, e.g., Halbfinger, op. cit., citing former Israeli military intelligence chief Amos Yadlin.

[43] Ofer Zalzberg of the International Crisis Group, cited in David M. Halbfinger, "For Israel's Prime Minister, Vindication and New Threats to Confront," *New York Times*, May 9, 2018.

[44] James Masters, "Israeli PM Benjamin Netanyahu defends Iran nuclear claims in face of criticism," CNN, May 1,

Iran in Syria: Cross-Border Attacks with Israel[45]

A "shadow war" has developed between Israel and Iran over Iran's presence in Syria. In the early years of the Syria conflict, Israel primarily employed airstrikes to prevent Iranian weapons shipments destined for Hezbollah in Lebanon. Since 2017, with the government of Bashar al Asad increasingly in control of large portions of Syria's territory, Israeli leaders have expressed intentions to prevent Iran from constructing and operating bases or advanced weapons manufacturing facilities in Syria. The focus of Israeli military operations in Syria has expanded in line with an increasing number of Iran-related concerns there. Further exacerbating Israeli sensitivities, Iran-backed forces (particularly Hezbollah) have moved closer to the Israeli-occupied Golan Heights since late 2017 via actions against Syrian opposition groups.

On February 10, 2018, Iranian personnel based at Tiyas air base in central Syria apparently sent an armed drone into Israeli airspace. A senior Israeli military source was quoted as saying, "This is the first time we saw Iran do something against Israel—not by proxy. This opened a new period."[46]

In May 2018, Prime Minister Netanyahu asserted that Iran had transferred advanced weaponry to Syria (weaponized drones, ground-to-ground missiles, anti-aircraft batteries) in recent months. He stated that Israel was "determined to block Iran's aggression" and that "we do not want escalation, but we are prepared for any scenario."[47]

Since the February 10 incident, Israel has reportedly struck Iranian targets on multiple occasions. The resulting exchanges of fire (including the downing of an Israeli F-16 during the February incident) and subsequent official statements from Israel, Iran, Syria, and Russia have highlighted the possibility that limited Israeli strikes to enforce "redlines" against Iran-backed forces could expand into wider conflict, particularly in cases of miscalculation by one or both sides.

On May 10, according to the Israeli military, Iran's Islamic Revolutionary Guard Corps-Quds Force fired rockets at Israeli military positions in the Golan Heights, as retaliation against earlier Israeli strikes against Iranian targets in Syria.[48] This triggered Israeli strikes in Syria on a larger scale than any Israeli operations there since the 1973 Yom Kippur War.[49] Reportedly, Israel has since conducted some additional airstrikes in Syria, and on two separate occasions in July its military claimed that it shot down a Syrian drone and a fighter jet over the Golan Heights using Patriot missiles.[50]

2018.

[45] For more information on this issue, see CRS In Focus IF10858, *Iran and Israel: Growing Tensions Over Syria*, by Carla E. Humud, Kenneth Katzman, and Jim Zanotti.

[46] Thomas L. Friedman, "The Real Next War in Syria: Iran vs. Israel," *New York Times*, April 15, 2018.

[47] Israeli Prime Minister's Office, PM Netanyahu's Remarks at the Start of the Cabinet Meeting, May 6, 2018.

[48] "Israel strikes Iranian targets in Syria in response to rocket fire," BBC, May 10, 2018. Iran denied firing at Israeli positions in the Golan. "Iran denies attacking Israeli positions," Deutsche Welle, May 11, 2018. Syrian media claimed that Syria was involved in the attacks on the Golan. Josef Federman, "Israel accuses Iranian forces of rocket attack on Golan," Associated Press, May 9, 2018.

[49] "IDF: Overnight raids set back Iranian military in Syria by 'many months,'" *Times of Israel*, May 10, 2018.

[50] Israel Defense Forces statement, IDF shoots down a Syrian fighter jet, July 24, 2018; "Israel 'shoots down' Syrian fighter over Golan Heights," BBC News, July 24, 2018.

Russia[51]

Russia's advanced air defense systems in Syria could affect Israeli operations.[52] To date, Russia does not appear to have acted militarily to thwart Israeli airstrikes against Iranian or Syrian targets. However, Russian officials' statements in response to Israeli actions in Syria since February have fueled speculation about Russia's position vis-à-vis Israel and Iran,[53] given that Russia's military presence in Syria is protected by Iran-backed ground forces.

Israeli officials reportedly continue to consult with Russian officials about deconflicting Israeli military operations in Syria and discussing ways to limit Iran's presence there.[54] In May 2018, Russian Foreign Minister Sergei Lavrov called for the withdrawal of all non-Syrian forces from the southern border area "on a reciprocal basis."[55] However, as of July, Hezbollah reportedly has been helping lead an offensive against rebels in southern Syria.[56] In a press conference following his July 16 summit with President Trump, Russian President Vladimir Putin stated a desire to have the situation between Israel and Syria in the Golan Heights return to what it had been before Syria's civil war.[57]

Hezbollah in Lebanon

Hezbollah has challenged Israel's security near the Lebanese border for decades—with the antagonism at times contained near the border, and at times escalating into broader conflict.[58] Speculation persists about the potential for wider conflict and its regional implications.[59] In recent years, Israeli officials have sought to draw attention to Hezbollah's weapons buildup—including reported upgrades to the range, precision, and power of its projectiles—and its alleged use of Lebanese civilian areas as strongholds.[60] Previously during Syria's civil war, Israel reportedly

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[51] CRS In Focus IF10858, *Iran and Israel: Growing Tensions Over Syria*, by Carla E. Humud, Kenneth Katzman, and Jim Zanotti.

[52] Yaroslav Trofimov, "Can Israel's Clash with Iran Be Contained in Syria?" *Wall Street Journal*, May 4, 2018.

[53] See, e.g., Ben Hubbard and David M. Halbfinger, "Iran-Israel Conflict Escalates in Shadow of Syrian Civil War," *New York Times*, April 9, 2018; Jonathan Schanzer, "How Putin's Folly Could Lead to a Middle East War," *Politico Magazine*, April 9, 2018.

[54] "Israel rejects Russian offer to keep Iranian forces 100 km from Golan: official," Reuters, July 23, 2018; Itamar Eichner, et al., "Russian SC chief meets Israeli, Iranian counterparts," Ynetnews, April 25, 2018.

[55] Ibid.

[56] Tom Perry and Laila Bassam, "Hezbollah role in Syrian south exposes limits of U.S. policy," Reuters, July 5, 2018.

[57] White House, Remarks by President Trump and President Putin of the Russian Federation in Joint Press Conference, Helsinki, Finland, July 16, 2018.

[58] CRS Report R44759, *Lebanon*, by Carla E. Humud; CRS In Focus IF10703, *Lebanese Hezbollah*, by Carla E. Humud. For possible conflict scenarios, see Mara Karlin, "Israel's Coming War with Hezbollah," *Foreign Affairs*, February 21, 2018; Andrew Exum, "The Hubris of Hezbollah," *The Atlantic*, September 18, 2017; Michael Eisenstadt and Jeffrey White, "A War Without Precedent: The Next Hizballah-Israel Conflict," *American Interest*, September 19, 2017.

[59] For possible conflict scenarios, see Mara Karlin, "Israel's Coming War with Hezbollah," *Foreign Affairs*, February 21, 2018; Andrew Exum, "The Hubris of Hezbollah," *The Atlantic*, September 18, 2017; Michael Eisenstadt and Jeffrey White, "A War Without Precedent: The Next Hizballah-Israel Conflict," *American Interest*, September 19, 2017.

[60] See, e.g., Jonathan Spyer and Nicholas Blanford, "UPDATE: Israel raises alarm over advances by Hizbullah and Iran," *Jane's Intelligence Review*, January 11, 2018; Exum, op. cit.

provided various means of support to rebel groups in the vicinity of the Syria-Israel border in order to prevent Hezbollah or other Iran-linked groups from controlling the area.[61]

Increased conflict between Israel and Iran over Iran's presence in Syria raises questions about the potential for Hezbollah's Lebanon-based forces to open another front against Israel. In April 2018, Hezbollah leader Hassan Nasrallah said that an Israeli strike on Iranian targets at Tiyas air base was a "pivotal incident in the history of the region that can't be ignored" and a "historic mistake." Earlier that same day, Hezbollah's deputy leader Naim Qassem said that Hezbollah would not open a front against Israel from Lebanon, but that it was ready for "surprises."[62] One May analysis expressed doubt that either Israel or Iran would seek to expand the scope of their emerging conflict in Syria to Lebanon.[63] However, the same analysis and some others speculated that if Israel-Iran conflict in Syria worsens and Iran feels cornered, it could look to gain leverage over Israel by having Hezbollah launch attacks from Lebanon.[64]

[61] Rory Jones, et al., "Israel Gives Cash, Aid to Rebels in Syria," *Wall Street Journal*, June 19, 2017.

[62] "Nasrallah: Israel Targeting Syria Air Base Was 'a Historic Mistake,'" jpost.com, April 13, 2018.

[63] John Duchak, "With Iran and Israel at the Brink, Where Does Hezbollah Stand?" Atlantic Council, May 8, 2018.

[64] Ibid.; Martin Indyk and Natan Sachs of the Brookings Institution, cited in Sewell Chan, "The Bigger Conflict Behind the Cross-Border Clashes in Syria," *New York Times*, May 11, 2018.

Hamas and Gaza

Israel faces a threat from the Gaza Strip (via Hamas and other militant groups).[65] Although Palestinian militants maintain rocket and mortar arsenals, the threat from projectiles has reportedly been diminished by Israel's Iron Dome defense system.[66] Tunnels that Palestinian militants used somewhat effectively in a 2014 conflict with Israel have been largely neutralized by systematic Israeli efforts, with some financial and technological assistance from the United States.[67] Under President Abdel Fattah al Sisi, Egyptian military efforts have significantly reduced smuggling over land into Gaza.

