Israel: Background and U.S. Relations in Brief

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U.S.-Israel Relations: Current Status

For decades, strong bilateral relations have fueled and reinforced significant U.S.-Israel cooperation in many areas, including regional security. Nonetheless, at various points throughout the relationship, U.S. and Israeli policies have diverged on some important issues. Significant differences regarding regional issues—notably Iran and the Palestinians—arose or intensified during the Obama Administration.[1] Since President Donald Trump's inauguration in January 2017, he and Israeli Prime Minister Binyamin Netanyahu have discussed ways "to advance and strengthen the U.S.-Israel special relationship, and security and stability in the Middle East."[2]

A number of issues have significant implications for U.S.-Israel relations. They include:

- General regional security issues and U.S.-Israel cooperation.
- Various controversies regarding Israeli-Palestinian issues and diplomatic efforts to address them, including recent tensions concerning Jerusalem holy sites.
- Israeli domestic political issues.

In early 2017, a legal probe of Prime Minister Netanyahu turned into a criminal investigation—in connection with allegations of various types of corruption—that some observers speculate could threaten his term of office.[3] Netanyahu has dismissed the allegations.

In the Consolidated Appropriations Act, 2017 (P.L. 115-31), enacted in May 2017, Congress appropriated $75 million in Foreign Military Financing for Israel in FY2017 beyond the $3.1 billion identified for FY2017 in a U.S.-Israel memorandum of understanding (MOU) covering FY2009-FY2018. The implementation of these appropriations remains unclear, given that Prime Minister Netanyahu reportedly pledged to reimburse the U.S. government for amounts appropriated beyond the MOU amounts for FY2017 or FY2018 as part of the negotiations accompanying the September 2016 MOU that will cover FY2019-FY2028.[4]

For background information and analysis on these and other topics, including aid, arms sales, and missile defense cooperation, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by (name redacted); CRS Report RL33222, *U.S. Foreign Aid to Israel*, by (name redacted) ; and CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by (name redacted)

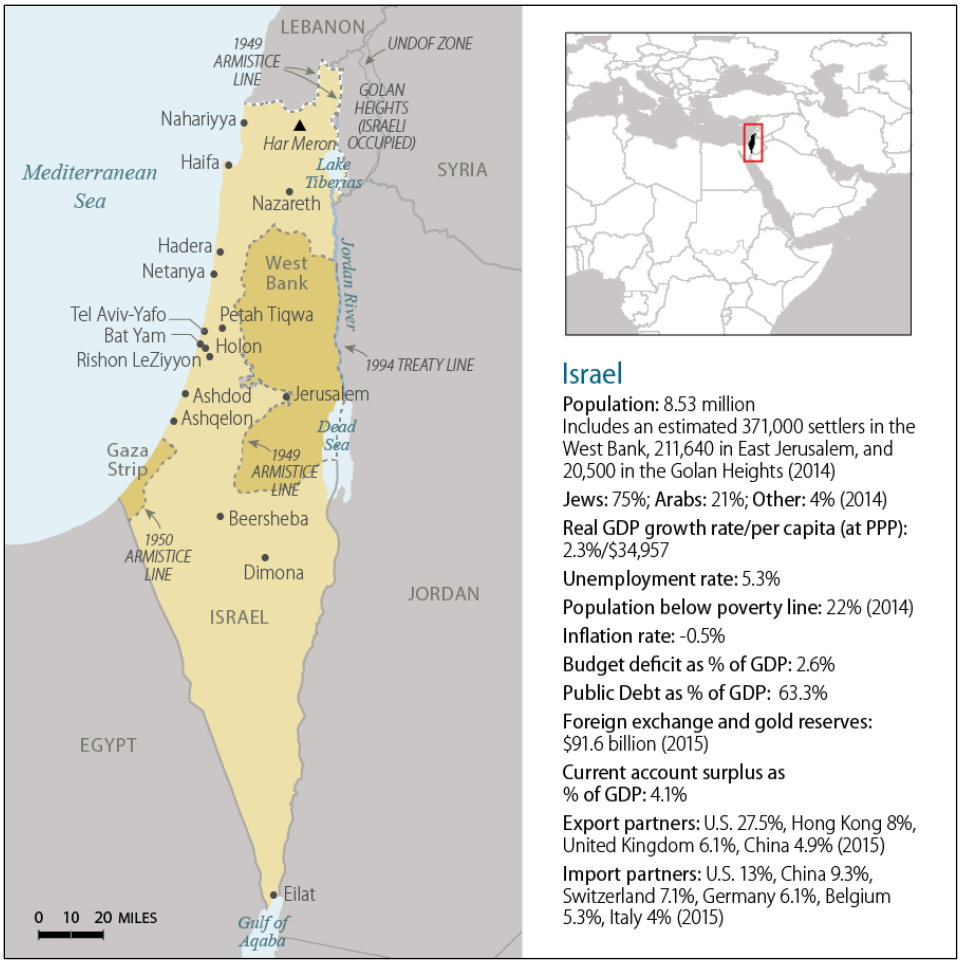
[1] See, e.g., Jeffrey Goldberg, "The Obama Doctrine," *The Atlantic*, April 2016; Jason M. Breslow, "Dennis Ross: Obama, Netanyahu Have a 'Backdrop of Distrust,'" PBS Frontline, January 6, 2016; Sarah Moughty, "Michael Oren: Inside Obama-Netanyahu's Relationship," PBS Frontline, January 6, 2016.

[2] White House Office of the Press Secretary, "Readout of the President's Call with Prime Minister Netanyahu of Israel," January 22, 2017.

[3] Ben Caspit, "Netanyahu's scandals run deep," *Al-Monitor Israel Pulse*, July 26, 2017. A separate investigation implicates Interior Minister Aryeh Deri, who was previously convicted for corruption-related actions while serving in the same post two decades ago. Eliyahu Kamisher, "Deri questioned, 14 detained in corruption investigation," jpost.com, May 29, 2017.

[4] "U.S.-Israel Deal held up over Dispute with Lindsey Graham," Washington Post, September 11, 2016.

Figure 1. Israel: Map and Basic Facts



Sources: Graphic created by CRS. Map boundaries and information generated by (name redacted) 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 2016 unless specified.

Notes: United Nations Disengagement Observer Force (UNDOF) withdrew to Israeli-controlled territory in the Golan Heights in September 2014. The West Bank is Israeli-administered with current status subject to the 1995 Israeli-Palestinian Interim Agreement; permanent status to be determined through further negotiation. The status of the Gaza Strip is a final status issue to be resolved through negotiations. Israel proclaimed Jerusalem as its capital in 1950, but the United States, like nearly all other countries, retains its embassy in Tel Aviv-Yafo. Boundary representation is not necessarily authoritative.

Regional Security Issues

For decades, Israel has relied on the following three perceived advantages—all generally considered to be either explicitly or implicitly backed by the United States—to remove or minimize potential threats to its security and existence:

- overwhelming regional conventional military superiority;
- undeclared but universally presumed regional nuclear weapons capability;[5] and
- de jure or de facto arrangements or relations with the authoritarian leaders of its Arab state neighbors aimed at preventing interstate conflict.

Significant (and sometimes overlapping) threats facing Israel include:

- **Iran and its allies (including Hezbollah and Hamas).** Although many Israeli officials have accepted the 2015 international agreement on Iran's nuclear program, and some even have characterized it in positive terms, Iran remains of primary concern to Israel largely because of (1) its past and current stance of antipathy toward Israel, (2) its apparently growing regional influence, and (3) the possibility that it might reconstitute its nuclear program in the future. Major Iranian allies with the ability to threaten Israel include Lebanese Hezbollah and the Syrian regime of Bashar al Asad. Hamas (with its main base of operations in the Gaza Strip) is also largely aligned with Iran, but somewhat less so than the others mentioned, perhaps because of its Sunni Islamist and Palestinian nationalist characteristics. In recent years, Israel and Arab Gulf states have discreetly cultivated closer relations with one another in efforts to counter Iran.[6]
- **Lebanon-Syria border area.** Hezbollah has presented challenges to Israel's security near the Lebanese border for decades. Israeli officials have sought to draw attention to Hezbollah's weapons buildup—including reported upgrades to the range and precision of its projectiles—and its alleged use of Lebanese civilian areas as strongholds.[7] Some open source reporting in 2017 has focused on claims that Iran has helped Hezbollah set up underground factories in Lebanon to manufacture a variety of weapons to avoid Israeli attacks on shipments.[8] In July 2017, Israel Defense Forces (IDF) Chief of Staff Gadi Eizenkot referenced these reports and asserted the importance of reducing Iranian influence near Israel's borders, while also noting the relative inaccuracy of Hezbollah projectiles and stating that Israelis should "put things in perspective and not panic."[9]