In 2018, protests and violence along security fences dividing Gaza from Israel have attracted international attention. Israel's use of live fire and the death of more than 120 Palestinians in the spring (including several deaths on May 14, the day that the U.S. embassy opened in Jerusalem) led the U.N. Human Rights Council to call in May for an "independent, international commission of inquiry" to produce a report.[68] A June U.N. General Assembly resolution condemned both Israeli actions against Palestinian civilians and the firing of rockets from Gaza against Israeli civilians.[69] Subsequently, some Israel-Gaza violence has ensued over Palestinians' use of incendiary kites or balloons to set fires in southern Israel and a sniper's killing of an Israeli soldier in July, fueling speculation about possible escalation.[70]

Major Israel-Hamas Conflicts Since 2008

December 2008-January 2009: Israeli code name "Operation Cast Lead"

- Three-week duration, first meaningful display of Palestinians' Iranian-origin rockets, Israeli air strikes and ground offensive
- Political context: Impending leadership transitions in Israel and United States; struggling Israeli-Palestinian peace talks (Annapolis process)
- Fatalities: More than 1,100 (possibly more than 1,400) Palestinians; 13 Israelis (3 civilians)

November 2012: "Operation Pillar of Defense (or Cloud)"

- Eight-day duration, Palestinian projectiles of greater range and variety, Israeli airstrikes, prominent role for Iron Dome
- Political context: Widespread Arab political change, including rise of Muslim Brotherhood to power in Egypt; three months before Israeli elections
- Fatalities: More than 100 Palestinians, 6 Israelis (4 civilians)

July-August 2014: "Operation Protective Edge/Mighty Cliff"

- About 50-day duration, Palestinian projectiles of greater range and variety, Israeli air strikes and ground offensive, extensive Palestinian use of and Israeli countermeasures against tunnels, prominent role for Iron Dome
- Political context: Shortly after (1) unsuccessful round of Israeli-Palestinian peace talks, (2) PA consensus government formation and end of Hamas's formal responsibilities for governing Gaza, (3) prominent youth killings
- Fatalities: More than 2,100 Palestinians, 71 Israelis (5 civilians), and 1 foreign worker

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[65] For information on Palestinian militants' capabilities in Gaza, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

[66] Neri Zilber, "Israel and Hamas: Negotiating With Rockets and Bombs," Daily Beast, May 31, 2018.

[67] CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

[68] U.N. General Assembly, Resolution adopted by the Human Rights Council on 18 May 2018, A/HRC/RES/S-28/1.

[69] http://www.un.org/en/ga/search/view_doc.asp?symbol=A/ES-10/L.23.

[70] Mark Weiss, "Fighting kite terror," *Jerusalem Report*, July 9, 2018; "IDF strikes 2 Hamas posts in Gaza as firefighters tackle balloon blazes," *Times of Israel*, July 16, 2018; Ben Caspit, "Netanyahu feeling the heat from Gaza," *Al-Monitor Israel Pulse*, July 16, 2018; Mark Landler, "As Violence Flares, Kushner Threatens to Abandon Plan to Rebuild Gaza," *New York Times*, July 23, 2018.

U.S. and PA funding reductions have added to questions about humanitarian assistance for Gaza's population, who remain largely dependent on external donor funding and face chronic economic difficulties and shortages of electricity and safe drinking water.[71] Since 2007, as part of a larger regime of Israeli-Egyptian control over access to and from Gaza, Israel has limited the shipment of building materials into Gaza because of concerns that Hamas might divert materials for reconstruction toward military infrastructure. The possibility that humanitarian crisis could destabilize Gaza has prompted discussions among U.S., Israeli, and Arab leaders aimed at improving living conditions and reducing spillover threats.[72] These discussions have sparked public debate about how closely humanitarian concerns should be linked with political outcomes involving Israel, Hamas, and the PA, or with an anticipated U.S. diplomatic initiative (see "Peace Process and International Involvement").[73]

Key U.S. Policy Issues

Security Cooperation[74]

Background

Strong bilateral relations have reinforced significant U.S.-Israel cooperation on defense, including military aid, arms sales, joint exercises, and information sharing. It also has included periodic U.S.-Israel cooperation in developing military technology.

U.S. military aid has helped transform Israel's armed forces into one of the most technologically sophisticated militaries in the world. This aid for Israel has been designed to maintain Israel's "qualitative military edge" (QME) over neighboring militaries, since Israel must rely on better equipment and training to compensate for a manpower deficit in a conflict against one or more regional states. U.S. military aid, a portion of which may be spent on procurement from Israeli defense companies, also has helped Israel build a domestic defense industry, and Israel in turn is one of the top exporters of arms worldwide.[75]

On November 30, 1981, the United States and Israel signed a memorandum of understanding (MOU) establishing a framework for consultation and cooperation to enhance the national security of both countries. In 1983, the two sides formed a Joint Political Military Group to implement provisions of the MOU. Joint air and sea military exercises began in 1984, and the United States has constructed facilities to stockpile military equipment in Israel. In 1986, Israel

[71] Fares Akram and Mohammed Daraghmeh, "As U.S. aid dries up, Gaza families pushed deeper into poverty: 'Death is better than this life,'" Associated Press, June 7, 2018; World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, March 19, 2018; CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

[72] White House, Readout of the Gaza Conference at the White House, March 14, 2018; Amos Harel, "Abbas Is Key Obstacle to Gaza Rehabilitation, Top Israeli Security Brass Warns," haaretz.com, July 3, 2018.

[73] Ben Caspit, "Why is Israel propping up Hamas in Gaza?" *Al-Monitor Israel Pulse*, June 27, 2018; Ilan Goldenberg, "Kushner's Peace Plan Is a Disaster Waiting to Happen," foreignpolicy.com, June 25, 2018; Adnan Abu Amer, "Palestinians skeptical of humanitarian efforts in Gaza," *Al-Monitor Palestine Pulse*, June 19, 2018; Jared Kushner, Jason Greenblatt, and David Friedman, "Help is at hand for Palestinians. It's all up to Hamas," *Washington Post*, July 19, 2018; Shlomi Eldar, "Abbas appears set to compromise for Fatah-Hamas reconciliation," *Al-Monitor Israel Pulse*, July 30, 2018.

[74] The Jewish Virtual Library maintains a page that contains hyperlinked documents, speeches, and reports under the heading "U.S.-Israel Relations: Strategic & Military Cooperation," available at http://www.jewishvirtuallibrary.org/jsource/US-Israel/strattoc.html.

[75] See, e.g., Saar Haas, "Israel is 7th largest arms exporter in the world," Ynetnews, March 17, 2018. According to this article, 49% of Israeli weapons exported from 2013 to 2017 went to India, 13% to Azerbaijan, and 6% to Vietnam.

and the United States signed an MOU—the contents of which are classified—for Israeli participation in the Strategic Defense Initiative (SDI/"Star Wars"), under which U.S.-Israel co-development of the Arrow ballistic missile defense system has proceeded. In 1987, Israel was designated a "major non-NATO ally" by the Reagan Administration, and in 1996, under the terms of Section 517 of the Foreign Assistance Act of 1961, as amended, Congress codified this status, affording Israel preferential treatment in bidding for U.S. defense contracts and expanding its access to weapons systems at lower prices. In 2001, an annual interagency strategic dialogue, including representatives of diplomatic, defense, and intelligence establishments, was created to discuss long-term issues.

The U.S.-Israel Enhanced Security Cooperation Act (P.L. 112-150) of 2012 and U.S.-Israel Strategic Partnership Act (P.L. 113-296) of 2014 encouraged continued and expanded U.S.-Israel cooperation in a number of areas, including defense, homeland security, cyber issues, energy, and trade. The latter act designated Israel as a "major strategic partner" of the United States—a designation whose meaning has not been further defined in U.S. law or by the executive branch.

Preserving Israel's Qualitative Military Edge (QME)

Since the late 1970s, successive Administrations have argued that U.S. arms sales are an important mechanism for addressing the security concerns of Israel and other regional countries. During this period, some Members of Congress have argued that sales of sophisticated weaponry to Arab countries may erode Israel's QME over its neighbors. However, successive Administrations have maintained that Arab countries are too dependent on U.S. training, spare parts, and support to be in a position to use sophisticated U.S.-made arms against the United States, Israel, or any other U.S. ally in a sustained campaign. Arab critics routinely charge that Israeli officials exaggerate the threat they pose. The threat of a nuclear-armed or regionally bolstered Iran, though it has partially aligned Israeli and Sunni Arab interests in deterring a shared rival, may be exacerbating Israeli fears of a deteriorated QME, as Saudi Arabia and other Gulf states dramatically increase defense procurements from U.S. and other foreign suppliers.

In 2008, Congress enacted legislation requiring that any proposed U.S. arms sale to "any country in the Middle East other than Israel" must include a notification to Congress with a "determination that the sale or export of such would not adversely affect Israel's qualitative military edge over military threats to Israel."[76] In parallel with this legal requirement, U.S. and Israeli officials frequently signal their shared understanding of the U.S. commitment to maintaining Israel's QME. However, the codified definition focuses on preventing arms sales to potential regional Israeli adversaries based on a calculation of conventional military threats, raising questions about the definition's applicability to evolving unconventional threats to Israel's security.

What might constitute a legally defined adverse effect to QME is not clarified in U.S. legislation. After the passage of the 2008 legislation, a bilateral QME working group was created allowing

[76] §36(h) of the Arms Export Control Act, which contains the "qualitative military edge" requirement, was added by §201(d) of the Naval Vessel Transfer Act of 2008 (P.L. 110-429). The act defines QME as "the ability to counter and defeat any credible conventional military threat from any individual state or possible coalition of states or from nonstate actors, while sustaining minimal damages and casualties, through the use of superior military means, possessed in sufficient quantity, including weapons, command, control, communication, intelligence, surveillance, and reconnaissance capabilities that in their technical characteristics are superior in capability to those of such other individual or possible coalition of states or nonstate actors." The details of official U.S. assessments of QME are generally classified.