[5] Israel is not a party to the Nuclear Nonproliferation Treaty (NPT) and maintains a policy of "nuclear opacity" or *amimut*. A 2014 report examining data from a number of sources through the years estimated that Israel possesses an arsenal of around 80 nuclear weapons. Hans M. Kristensen and Robert S. Norris, "Israeli nuclear weapons, 2014," *Bulletin of the Atomic Scientists*, vol. 70(6), 2014, pp. 97-115. 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. Eli Lake, "Secret U.S.-Israel Nuclear Accord in Jeopardy," *Washington Times*, May 6, 2009. No other Middle Eastern country is generally thought to possess nuclear weapons.

[6] Neri Zilber, "Israel's secret Arab allies," *New York Times*, July 15, 2017.

[7] William Booth, "Ten years after last Lebanon war, Israel warns next one will be far worse," washingtonpost.com, July 23, 2016.

[8] Gili Cohen, "Iran Reportedly Built Weapons Factories in Lebanon for Hezbollah," *Ha'aretz*, March 14, 2017.

[9] "Israeli Army Chief on Iran's Underground Missile Factories in Lebanon: No Need to Panic," *Ha'aretz*, July 5, 2017.

The area around the previously quiet line of control between Israel and Syria in the Golan Heights has become more unstable since civil war broke out in Syria in 2012. A June 2017 media report indicated that Israel has reportedly provided various means of support to Syrian rebel groups in order to prevent Hezbollah or other Iran-linked groups from controlling the area.[10] Israeli officials have sought to influence developments involving larger powers like a truce brokered by the United States and Russia in July 2017 in southern Syria, with Israel apparently motivated by concerns about possible Iranian efforts to have access to a contiguous land corridor through Iraq, Syria, and Lebanon to the Mediterranean Sea.[11]

- **Israeli-Palestinian conflict.** The threat to Israel from the unresolved conflict with the Palestinians may have less destructive potential in immediate military terms than threats from Iran's and Hezbollah's missiles and other capabilities. However, if the conflict remains unresolved, it could have long-term political implications that fuel wider regional or global problems for Israel. Three major conflicts between Israel and Palestinian militant groups in the Gaza Strip (most prominently, Hamas) have taken place in 2008-2009, 2012, and 2014, and some analysts speculate about the possibility that conflict could resume.[12]
- **General regional instability.** Since late 2010, a number of countries in the region have experienced significant turmoil, leading to heightened uncertainty with regard to regional deterrence and sovereign state control over border-related developments that involve non-state groups and flows of people, goods, and weapons. To some extent, these developments may have reduced the conventional military threats that weakened states such as Syria present to Israel.

Israeli officials closely monitor U.S. actions and consult with U.S. counterparts in apparent efforts to gauge and influence the nature and scope of future U.S. engagement on regional issues that implicate Israel's security. Given Israeli concerns about these issues and about potential changes in levels of U.S. interest and influence in the region, some of Israel's leaders and supporters make the case to U.S. decisionmakers that

- Israel's security and the broader stability of the region continue to be critically important for U.S. interests; and
- Israel has substantial and multifaceted worth as a U.S. ally beyond temporary geopolitical considerations and shared ideals and values.

U.S. officials' views on these points could influence the type and level of support that the United States might provide to address threats Israel perceives, or how Israel might continue its traditional prerogative of "defending itself, by itself" while also receiving external assistance. It also could influence the extent to which the United States places conditions on the support it provides to Israel.

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

[11] Karin Laub, "South Syria truce to allay Jordan, Israel fears about Iran," Associated Press, July 8, 2017; Yossi Melman, "Game of Bridges," *Jerusalem Report*, July 24, 2017.

[12] See, e.g., Nathan Thrall and Robert Blecher, "Stopping the next Gaza war," *New York Times*, July 31, 2017.