Israel to argue its case against proposed U.S. arms sales in the region.[77] For example, former Secretary of Defense Robert Gates wrote that, in 2010, the Obama Administration addressed concerns that Israel's leaders had about the possible effect on QME of a large U.S. sale of F-15 aircraft to Saudi Arabia by agreeing to sell Israel additional F-35 aircraft.[78]

The U.S.-Israel Strategic Partnership Act (P.L. 113-296) enacted in December 2014 requires more frequent QME assessments and executive-legislative consultations. It also requires that QME determinations include evaluations of how potential arms sales would change the regional balance, while identifying measures Israel may need to take in response to the potential sales, and assurances or possible assurances from the United States to Israel as a result of the potential sales.

U.S. Aid and Arms Sales to Israel

Specific figures and comprehensive detail regarding various aspects of U.S. aid and arms sales to Israel are discussed in CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp. That report includes information on conditions that, in each fiscal year, generally allow Israel to use its military aid earlier and more flexibly than other countries.

Aid

Israel is the largest cumulative recipient of U.S. foreign assistance since World War II. Since 1976, Israel has generally been the largest annual recipient of U.S. foreign assistance, with occasional exception of Iraq and Afghanistan after 2004. Since 1985, the United States has provided approximately $3 billion in grants annually to Israel. In the past, Israel received significant economic assistance, but now almost all U.S. bilateral aid to Israel is in the form of Foreign Military Financing (FMF). U.S. FMF to Israel represents approximately one-half of total FMF and between 15-20% of Israel's defense budget. The new 10-year bilateral military aid MOU commits the United States to $3.3 billion annually from FY2019 to FY2028, subject to congressional appropriations. The United States also generally provides some annual American Schools and Hospitals Abroad (ASHA) funding and funding to Israel for migration assistance.

Arms Sales

Israel uses approximately 74% of its FMF to purchase arms from the United States, in addition to receiving U.S. Excess Defense Articles (EDA). Given the new MOU's phase-out of Israeli use of FMF for domestic arms producers, by FY2028 all of Israel's FMF will go toward U.S.-origin arms.

Israel's procurement of the F-35 Joint Strike Fighter from the United States has been underway since 2016. To date, Israel has received 12 F-35s, and it is under contract to receive a total of 50 by 2024.[79] In late 2017, Israel was the first non-U.S. country to declare operational capability for the F-35, and it has reportedly used the aircraft in combat over Israel's northern border. Under the terms of its arrangements with the United States, Israel has had domestic contractors install

[77] Barbara Opall-Rome, "Israeli Brass Decry U.S. Arms Sales to Arab States," *Defense News*, January 23, 2012. According to this article, the U.S. side of the working group is led by the Under Secretary of Defense for Policy and Assistant Secretary of State for Political-Military Affairs, while the Israeli side is led by the Defense Ministry's policy chief and the Israel Defense Forces director of planning.

[78] Eli Lake (citing *Duty* by Robert Gates), "In Gates Book, Details of Israel's Hard Bargaining Over Saudi Arms," *Daily Beast*, January 10, 2014. A former senior Pentagon official was cited as saying that Israel's concerns were based on "worries about what might happen if the House of Saud lost power to a more radical regime." Ibid.

[79] Anna Ahronheim, "Israel receives three more F-35 Adir jets," jpost.com, June 25, 2018.

customized equipment and weaponry, and it is the only F-35 recipient to date with the right to perform depot-level aircraft maintenance within its own borders.[80]

End-Use Monitoring and Leahy Law Vetting

Sales of U.S. defense articles and services to Israel are made subject to the terms of both the Arms Export Control Act (AECA) and the July 23, 1952, Mutual Defense Assistance Agreement between the United States and Israel (TIAS 2675). The 1952 agreement states:

> The Government of Israel assures the United States Government that such equipment, materials, or services as may be acquired from the United States ... are required for and will be used solely to maintain its internal security, its legitimate self-defense ... and that it will not undertake any act of aggression against any other state.

Past Administrations have acknowledged that some Israeli uses of U.S. defense articles may have failed to meet the requirements under the AECA and the 1952 agreement that Israel only use such articles for self-defense and internal security purposes. These past Administrations have transmitted reports to Congress stating that "substantial violations" of agreements between the United States and Israel regarding arms sales "may have occurred." The most recent report of this type was transmitted in January 2007 in relation to concerns about Israel's use of U.S.-supplied cluster munitions during military operations against Hezbollah in Lebanon during 2006.[81] Other examples include findings issued in 1978, 1979, and 1982 with regard to Israel's military operations in Lebanon and Israel's air strike on Iraq's nuclear reactor complex at Osirak in 1981.

Additionally, Section 620M of the Foreign Assistance Act of 1961 (FAA), as amended (commonly known as the Leahy Law),[82] prohibits the furnishing of assistance authorized by the FAA and the AECA to any foreign security force unit where there is credible information that the unit has committed a gross violation of human rights. The State Department implements Leahy vetting to determine which foreign security force units (and individuals within the units) are eligible to receive U.S. assistance or training.

In 2016, Senator Patrick Leahy and 10 other Members of Congress corresponded with the State Department on the application of the Leahy Law to some specifically alleged instances of possible extrajudicial killings or torture by Israeli personnel.[83] The State Department assured the Members of Congress that it was properly conducting Leahy vetting and monitoring the instances that were mentioned in their letter.[84] In November 2017, Representative Betty McCollum introduced the Promoting Human Rights by Ending Israeli Military Detention of Palestinian Children Act (H.R. 4391), which would prohibit the use of aid for Israel in support of various types of ill-treatment of Palestinian children.

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[80] Ibid.

[81] Sean McCormack, U.S. Department of State Spokesman, Daily Press Briefing, Washington, DC, January 29, 2007. The Consolidated Appropriations Act, 2008 (P.L. 110-161) significantly restricted the export of U.S.-manufactured cluster munitions. Restrictions on cluster munitions exports have been carried forward to apply to appropriations in subsequent years as well. Since 2008, Israel has been acquiring domestically manufactured cluster munitions.

[82] For background on the Leahy Law, see CRS Report R43361, *"Leahy Law" Human Rights Provisions and Security Assistance: Issue Overview*, coordinated by Nina M. Serafino.

[83] See the text of the Members' February 17, 2016, letter to Secretary of State John Kerry at http://www.politico.com/f/?id=00000153-c56c-d662-a75b-cfecc6be0000.

[84] See the text of Assistant Secretary of State for Legislative Affairs Julia Frifield's April 18, 2016, response letter to Representative Henry C. Johnson at http://www.politico.com/f/?id=00000154-7c2f-d905-a357-7c7f04750000.

Missile Defense Cooperation

Congress provides hundreds of millions of dollars in annual assistance beyond Administration-requested amounts for Israel's Iron Dome anti-rocket system and joint U.S.-Israel missile defense programs such as Arrow and David's Sling. The new MOU provides for $500 million in annual funding from FY2019 to FY2028, with possibly more in exceptional circumstances. In July 2016, the United States and Israel announced that they had successfully conducted a special trial—the first of its kind in eight years—to test the connectivity of U.S.- and Israeli-controlled missile defense systems that are based in and around Israel.[85]

Some countries have sought to acquire elements used in Israeli missile defense systems. In April 2018, 40 Members of Congress sent a letter to the Chair and Ranking Member of the House Appropriations Subcommittee on Defense asking the Subcommittee to "carefully study" whether the U.S. Army might immediately acquire Iron Dome.[86] A 2018 report stated that Rafael Advanced Defense Systems Ltd.—the primary Israeli contractor for Iron Dome—has entered into a cooperation agreement with Romania that would be the first to involve the export of Iron Dome's interception system.[87] Israel Aerospace Industries reportedly has sold the radar used in the Iron Dome and David's Sling systems to a number of countries, including Canada and India.[88]

Pending Security Cooperation Legislation

U.S.-Israel Security Assistance Authorization Act of 2018 (S. 2497 **and** H.R. 5141**).** This bill includes the following provisions:

- *FMF authorization.* Would authorize FMF of at least $3.3 billion per year from FY2019 to FY2028 (the duration of the new MOU).
- *Extension of war reserves stockpile authority and access to loan guarantees*. Would extend this authority and access through FY2023.
- *Precision guided munitions (PGMs).* Would (1) authorize a joint U.S.-Israel assessment of how the United States can help provide PGMs to help with potential conflicts with Hezbollah and Hamas; (2) authorize the President to utilize the Special Defense Acquisition Fund to transfer PGMs to reserve stocks for Israel; and (3) authorize the modification of rapid acquisition and deployment procedures to aid U.S. production of PGMs under circumstances of urgent need.
- *Report on Israel's eligibility for strategic trade authorization exception.* Would require the President to report to Congress on Israel's status regarding this exception.
- *Cybersecurity cooperation* (H.R. 5141 only). Would direct the Homeland Security Department to establish a grant program to support cybersecurity

[85] Yuval Azulai, "Israel, US conduct joint missile defense trial," *Globes*, July 6, 2016. The trial reportedly included such Israeli missile defense assets as David's Sling, Arrow 2, and Arrow 3; and such U.S. assets as Patriot (of which, some batteries have been acquired by Israel), Terminal High Altitude Air Defense (THAAD), Aegis, and the radar station located in Israel's Negev Desert. The trial was a follow-up to the biennial bilateral "Juniper Cobra" joint military exercise.

[86] Text of letter available at https://roskam.house.gov/media-center/press-releases/roskam-and-meng-lead-over-40-members-congress-bipartisan-letter-urging.

[87] Yuval Azulai, "Rafael set for Iron Dome sale to Romania," *Globes*, May 17, 2018.