Israeli-Palestinian Issues

Context and Diplomatic Efforts

It is unclear what actions the President and Congress might take on Israeli-Palestinian issues, and how Prime Minister Netanyahu and other Israeli leaders might respond. President Trump has stated aspirations to help broker a final-status Israeli-Palestinian agreement as the "ultimate deal." The President's advisors on Israeli issues include his senior advisor Jared Kushner (who is also his son-in-law), special envoy Jason Greenblatt, and U.S. Ambassador to Israel David Friedman.[13]

At a February 2017 White House press conference with the President, Netanyahu voiced support for an effort to involve "newfound Arab partners in the pursuit of a broader peace and peace with the Palestinians"[14] that Israel had previously proposed and that the Administration is reportedly exploring. In 2016, then-Secretary of State John Kerry reportedly made some initial efforts aimed at securing Israeli, Palestinian, and Arab state participation in a regional peace initiative.[15] Nevertheless, it is unclear whether Arab states would be willing and able to facilitate a conflict-ending resolution between the two parties or accept normalization in their relations with Israel beforehand. At the White House press conference, Netanyahu insisted on two "prerequisites for peace": (1) Palestinian recognition of Israel as a Jewish state,[16] and (2) an indefinite Israeli security presence in the Jordan Valley area of the West Bank.

Since Netanyahu's February visit, some developments suggested that President Trump might seek a resumption of Israeli-Palestinian negotiations, including Trump's own visit to Israel and the West Bank in May, shortly after a May visit by Palestinian Authority (PA) President Mahmoud Abbas to the White House. Abbas signaled a willingness to return to negotiations using the 2002 Arab Peace Initiative as a starting point.[17] Presidential envoy Jason Greenblatt has met with

[13] Friedman's nomination and Senate confirmation (which took place via a 52-46 vote) attracted attention because of his past statements and financial efforts in support of controversial Israeli settlements in the West Bank, and his sharp criticism of the Obama Administration, some Members of Congress, and some American Jews. See, e.g., "David Friedman, Trump's Israel envoy pick, reportedly behind newly approved settler homes," Jewish Telegraphic Agency (JTA), February 9, 2017; Judy Maltz, "David Friedman Raised Millions for Radical West Bank Jewish Settlers," *Ha'aretz*, December 16, 2016; Matthew Rosenberg, "Trump Chooses Hard-Liner as Ambassador to Israel," *New York Times*, December 15, 2016; At Friedman's February 16, 2017, nomination hearing before the Senate Foreign Relations Committee, he apologized for and expressed regret regarding many of the critiques he previously directed at specific people.

[14] White House Office of the Press Secretary, Remarks by President Trump and Prime Minister Netanyahu of Israel in Joint Press Conference, February 15, 2017.

[15] Barak Ravid, "Exclusive-Kerry Offered Netanyahu Regional Peace Plan in Secret 2016 Summit With al-Sissi, King Abdullah," *Ha'aretz*, February 19, 2017.

[16] Although the Palestine Liberation Organization (PLO) explicitly recognized Israel's right to exist in 1993, PLO leaders have been reluctant to publicly accept that Israel is the "nation-state of the Jewish people" because of concerns that doing so could contribute to negative effects for the Arab citizens who make up approximately 20% of Israel's population, as well as undermine the claims of Palestinian refugees to a "right of return" to their original or ancestral homes in present-day Israel.

[17] White House Office of the Press Secretary, Remarks by President Trump and President Abbas of the Palestinian Authority in Joint Statement, May 3, 2017. 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 http://al-bab.com/documents-section/arab-peace-initiative-2002.

leading officials of both sides and of various Arab states during travels to the region. A May media report indicated that Arab Gulf states may be willing to normalize some economic relations with Israel in exchange for overtures on its part. Such overtures might include limits on settlement construction or loosening restrictions on imports into the Gaza Strip.[18]

However, Israeli-Palestinian tensions during the summer of 2017 and various political developments have raised questions about whether and when a new U.S.-backed diplomatic initiative might surface.[19] Additionally, some of President Trump's statements have 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 anticipated since the Israeli-Palestinian peace process began in the 1990s.

Other possible presidential or legislative initiatives could address these:

- U.S. aid to Israel and the Palestinians.
- U.S. policy on a two-state solution and other issues of dispute.
- U.S. contributions to and participation at the United Nations and other international bodies.[20]
- U.S. approaches to other regional and international actors that have roles in Israeli-Palestinian issues.

Some aspects of the Israeli-Palestinian conflict appear unchanged by recent diplomatic developments. Israel maintains overarching control of the security environment in Israel and the West Bank. Palestinians remain divided between a PA administration with limited self-rule in specified West Bank urban areas, led by the Fatah movement and PA President Abbas, and a de facto Hamas administration in the Gaza Strip. Both the PA and Hamas face major questions regarding future leadership.[21] There has been little or no change in the gaps between Israeli and Palestinian positions on key issues of dispute since the last round of direct talks broke down in April 2014. Since 2011, Arab states that have traditionally championed the Palestinian cause have been more preoccupied with domestic and other regional concerns, and many have built or

[18] Jay Solomon and Gordon Lubold, "Arab States Make an Offer to Israel—Gulf states set to take steps toward better relations in return for move by Netanyahu," *Wall Street Journal*, May 16, 2017.

[19] Neri Zilber, "Trump's Mideast Peace Plan is Crashing Against Political Reality," foreignpolicy.com, July 11, 2017; Ben Caspit, "Trump's plan for Mideast peace fades," *Al-Monitor Israel Pulse*, July 31, 2017; Ben Sales, "Jared Kushner on Israeli-Palestinian peace: 'There may be no solution,'" Jewish Telegraphic Agency, August 1, 2017.

[20] All 100 Senators joined in a letter dated April 27, 2017, to U.N. Secretary-General António Guterres urging him to "pursue a comprehensive effort to improve the U.N.'s treatment of Israel." Section 7048(c) of the Consolidated Appropriations Act, 2017 (P.L. 115-31), prohibits funding in support of the U.N. Human Rights Council unless the Secretary of State determines "that participation in the Council is important to the national interest of the United States and that the Council is taking significant steps to remove Israel as a permanent agenda item."

[21] See CRS In Focus IF10644, *The Palestinians: Overview and Key Issues for U.S. Policy*, by (name redacted). After more than a decade as Hamas' international face, outgoing political bureau chief Khaled Meshaal publicly presented a new political document in early May 2017. The document—summarizing positions that Meshaal and other Hamas political leaders had informally articulated in previous years, but that may not have full backing within the movement's political or military wings—accepts the possibility of a Palestinian state in an area smaller than what Britain administered until 1948 (comprising present-day Israel, the West Bank, and Gaza Strip), states that Hamas opposes Zionism rather than Judaism, and does not reference Hamas's Muslim Brotherhood roots. But the document voices Hamas's continued commitment to armed "resistance" and does not recognize Israel. "Hamas says it accepts '67 borders, but doesn't recognize Israel," CNN, May 3, 2017. Within a week after the document's release, Hamas's former leader in Gaza, Ismail Haniyeh, was named as Meshaal's replacement. Prime Minister Netanyahu and other Israeli officials rejected the notion that the document reflected a change in Hamas's worldview or position.

strengthened informal ties with Israel based on common views regarding Iran and its regional influence.

Settlements

To date, the Trump Administration has been less critical than the Obama Administration of Israeli settlement-related announcements and construction activity. However, in February 2017, after settlement-related announcements in connection with more than 5,000 housing units and Netanyahu's announcement of the possible construction of a new settlement as a compensatory measure for the early February evacuation of a West Bank outpost known as Amona,[22] 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 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.[23]

Also, at his February 15 White House press conference with Netanyahu, President Trump told Netanyahu that he wanted to see Israel "hold back on settlements for a little bit."

In the following weeks, the Administration and Israel's government engaged in reported discussions in efforts to reach an understanding on settlement construction. In late March, Netanyahu's government announced a new settlement policy that apparently sought to walk a "fine line" between maintaining good relations with the Trump Administration and placating right wing members of Netanyahu's government who reject any freeze on building and had hoped that U.S. pressure regarding settlements would have abated more under Trump. The new policy left Israel room for maneuver by stating general principles aimed at keeping new construction "as close as possible" to existing built-up areas.[24] In July, the Administration did not issue a direct public response to Israeli announcements related to settlement construction in East Jerusalem and its West Bank vicinity. When questioned in a July 6, 2017, press briefing, the State Department spokesperson said that settlement activity "can be an obstacle to peace."

Jerusalem

Tensions over Holy Sites and with Jordan

The status of Jerusalem and its holy sites has been a long-standing issue of political and religious contention between Jews and Muslims. Since 2014, various incidents related to the Temple Mount/Haram al Sharif ["Mount/Haram"] have contributed to rounds of violence and political tension. In the fall of 2015, tensions related to access to the Mount/Haram contributed to a wave of mostly "lone wolf" attacks by Palestinians against Jewish Israeli security personnel and

[22] In late March, Israeli officials confirmed the establishment of a new settlement, reportedly the first in two decades.