[88] Michael Bachner, "Israel Aerospace Industries earned $2 billion in Iron Dome radar sales—report," *Times of Israel*, February 22, 2018.

research, development, demonstration, and commercialization in accordance with a 2008 bilateral agreement.

- *Worldwide foreign assistance, space exploration, and countering drone aircraft.* Would encourage and authorize cooperative U.S.-Israel efforts on these issues.
- *Additional reporting on Israel's QME and security posture.* Would require the periodic reports on Israel's QME that are already legally mandated to include additional information about threats to Israel and countermeasures available to it.

2019 National Defense Authorization Act (NDAA, H.R. 5515**).** The conference version of H.R. 5515 (found in H.Rept. 115-874) includes the following provisions:

- *Section 1272*. Would authorize the funding currently authorized for anti-tunneling efforts to also be used for countering drone aircraft (unmanned aerial systems).
- *Section 1273*. Provisions from S. 2497/H.R. 5141 on the extension of war reserves stockpile authority and the joint U.S.-Israel assessment on PGMs.

Sensitive Technology and Intelligence

Arms sales, information sharing, and technical collaboration between the United States and Israel raise questions about what Israel might do with capabilities or information it acquires. The United States and Israel have regularly discussed Israel's dealings on sensitive security equipment and technology with various countries, especially China.[89] Sources have reported that the United States has established de facto veto power over Israeli third-party arms sales.[90] And since the 1980s there have been at least three cases in which U.S. government employees were convicted of disclosing classified information to Israel or of conspiracy to act as an Israeli agent.[91]

Bilateral Trade

The United States is Israel's largest single-country trading partner,[92] and—according to data from the U.S. International Trade Commission—Israel is the United States's 24th-largest trading

[89] Office of Naval Intelligence, *Worldwide Challenges to Naval Strike Warfare*, 1996. The 1997 edition of this report said that the design for China's J-10 fighter (also known as the F-10—the designation used in the report) "had been undertaken with substantial direct assistance, primarily from Israel and Russia, and with indirect assistance through access to U.S. technologies." ONI, *Worldwide Challenges to Naval Strike Warfare*, 1997. See also Robert Hewson, "Chinese J-10 'benefited from the Lavi project,'" *Jane's Defence Weekly*, May 16, 2008; Duncan L. Clarke and Robert J. Johnston, "U.S. Dual-Use Exports to China, Chinese Behavior, and the Israel Factor: Effective Controls?" *Asian Survey*, Vol. 39, No. 2, March-April 1999. The Lavi fighter (roughly comparable to the U.S. F-16) was developed in Israel during the 1980s with approximately $1.5 billion in U.S. assistance, but did not get past the prototype stage. In 2000, a planned Israeli sale to China of the Phalcon airborne radar system was canceled under U.S. pressure.

[90] Barbara Opall-Rome, "U.S. OKs Israel-China Spy Sat Deal," *Defense News*, October 12, 2007. This article quotes a U.S. official as saying, "We don't officially acknowledge our supervisory role or our de facto veto right over their exports.... It's a matter of courtesy to our Israeli friends, who are very serious about their sovereignty and in guarding their reputation on the world market."

[91] The most prominent espionage case is that of Jonathan Pollard, who pled guilty in 1986 with his then wife Anne to selling classified documents to Israel. Israel later acknowledged that Pollard had been its agent, granted him citizenship, and began petitioning the United States for his release. Pollard was released on parole in November 2015. The second case is that of Department of Defense analyst Lawrence Franklin, who pled guilty in 2006 to disclosing classified information to an Israeli diplomat and to two lobbyists from the American Israel Public Affairs Committee (AIPAC). The third case is that of Ben-Ami Kadish, who had worked at the U.S. Army's Armament Research, Development, and Engineering Center in Dover, New Jersey. Kadish pled guilty in 2009 to one count of conspiracy to act as an unregistered agent of Israel.

[92] According to the European Commission's Directorate-General for Trade, for 2017 the countries of the European

partner.[93] The two countries concluded a Free Trade Agreement (FTA) in 1985, and all customs duties between the two trading partners have since been eliminated. The FTA includes provisions that protect both countries' more sensitive agricultural sub-sectors with nontariff barriers, including import bans, quotas, and fees. Israeli exports to the United States have grown since the FTA became effective. Qualified Industrial Zones (QIZs) in Jordan and Egypt are considered part of the U.S.-Israel free trade area. In 2017, Israel imported approximately $12.6 billion in goods from and exported $21.9 billion in goods to the United States.[94] The United States and Israel have launched several programs to stimulate Israeli industrial and scientific research, for which Congress has authorized and appropriated funds on several occasions.[95]

Israeli-Palestinian Issues

For historical background on these issues, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

Peace Process and International Involvement

The prospects for an Israeli-Palestinian peace process are complicated by many factors. Since President Trump took office, he and officials from his Administration have expressed interest in brokering a final-status Israeli-Palestinian agreement. Many of their statements and policies, however, have raised questions about the timing and viability of any new U.S.-backed diplomatic initiative.[96] The change in U.S. policy on Jerusalem in December 2017 has complicated the U.S. role (see "Jerusalem," below). Israeli leaders generally celebrated the change, but PLO Chairman Abbas strongly objected.[97] Many other countries opposed President Trump's statements on Jerusalem. This opposition was reflected in December action at the United Nations.[98]

Citing alleged U.S. bias favoring Israel, Palestinian leaders have broken off high-level political contacts with the United States and have sought support from other international actors and organizations to improve their negotiating position with Israel.[99] However, the PA continues

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Union accounted for 35.8% of Israel's total trade volume, while the United States accounted for 19.6%. Document available at http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113402.pdf.

[93] Statistics on Israel's status relative to other U.S. trading partners compiled by the U.S. International Trade Commission, available at http://dataweb.usitc.gov/SCRIPTS/cy_m3_run.asp.

[94] Statistics compiled by Foreign Trade Division, U.S. Census Bureau, available at http://www.census.gov/foreign-trade/balance/c5081.html.

[95] CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

[96] For example, statements by President Trump fueled public speculation about the level of his commitment to a negotiated "two-state solution," a conflict-ending outcome that U.S. policy has largely advocated since the Israeli-Palestinian peace process began in the 1990s.

Additionally, some media reports suggested that Israel was coordinating its West Bank settlement construction plans with U.S. officials. Danny Zaken, "Israel, US coordinated on settlement construction," *Al-Monitor Israel Pulse*, October 23, 2017.

[97] Adam Rasgon, "Abbas Slams Trump Jerusalem Move as 'Condemned, Unacceptable,'" jpost.com, December 6, 2017.

[98] On December 18, the United States vetoed a draft Security Council resolution that was backed by all other 14 members of the Council. The resolution would have reaffirmed past Security Council resolutions on Jerusalem, nullified actions purporting to alter "the character, status or demographic composition of the Holy City of Jerusalem," and called upon all states to refrain from establishing diplomatic missions in Jerusalem. U.N. document S/2017/1060, "Egypt: Draft Resolution." On December 21, the U.N. General Assembly adopted a nonbinding resolution (by a vote of 128 for, nine against, and 35 abstaining) that contained language similar to the draft Security Council resolution.

[99] Ahmad Melham, "Abbas reaches out to Europeans to help rebuild negotiations framework," *Al-Monitor Palestine*

security coordination with Israel.[100] Tensions over Jerusalem appear to have influenced Administration decisions to reduce or delay certain types of aid to the Palestinians,[101] and have made prospects for restarting Israeli-Palestinian talks in 2018 less certain.[102]

Reports suggest that the Administration is preparing a detailed document on the peace process that it may share in an attempt to overcome obstacles to progress.[103] At the end of a June 2018 trip to meet with various Middle Eastern leaders, senior White House advisor Jared Kushner (the President's son-in-law) said that the Administration's plan was almost done. Kushner also said, "If President Abbas is willing to come back to the table, we are ready to engage; if he is not, we will likely air the plan publicly."[104] Some former U.S. officials have cautioned against presenting a plan given current Palestinian opposition.[105] In May, Abbas characterized the possible removal of core issues of the Israeli-Palestinian conflict—namely, Jerusalem's status and Palestinian refugee claims—from the negotiating table as "an American slap."[106]

The Administration seeks support from some Arab states, including Saudi Arabia, the United Arab Emirates, Jordan, and Egypt, for the anticipated U.S. initiative. While these Arab states have criticized the U.S. stance on Jerusalem,[107] there are also signs that the shared goal of countering Iranian influence in the region is leading some of them to interact more overtly with Israeli counterparts and to dissuade the Palestinians from abandoning U.S.-backed diplomacy.[108] The 2002 Arab Peace Initiative remains a key reference point for Arab positions on issues of Israeli-Palestinian dispute.[109]

Pulse, January 31, 2018; Khaled Abu Toameh and Stuart Winer, "Palestinians court Russia as new broker in peace process," *Times of Israel*, February 2, 2018; "US weighs UN funding cuts after Palestinians join agencies," Agence France Presse, May 23, 2018; International Criminal Court statement, "Statement by ICC Prosecutor, Mrs Fatou Bensouda, on the referral submitted by Palestine," May 22, 2018.

[100] See Neri Zilber and Ghaith al-Omari, *State with No Army, Army with No State: Evolution of the Palestinian Authority Security Forces: 1994-2018*, Washington Institute for Near East Policy, March 2018; Abu Amer, op. cit.

[101] CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

[102] Boaz Bismuth, "Trump to Israel Hayom: The Palestinians are not looking to make peace," *Israel Hayom*, February 11, 2018.

[103] Entous, op. cit.; "Kushner: Peace Deal to Benefit Both Sides in Mideast Conflict," Reuters, May 14, 2018; Daniel Siryoti, et al., "Amid PA rejectionism, Arab nations threaten to 'go over Abbas' head,'" *Israel Hayom*, June 25, 2018; Jonathan Cook, "Sisi key to Trump's Sinai plan to kill Palestinian state," Middle East Eye, July 5, 2018; Jack Khoury, "Arab Leaders Asked U.S. Not to Reveal Mideast Peace Plan, Palestinians Say," haaretz.com, June 29, 2018.

[104] "Transcript: Jared Kushner's Interview with a Palestinian Newspaper," *New York Times*, June 24, 2018.

[105] Dennis Ross, "The Next Mideast Explosion," *New York Daily News*, May 20, 2018; Goldenberg, op. cit.; Phil Gordon and Prem Kumar, "Jared Kushner's Middle East Fantasy," theatlantic.com, June 25, 2018.

[106] "President Abbas calls for three days of mourning, describes US embassy in Jerusalem as settlement outpost," WAFA, May 14, 2018.

[107] See, e.g., Amir Tibon, "Saudi King Tells U.S. That Peace Plan Must Include East Jerusalem as Palestinian Capital," *Ha'aretz*, July 29, 2018.

[108] Entous, op. cit.; Aiden Pink, "Palestinians Should 'Shut Up' Or Make Peace, Saudi Prince Told Jewish Groups," *Jewish Daily Forward*, April 29, 2018; Dexter Filkins, "The Ascent," *New Yorker*, April 9, 2018; James S. Robbins, "An Emerging Arab Israeli Thaw," nationalinterest.org, April 3, 2018; Jeffrey Goldberg, "Saudi Crown Prince: Iran's Supreme Leader 'Makes Hitler Look Good,'" theatlantic.com, April 2, 2018.

[109] The Arab Peace Initiative offers a comprehensive Arab peace with Israel if Israel were to withdraw fully from the territories it occupied in 1967, agree to the establishment of a Palestinian state with a capital in East Jerusalem, and provide for the "[a]chievement of a just solution to the Palestinian Refugee problem in accordance with UN General Assembly Resolution 194." The initiative was proposed by Saudi Arabia, adopted by the 22-member Arab League (which includes the PLO), and later accepted by the 56-member Organization of the Islamic Conference (now the Organization of Islamic Cooperation) at its 2005 Mecca summit. The text of the initiative is available at

Speculation surrounds the particulars of the possible Trump Administration proposal. Dating back to unconfirmed reports from late 2017, some observers anticipate that a proposal could favor Israeli positions that call for limited Palestinian sovereignty, maintaining most West Bank settlements, locating a Palestinian capital on the outer fringes of Jerusalem, and dismissing refugee claims to a right of return.[110] Palestinian officials have complained that the United States is trying to undermine Abbas and dictate a solution.[111] In June, Abbas's spokesperson accused the Administration and Israel of seeking to separate Gaza from the West Bank under the guise of humanitarian aid.[112]

Jerusalem

In December 2017, President Trump recognized Jerusalem as Israel's capital and pledged to move the U.S. embassy from Tel Aviv to Jerusalem. These actions represented a departure from the decades-long U.S. executive branch practice of not recognizing Israeli sovereignty over Jerusalem or any part of it.[113] The President pointed to the Jerusalem Embassy Act of 1995 (P.L. 104-45) as a significant factor in the policy change. The western part of Jerusalem that Israel has controlled since 1948 has served as the official seat of its government since shortly after its founding as a state. Israel officially considers Jerusalem (including the eastern part it unilaterally annexed after the 1967 Arab-Israeli war, while also expanding the city's municipal boundaries) to be its capital (see **Figure 2** below).[114]

In his December remarks, President Trump stated that he was not taking a position on "specific boundaries of the Israeli sovereignty in Jerusalem," and would continue to consider the city's final status to be subject to Israeli-Palestinian negotiations.[115] However, he did not explicitly mention Palestinian aspirations regarding Jerusalem; Palestinians envisage East Jerusalem as the capital of their future state. In a February 2018 interview, the President said that he would support specific boundaries as agreed upon by both sides.[116] He also has called on all parties to maintain the "status quo" arrangement at Jerusalem's holy sites (see textbox below).

The "Status Quo" at the Temple Mount/Haram al Sharif

The status of Jerusalem and its holy sites has been a long-standing issue of political and religious contention between Jews and Muslims. A number of violent episodes occurred in Jerusalem during the 1920s and 1930s, and

http://www.bitterlemons.org/docs/summit.html.

[110] Anne Barnard, et al., "Talk of a Peace Plan That Snubs Palestinians Roils Middle East," *New York Times*, December 3, 2017; Goldenberg, op. cit.

[111] Siryoti, op. cit.

[112] Jack Khoury and Amir Tibon, "Abbas Rejects Trump's Plan for Gaza: An Attempt to Divide Palestinians," haaretz.com, June 18, 2018.

[113] See, e.g., Scott R. Anderson and Yishai Schwartz, "How to Move the U.S. Embassy to Jerusalem," November 30, 2017.

[114] In 1980, under the first Likud Party government, the Israeli Knesset passed the Basic Law: Jerusalem—Capital of Israel, which declares "Jerusalem, complete and united, is the capital of Israel." See http://www.mfa.gov.il for the complete text of the Basic Law. Israel had first declared Jerusalem to be its capital in 1950.

[115] White House, Office of the Press Secretary, Statement by President Trump on Jerusalem, December 6, 2017.

[116] Bismuth, op. cit. The President previously said that "we took Jerusalem off the table." White House, Remarks by President Trump and Prime Minister Netanyahu of Israel Before Bilateral Meeting, Davos, Switzerland, January 25, 2018. This fueled media speculation about whether the President was simply referring to what he had already done (i.e., recognize some unspecified portion of Jerusalem as Israel's capital), or whether his policy on Jerusalem might more broadly foreclose Palestinian claims to East Jerusalem and its holy sites.

control over the city and key areas in and around it was a major strategic consideration in the Arab-Israeli wars of 1948 and 1967.

Notwithstanding Israel's 1967 takeover and subsequent annexation of East Jerusalem, it allowed the Jordanian *waqf* (or Islamic custodial trust) that had been administering the Temple Mount/Haram al Sharif (the "Mount/Haram") and its holy sites before the war to continue doing so, and established a "status quo" arrangement that has been Israel's proclaimed policy since then. Under the arrangement (largely based on past practices dating from the 16th century until the 1948 war), Muslims can access the Mount/Haram and worship there, while Jews and other non-Muslims are permitted limited access but not permitted to worship. Jewish worship is permitted at the Western Wall at the base of the Mount/Haram. Occasional access restrictions applied to Muslim patrons, such as those based on gender or age, have contributed to allegations that Israeli implementation of the status quo has been "piecemeal."[117]

The status quo is criticized and challenged by some individuals and groups who assert that Israel should advance Jewish historical and religious claims to the Mount/Haram, despite rulings from government-appointed rabbis proscribing Jewish visits there.[118] Various events arguably fueling concerns among Palestinians about possible Israeli attempts to change the status quo have included:

- September 1996 clashes (during Netanyahu's first term as prime minister) leading to the deaths of 54 Palestinians and 14 Israeli security personnel after Israel opened a passage leading to/from the Western Wall esplanade through a tunnel (known as the Hasmonean or Kotel Tunnel) that archeologists had uncovered and restored.[119]
- A September 2000 Mount/Haram visit by Likud Party leader (and future prime minister) Ariel Sharon just prior to the outbreak of the second Palestinian intifada.
- Changes in 2003 where Israel ended coordination with the Jordanian waqf over non-Muslim visits to the Mount/Haram and the waqf began restricting non-Muslims from entering the Dome of the Rock and Al Aqsa Mosque.[120]
- A series of incidents since fall 2014 featuring visits by Israeli political figures to the Mount/Haram, protests, violence, and periodic access closures.[121]

These tensions exist within a larger context of competing national and religious narratives regarding Jerusalem. Israelis have routinely used their influence with municipal and national authorities to advance Jewish objectives in the city, while Palestinians with little or no influence over Jerusalem's formal administration have resorted to protests and occasional violence.

Netanyahu has insisted that the status quo access arrangements for the Mount/Haram will continue. However, upholding these arrangements is periodically challenged by Israeli-Palestinian tensions from some Israeli Jews' actions to increase their presence at the Mount/Haram (especially during Jewish holidays), or from some Palestinians' anticipation that such actions might be imminent.

On February 23, the State Department spokesperson issued the following press statement announcing that the embassy would open in May 2018, to coincide with Israel's 70th anniversary:

> The Embassy will initially be located in the Arnona neighborhood, in a modern building that now houses consular operations of U.S. Consulate General Jerusalem. Those consular operations, including American citizen and visa services, will continue at the Arnona facility without interruption, as part of the Embassy. Consulate General Jerusalem will continue to operate as an independent mission with an unchanged mandate, from its historic

[117] Wendy Pullan, *et al.*, *The Struggle for Jerusalem's Holy Places*, Routledge: New York, 2013, p. 15; Ir Amim and Keshev, *Dangerous Liaison: The Dynamics of the Rise of the Temple Movements and Their Implications*, March 1, 2013, pp. 12-15.

[118] State Department, International Religious Freedom Report for 2017, Israel, Golan Heights, West Bank, and Gaza.

[119] Pullan, op. cit., p. 37.

[120] State Department 2015 Report on International Religious Freedom, Israel and the Occupied Territories; Tova Dvorin, "Jordan Pushes Full Control Over Temple Mount, Israel Rejects," *Arutz Sheva*, October 19, 2015.

[121] See, e.g., State Department, International Religious Freedom Report for 2017, Israel, Golan Heights, West Bank, and Gaza; International Crisis Group, "How to Preserve the Fragile Calm at Jerusalem's Holy Esplanade," Middle East Briefing No. 48, April 7, 2016.

> Agron Road location. Initially, the interim Embassy in Arnona will contain office space for the Ambassador and a small staff. By the end of next year, we intend to open a new Embassy Jerusalem annex on the Arnona compound that will provide the Ambassador and his team with expanded interim office space. In parallel, we have started the search for a site for our permanent Embassy to Israel, the planning and construction of which will be a longer-term undertaking.