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

[24] Isabel Kershner, "Israel Says It Will Rein In 'Footprint' of Settlements," *New York Times*, April 1, 2017. Israeli officials generally seek to ensure Israel's future sovereignty in "settlement blocs"—areas that they anticipate will be within the boundaries of Israel if the issue of borders is eventually finalized with the Palestinians via negotiations. However, construction-related announcements periodically take place in areas that are either outside blocs identified by Israel or whose inclusion within Israel's borders could harm the contiguity of a future Palestinian state and its access to water or other resources. Isabel Kershner, "A Bolder Israel Plans to Expand Its Settlements," *New York Times*, January 25, 2017.

civilians that intensified for several months, tailed off in 2016, and has periodically resurfaced since then.[25]

In July 2017, a succession of events at the Mount/Haram led to a crisis involving Israel, Jordan, and the Palestinian Authority (PA). After three Arab Israelis shot and killed two Israeli Druze police officers on the Mount/Haram on July 14, Israeli officials closed the Mount/Haram and later reopened it with newly installed security measures (including metal detectors) for Muslim visitors. In response, the Jordanian *waqf* (or custodial trust) that administers the Mount/Haram and the PA encouraged Muslims to worship outside the Mount/Haram rather than enter through the security measures. The situation fueled Muslim concerns that Israel was altering the long-standing "status quo" arrangement for the Mount/Haram that it had agreed to uphold after taking control of East Jerusalem in 1967.[26] Disagreements over Mount/Haram access implicate questions of security, religion, and sovereignty.

Some violence ensued on July 21. Three Palestinians died in clashes between protestors and Israeli security personnel, and a Palestinian stabbed three Israelis to death in a West Bank settlement. Then, on July 23, a security guard at Israel's embassy in Jordan was reportedly attacked with a screwdriver and defended himself by shooting and killing the alleged attacker. The guard also killed another Jordanian, possibly as an unintentional consequence of self-defense.[27] It is unclear whether the incident was connected to the Jerusalem tensions, but the two became connected in the public narrative due to the timing.

Although details have not been confirmed publicly, it appears that Israel may have removed the metal detectors from the Mount/Haram access points to defuse a crisis with the Jordanian government, which sought to prevent the Israeli security guard and other embassy staff from leaving Jordan.[28] Israel subsequently appears to have removed the other security measures it had added, and Muslims have returned to the Mount/Haram. Jordan allowed the security guard and other embassy staff to return to Israel, but has warned that bilateral relations with Israel will depend on how Israel handles an investigation of the embassy incident.[29]

Possible Relocation of U.S. Embassy

The Jerusalem Embassy Act of 1995 (P.L. 104-45) provided for the relocation of the U.S. embassy to Israel from Tel Aviv to Jerusalem by May 31, 1999, but granted the President authority, in the national security interest, to suspend limitations on State Department expenditures that would be imposed if the embassy did not open. Presidents Clinton, Bush, and Obama consistently suspended these spending limitations, and the embassy has remained in Tel Aviv.

As a candidate, Donald Trump—like Bill Clinton and George W. Bush when they were presidential candidates—pledged to move the embassy to Jerusalem. After the election a number

[25] More than 40 Israelis and 270 Palestinians have been killed as a result of that violence. "Israeli Police, Palestinian Militants Deny IS Claim in Fatal Stabbing of Policewoman," Voice of America, June 17, 2017.

[26] For more information on the "status quo," see CRS Report RL33476, *Israel: Background and U.S. Relations*, by (name redacted)

[27] Itamar Eichner and Tova Zimuki, "Israeli security guard Ziv presents his version on Jordan shooting incident," *Ynetnews*, July 27, 2017.

[28] Avi Issacharoff, "Netanyahu turns capitulation into personal triumph," *Times of Israel*, July 25, 2017.