The embassy opened on May 14 at the Arnona facility (see **Figure 3** below) amid criticism from several international actors and violence on the same day at the Gaza-Israel frontier (see "Hamas and Gaza" above). According to the State Department spokesperson, the site is located "partly in West Jerusalem and partly in what's considered no man's land," as it lies "between the 1949 armistice lines" in a zone that was demilitarized between 1949 and 1967.[122] The White House stated that it cost $400,000 to modify the facility to function as an embassy.[123] The ambassador's official residence is to transition to Jerusalem at a later date.[124]

Congress could consider a number of legislative and oversight options with regard to the plans mentioned above to expand the embassy at the Arnona site, and later to plan and construct a permanent embassy. These options could focus on funding, timeframe and logistics, progress reports, and security for embassy facilities and staff. A State Department official said in February that a new embassy building would take 7 to 10 years to construct, and a former official estimated that building a new embassy in Jerusalem may cost about $500 million.[125]

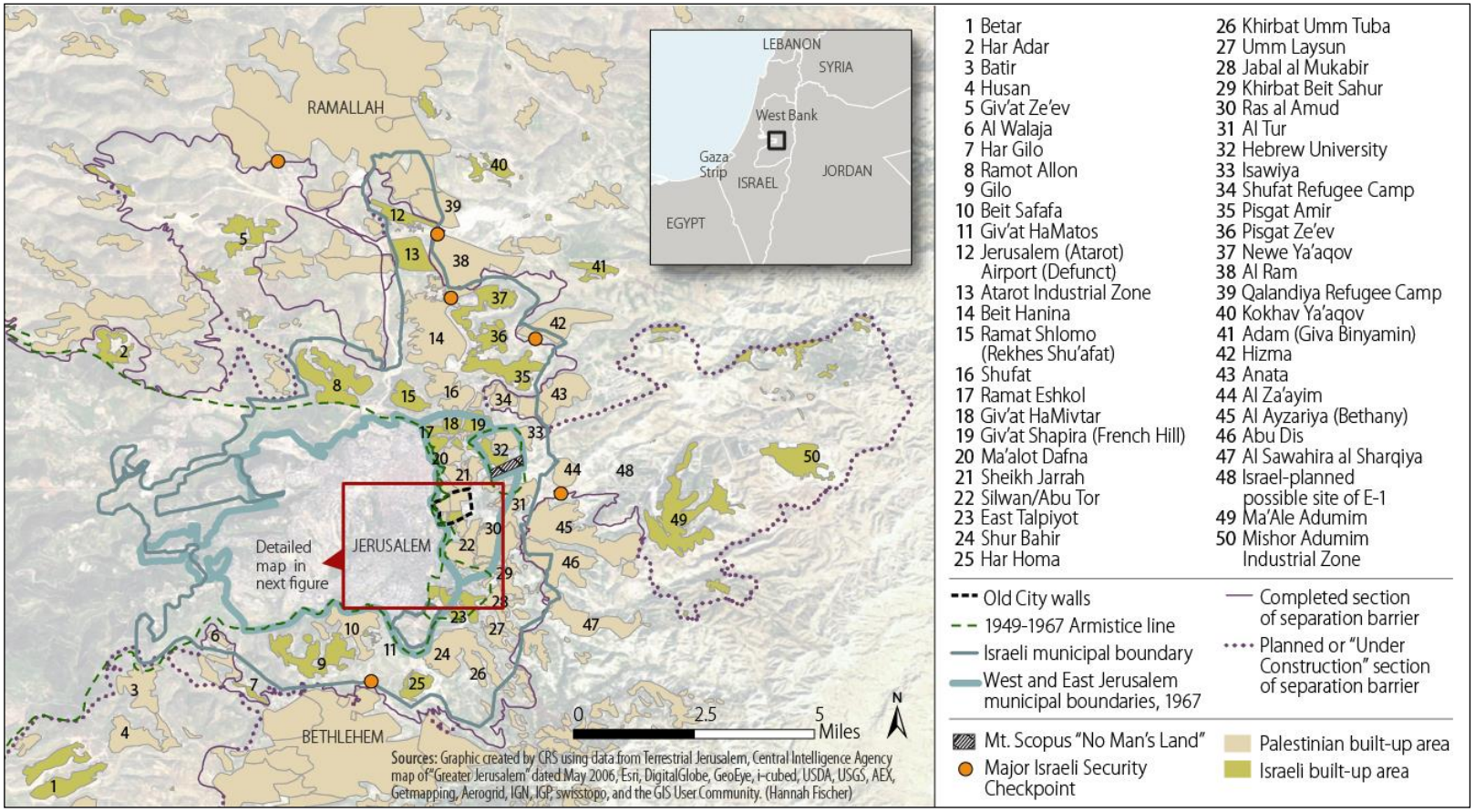
[122] State Department Press Briefing, February 27, 2018. One article describing the various issues involved with the site's location said that a U.N. official "described the site as 'occupied territory' but not 'Occupied Palestinian Territory (OPT),'" as No Man's Land had not been under the formal control of either the Israeli or the Jordanian side after the 1948 Arab-Israeli war. The article also said, "The continuous Israeli use of the western part of the no man's land makes putting the U.S. embassy there uncontroversial for Israelis from both the right and left of the political spectrum." Michael Lipin, "Why New US Embassy Isn't Entirely in Israel," Voice of America, May 14, 2018.

[123] White House, President Donald J. Trump Keeps His Promise To Open U.S. Embassy In Jerusalem, Israel, May 14, 2018.

[124] State Department, Briefing on the Opening of the U.S. Embassy in Jerusalem, May 11, 2018.

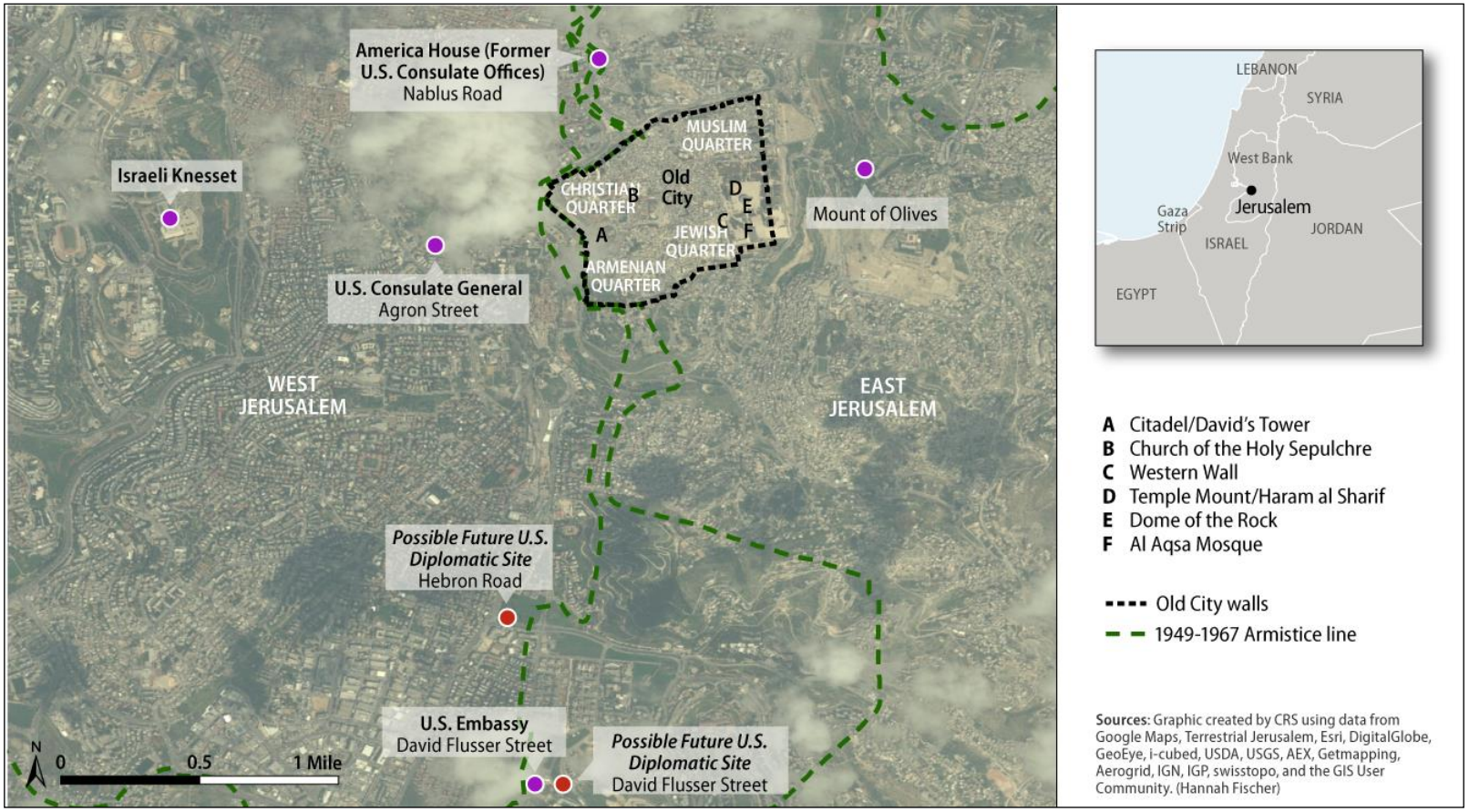
[125] Gardiner Harris and Isabel Kershner, "Casino Mogul Offers to Fund Israel Embassy," *New York Times*, February 24, 2018.

Figure 2. Greater Jerusalem



Note: All locations and lines are approximate.

Figure 3. Jerusalem: Some Key Sites



Note: All locations and lines are approximate.

Settlements

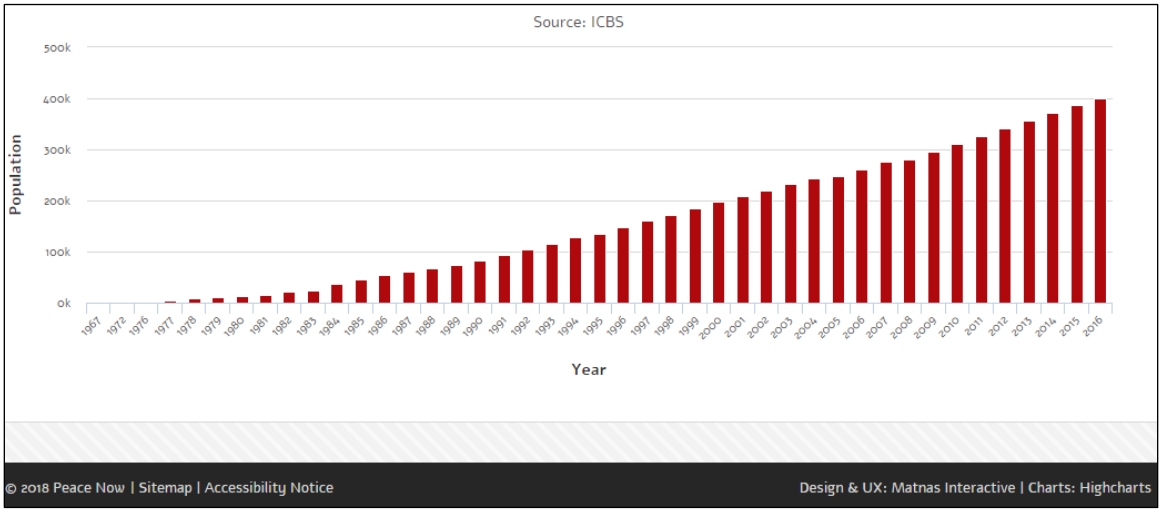
Overview

Israel has approximately 130 official residential communities (known internationally and by significant segments of Israeli society as "settlements") in the West Bank, and approximately 100 additional settlement outposts unauthorized under Israeli law.[126] It also maintains other military and civilian land-use sites in the West Bank. In addition, Israeli authorities and Jewish Israeli citizens have established roughly 14 main residential areas (referred to variously as "settlements" or "neighborhoods") in East Jerusalem.[127] All of these residential communities are located beyond the 1949-1967 armistice line (the "Green Line") in areas that Palestinians assert are rightfully part of their envisioned future state.

The first West Bank settlements were constructed following the 1967 war, and were initially justified as residential areas connected to personnel involved with Israel's military occupation. Major West Bank residential settlement building began in the late 1970s with the advent of the pro-settler Gush Emunim ("Bloc of the Faithful") movement and the 1977 electoral victory of Menachem Begin and the Likud Party. Subsequently, Israelis have expanded existing settlements and established new ones. Israelis who defend the settlements' legitimacy generally use some combination of legal, historical, strategic, nationalistic, or religious justifications.[128]

Figure 4. Population of Israeli West Bank Settlements

(not including Jewish Israeli East Jerusalem residential communities)



The international community generally considers Israeli construction on territory beyond the Green Line to be illegal.[129] In 2015, an Israeli anti-settlement advocacy group said that a two-tier

[126] http://peacenow.org.il/en/settlements-watch/settlements-data/population.

[127] For information on the planning and permitting process for settlement construction, see http://peacenow.org.il/wp-content/uploads/2017/10/Planning-Process-Chart.pdf.

[128] For more information on the history of the settlements and their impact on Israeli society, see Idith Zertal and Akiva Eldar, *Lords of the Land: The War for Israel's Settlements in the Occupied Territories, 1967-2007*, New York: Nation Books, 2007; Gershom Gorenberg, *The Accidental Empire: Israel and the Birth of the Settlements, 1967-1977*, New York: Times Books, 2006.

[129] The most-cited international law pertaining to Israeli settlements is the Fourth Geneva Convention, Part III, Section

planning system exists in Area C of the West Bank: "a civil and representative planning system for Jewish settlers, and a military system without representation for Palestinians."[130]

Israel retains military control over the West Bank and has largely completed a separation barrier that roughly tracks the Green Line, but departs from it in a number of areas that include significant settlement populations.[131] Israeli officials state that the barrier's purpose is to separate Israelis and Palestinians and prevent terrorists from entering Israel. Palestinians object to the barrier being built on their territory because it cuts Palestinians off from East Jerusalem and, in some places, bisects their landholdings and communities. It also is seen by many as an Israeli device to unilaterally determine borders between Israel and a future Palestinian state. Not counting East Jerusalem, one source states that 77% of Israeli settlers live within the barrier's perimeter.[132] Counting East Jerusalem, the figure grows to 85%.[133]

Settlers affect the political and diplomatic calculus in various ways. They influence key voting blocs in Israel's coalition-based parliamentary system (although they do not all share the same background or interests, settlers constitute about 6% of the Israeli population). Additionally, some initiate public protest and even violent resistance against government efforts to limit or regulate their actions. Also, they have a significant symbolic role in a country whose initial survival depended on pioneering spirit in the face of adversity.

Some Israelis caution that the demand to provide security to settlers and their transportation links to Israel could perpetuate Israeli military control in the West Bank even if other rationales for maintaining such control eventually recede. Protecting settlers is made more difficult by altercations between some settlers and Palestinian West Bank residents, and some settlers' defiance of Israeli military authorities.

When ordered by Israel's court system to dismantle outposts, the government has complied. In some cases, the government placated settlers by relocating displaced outpost residents within the boundaries of settlements permitted under Israeli law.[134]

U.S. Policy

U.S. policy on settlements has varied since 1967. Until the 1980s, multiple Administrations either stated or implied that settlements were "contrary to international law," with President Carter's

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III, Article 49 *Relative to the Protection of Civilian Persons in Time of War*, August 12, 1949, which states in its last sentence, "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies." Israel insists that the West Bank does not fall under the international law definition of "occupied territory," but is rather "disputed territory" because the previous occupying power (Jordan) did not have an internationally recognized claim to it, and given the demise of the Ottoman Empire at the end of World War I and the end of the British Mandate in 1948, Israel claims that no international actor has superior legal claim to it.

[130] "Israel's West Bank housing policy by numbers," Agence France Presse, May 10, 2015, quoting Rabbis for Human Rights. The two agreements that define respective Israeli and PA zones of control in the West Bank (including Areas A, B, and C) are (1) the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995; and (2) the Protocol Concerning the Redeployment in Hebron, dated January 17, 1997.

[131] In a July 2004 International Court of Justice advisory opinion, the barrier's construction was deemed illegal. The text of the opinion is available at http://www.icj-cij.org/docket/index.php?pr=71&code=mwp&p1=3&p2=4&p3=6.

[132] Information as of 2017 accessed from Washington Institute of Near East Policy's "Settlements and Solutions" interactive map at http://www.washingtoninstitute.org/westbankinteractivemap/#.

[133] Ibid.

[134] See, e.g., Joel Greenberg, "Israeli settlers evacuated from West Bank outpost following court order," *Washington Post*, September 2, 2012.

Secretary of State Cyrus Vance stating explicitly that settlements were "illegal" in 1980.[135] President Reagan later stated that settlements were "not illegal," but "ill-advised" and "unnecessarily provocative."[136] Since then, the executive branch has generally refrained from pronouncements on the settlements' legality.[137] Rather, a common U.S. stance has been that settlements are an "obstacle to peace." Additionally, loan guarantees to Israel currently authorized by U.S. law are subject to possible reduction by an amount equal to the amount Israel spends on settlements in the occupied territories.[138]

A former U.S. official wrote in 2014 that U.S. Administrations are "not entirely sure what to do with the fact that Israeli prime ministers of all political stripes have continued Israeli settlement building on the West Bank and construction in parts of east Jerusalem that we'd like to see become the capital of a Palestinian state."[139] An April 2004 letter from President George W. Bush to then Israeli Prime Minister Ariel Sharon explicitly acknowledged that "in light of new realities on the ground, including already existing major Israeli populations (sic) centers, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949."

The Obama Administration generally opposed Israeli settlement activity, but took differing approaches at various points. During the Administration's first term, it sought to freeze all settlement activity, including in East Jerusalem.[140] Israel responded with a partial 10-month moratorium. In February 2011, the United States vetoed a draft U.N. Security Council resolution that would have characterized Israeli settlements in the West Bank and East Jerusalem as illegal. During President Obama's second term, he signed trade and customs legislation (P.L. 114-26 and P.L. 114-125) opposing punitive economic measures against Israel (such as measures advocated by a non-governmental boycott, divestment, and sanctions [BDS] movement). However, he asserted in a presidential signing statement for P.L. 114-125 that certain provisions treating "Israeli-controlled territories" (i.e., West Bank settlements) beyond the Green Line in the same manner as Israel itself were not in line with U.S. policy.[141] Finally, in December 2016, the Obama Administration decided to abstain from (rather than veto) a U.N. Security Council resolution (Resolution 2334) similar to the one it vetoed in 2011.[142]

To date, the Trump Administration has been less critical than the Obama Administration of Israeli settlement-related announcements and construction activity. In February 2017, the White House press secretary released a statement with the following passage:

> While we don't believe the existence of settlements is an impediment to peace, the construction of new settlements or the expansion of existing settlements beyond their

[135] Daniel Kurtzer, "Do Settlements Matter? An American Perspective," *Middle East Policy*, vol. 16, issue 3, fall 2009.

[136] Nicholas Rostow, "Are the Settlements Illegal?" *The American Interest*, March/April 2010.

[137] Ibid.

[138] For more information on this issue, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

[139] Aaron David Miller, "The Inside Story of U.S. Meddling in Israel's Elections," *Daily Beast*, December 4, 2014.

[140] U.S. and Israeli leaders publicly differed on whether Obama's expectations of Israel contradicted statements that the George W. Bush Administration had made. Glenn Kessler and Howard Schneider, "U.S. Presses Israel to End Expansion," *Washington Post*, May 24, 2009; Ethan Bronner, "Israelis Say Bush Agreed to West Bank Growth," *New York Times*, June 3, 2009.

[141] See, e.g., a presidential signing statement for P.L. 114-125 (H.R. 644) at https://www.whitehouse.gov/the-press-office/2016/02/25/signing-statement-hr-644. For more information, see CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by Jim Zanotti.

[142] In response, the House adopted H.Res. 11, condemning Resolution 2334 and the Obama Administration's abstaining vote, on January 5, 2017, by a 340-80 vote (with four voting "present").

> current borders may not be helpful in achieving that goal. As the President has expressed many times, he hopes to achieve peace throughout the Middle East region.[143]

Some reports suggest that Israel at some point coordinated settlement construction plans with Trump Administration officials.[144] However, in February 2018 a White House spokesperson denied reports that U.S. officials may have discussed the possible annexation of some settlements with Prime Minister Netanyahu.[145]

[143] White House Office of the Press Secretary, Statement by the Press Secretary, February 2, 2017.

[144] Danny Zaken, "Israel, US coordinated on settlement construction," *Al-Monitor Israel Pulse*, October 23, 2017.

[145] Jeffrey Heller, "White House dismisses idea of U.S.-Israel discussing settlement annexation," Reuters, February 12, 2018.

Appendix A. Israeli Knesset Parties and Their Leaders

COALITION	
	Likud (Consolidation)—30 seats Israel's historical repository of right-of-center nationalist ideology; skeptical of territorial compromise; has also championed free-market policies. *Leader: Binyamin Netanyahu* Born in 1949, Netanyahu has served as prime minister since 2009 and also was prime minister from 1996 to 1999. Netanyahu served in an elite special forces unit (Sayeret Matkal), and received his higher education at MIT. Throughout a career in politics and diplomacy, he has been renowned both for his skepticism regarding the exchange of land for peace with the Palestinians and his desire to counter Iran's nuclear program and regional influence. He is generally regarded as both a consummate political dealmaker and a security-minded nationalist. However, he has negotiated with the Palestinians, and many observers discern cautiousness in Netanyahu's decisions regarding the nature and scale of military operations.
	Kulanu (All of Us)—10 seats New pro-secular, center-right party focusing largely on socioeconomic issues. *Leader: Moshe Kahlon* Born in 1960, Kahlon is Israel's finance minister and a key member of the current coalition government. While serving as communications minister from 2009 to 2013 as a Likud member, Kahlon gained notoriety and popularity for liberalizing the mobile phone market and bringing down costs. He then served as welfare minister before choosing not to run in the 2013 elections and later re-emerging at the head of Kulanu in late 2014.
	Ha'bayit Ha'Yehudi (The Jewish Home)—8 seats Right-of-center nationalist party with base of support among religious Zionists (Ashkenazi Orthodox Jews); includes core constituencies supporting West Bank settlements and annexation. *Leader: Naftali Bennett* Born in 1972, Bennett is Israel's education minister and served as economy minister in the previous government. He served in various special forces units (including as a reservist during the 2006 Hezbollah conflict in Lebanon). Bennett was a successful software entrepreneur and has lived in America. He served as Netanyahu's chief of staff from 2006 to 2008 while Netanyahu was opposition leader. He led the Yesha Council (the umbrella organization for Israeli West Bank settlers) from 2010 to 2012, and then became leader of Ha'bayit Ha'Yehudi shortly before the 2013 elections.
	Shas (Sephardic Torah Guardians)—7 seats Mizrahi Haredi ("ultra-Orthodox") party; favors welfare and education funds in support of Haredi lifestyle; opposes compromise with Palestinians on control over Jerusalem. *Leader: Aryeh Deri* Born in 1959, Deri is Israel's interior minister and minister for Negev and Galilee development. He led Shas from 1983 to 1999 before being convicted for bribery, fraud, and breach of trust in 1999 for actions taken while serving as interior minister. He returned as the party's leader in 2013. Deri originally served as the current government's economy minister, but reported differences with Prime Minister Netanyahu over government dealings with private natural gas consortiums led to his resignation from that office.

United Torah Judaism—6 seats
Ashkenazi Haredi coalition (Agudat Yisrael and Degel Ha'torah); favors welfare and education funds in support of Haredi lifestyle; opposes territorial compromise with Palestinians and conscription of Haredim; generally seeks greater application of Jewish law.

Leader: Yaakov Litzman
Born in 1948, Litzman is Israel's health minister. He was born in Germany and raised in the United States before immigrating to Israel in 1965. Educated in yeshivas (traditional Jewish schools), he later served as principal of a Hasidic girls' school in Jerusalem. He was first elected to the Knesset in 1999 and has previously served as deputy health minister and as a member of the Knesset's finance committee.

Yisrael Beiteinu (Israel Our Home)—5 seats
Pro-secular, right-of-center nationalist party with base of support among Russian speakers from the former Soviet Union.

Leader: Avigdor Lieberman
Born in 1958, Lieberman is Israel's defense minister, and upon his appointment to this position he resigned his Knesset seat. He served as Israel's foreign minister for most of the period from 2009 to May 2015 and is generally viewed as an ardent nationalist and canny political actor with prime ministerial aspirations. He and Yisrael Beiteinu were in opposition to the current government before joining it in May 2016. Lieberman was born in the Soviet Union (in what is now Moldova) and immigrated to Israel in 1978. He worked under Netanyahu from 1988 to 1997. Disillusioned by Netanyahu's willingness to consider concessions to the Palestinians, Lieberman founded Yisrael Beiteinu as a platform for former Soviet immigrants. He and other members of his party have faced corruption allegations, but he was acquitted in a 2013 case.

OPPOSITION

Zionist Union—24 seats
Joint list of Avoda (Labor) and Ha'tnua (The Movement). Labor is Israel's historical repository of social democratic, left-of-center, pro-secular Zionist ideology; both Labor and Ha'tnua are associated with efforts to end Israel's responsibility for Palestinians in the West Bank and Gaza.

Leader: Avi Gabbay
Born in 1967, Gabbay was elected leader of the Labor party in 2017 after having resigned in 2016 as Israel's environment minister (while a member of Kulanu) to protest Yisrael Beiteinu joining the coalition. Gabbay hails from a working class Moroccan Jewish family and became a successful businessman—serving as CEO of Bezeq (Israel's largest telecommunications company) from 2007 to 2013. Observers speculate on the potential for Gabbay's Mizrahi background and centrist positions to broaden the appeal of the Labor party, but the spike in reported popular support for Labor immediately after he was elected leader has not lasted.

Joint List—13 seats
Joint list of four Arab Israeli parties (Hadash, Ra'am, Ta'al, and Balad) that include socialist, Islamist, and Arab nationalist political strains.

Leader: Ayman Odeh
Born in 1975, Odeh is the leader of the Joint List and of Hadash, an Arab Israeli socialist party. An attorney, he served on the Haifa city council before becoming Hadash's national leader in 2006. Supports a more democratic, egalitarian, and peace-seeking society, and has sought protection for unrecognized Bedouin villages and advocated for drafting young Arab Israelis for military or civilian national service.

Yesh Atid (There Is a Future)—11 seats
Pro-secular, centrist party focusing largely on socioeconomic issues.

Leader: Yair Lapid
Born in 1963, Lapid served as Israel's finance minister from 2013 until that coalition government collapsed in December 2014. Like his father Tommy, Lapid has parlayed a journalistic career into electoral success. Lapid's popularity fell during his time as finance minister, presumably because the government faced continuing challenges in improving cost-of-living and economic inequality issues while maintaining fiscal discipline. He has since become one of the most popular figures of the center-left opposition.

Meretz (Vigor)—5 seats
Left-of-center, pro-secular Zionist party that supports initiatives for social justice and for peace with the Palestinians

Leader: Tamar Zandberg
Born in 1976, Zandberg became Meretz's leader in 2018 and was first elected to the Knesset in 2013. Before joining the Knesset, she served on the Tel Aviv city council and was a college instructor. She was a leading figure in 2011 cost-of-living protests.

Sources: Various open sources.

Note: One Knesset member, Orly Levi-Abekasis, is an independent member of the opposition, having left Yisrael Beiteinu in May 2016 when it joined the coalition.

Appendix B. Selected U.S.-Based Interest Groups Relating to Israel

Selected groups actively interested in Israel are noted below with links to their websites for information on their policy positions.

American Israel Public Affairs Committee: http://www.aipac.org

American-Israeli Cooperative Enterprise/Jewish Virtual Library: http://www.jewishvirtuallibrary.org

American Jewish Committee: http://www.ajc.org

American Jewish Congress: http://www.ajcongress.org

Americans for Peace Now: http://www.peacenow.org

Anti-Defamation League: http://www.adl.org

Conference of Presidents of Major Jewish Organizations: http://www.conferenceofpresidents.org

Foundation for Middle East Peace: http://www.fmep.org

Hadassah (The Women's Zionist Organization of America, Inc.): http://www.hadassah.org

Israel Bonds: http://www.israelbonds.com

Israel Institute: http://www.israelinstitute.org

The Israel Project: http://www.theisraelproject.org

Israel Policy Forum: http://www.israelpolicyforum.org

J Street: http://jstreet.org

Jewish Federations of North America: http://www.jewishfederations.org

Jewish National Fund: http://www.jnf.org

Jewish Policy Center: http://www.jewishpolicycenter.org

New Israel Fund: http://www.nif.org

S. Daniel Abraham Center for Middle East Peace: http://www.centerpeace.org

Zionist Organization of America: http://www.zoa.org

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