[29] Isabel Kershner, "Muslims Return to Holy Site After Israel Eases Security Measures," *New York Times*, July 28, 2017.

of Trump's top aides reportedly stated that Trump intended to follow through on the pledge,[30] and Trump himself said in response to a question on the subject shortly before his inauguration that he does not break promises.[31]

However, during a January 2017 visit to Washington, DC, King Abdullah II of Jordan met with President Trump to warn against an embassy move.[32] In a meeting with congressional leaders, the king "warned that moving the US embassy to Jerusalem will have regional consequences that will diminish the opportunity for peace and reaching the two-state solution."[33] In May 2017, Secretary of State Rex Tillerson said that the Administration would continue deliberations on a possible embassy move in the larger context of Administration aspirations to assist in an Israeli-Palestinian peace initiative.[34] Later in May, Netanyahu's office released a statement saying, "Moving the American embassy to Jerusalem would not harm the peace process. On the contrary, it would advance it by correcting an historical injustice and by shattering the Palestinian fantasy that Jerusalem is not the capital of Israel."[35]

Jordan and Jerusalem

Perhaps more than any other Arab state, Jordan has a significant stake in any development affecting the status of Jerusalem. As mentioned, above, Jordan and its king, Abdullah II, maintain a custodial role—recognized by Israel and the Palestinians—over the Old City's Temple Mount/Haram al Sharif and its holy sites. This area is the third-holiest in Islam (after Mecca and Medina in Saudi Arabia). Also, Palestinians make up a large portion (probably a majority) of Jordan's population, so any situation involving possible discontent or unrest among Palestinians has the potential to affect Jordan.[36]

In January 2017, a Jordanian government spokesperson warned that a U.S. embassy move to Jerusalem would cross a "red line" and would "have catastrophic implications on several levels," indicating that it could bolster extremism in the region and would affect Israel's relations with Jordan and probably with other Arab states.[37] It is unclear how such a development would affect U.S.-Jordan relations, including the two countries' close military and intelligence cooperation, such as against the Islamic State (also known as ISIS, ISIL, or by the Arabic acronym *Da'esh*).

On May 31, President Trump signed a determination that suspended the P.L. 104-45 limitations on State Department spending for another six months. In June, the Senate passed S.Res. 176, which reaffirmed P.L. 104-45 and that "it is the longstanding, bipartisan policy of the United States Government that the permanent status of Jerusalem remains a matter to be decided between the parties through final status negotiations towards a two-state solution."

[30] Daniel Estrin, "Trump Favors Moving U.S. Embassy to Jerusalem, Despite Backlash Fears," NPR, November 15, 2016.

[31] Ian Fisher, "Netanyahu Says U.S. Should Move Its Embassy," *New York Times*, January 30, 2017.

[32] Josh Lederman, "Tillerson: Trump weighs embassy move impact on Mideast peace," Associated Press, May 14, 2017.

[33] Jordanian Royal Hashemite Court website, King meets members, committees of US Congress, January 31, 2017.

[34] Josh Lederman, "Tillerson: Trump weighs embassy move impact on Mideast peace," Associated Press, May 14, 2017.

[35] Israeli Prime Minister's Office, Statement by PM Netanyahu's Office Regarding US Secretary of State Tillerson's Remarks, May 14, 2017. Netanyahu's office has released information to counter media reports that he privately urged Trump not to move the embassy during his February White House visit. Barak Ravid, "PM's Office Publishes Records of Trump Meeting to Prove Netanyahu Backed Moving U.S. Embassy to Jerusalem," *Ha'aretz*, May 15, 2017. Some observers suggest that an embassy move is not a high priority for Netanyahu in comparison with various regional security threats, but that domestic political realities are compelling him to address the subject. Mark Landler, "Before a Visit to Israel, Small Issues Prove Thorniest," *New York Times*, May 16, 2017.

[36] Josh Lederman, "Trump courts Jordan's king amid embassy, refugee concerns," Associated Press, January 30, 2017.

[37] Jack Moore, "Jordan Tells Trump: Moving U.S. Embassy to Jerusalem a 'Red Line,'" *Newsweek*, January 6, 2017.

Some observers claim that moving the U.S. embassy could lead to a number of negative consequences. Before leaving office, former Secretary Kerry predicted that such a move could lead to an "explosion" in the region, and as the presidential transition was underway, Israeli authorities reportedly contemplated scenarios involving possible violent responses by Palestinians.[38] Another opponent of the move argued that it would be "in direct violation" of the 1993 Declaration of Principles (also known as the Oslo Accord).[39] Some observers appear to base their stated concerns about an embassy move not on an imminent expectation of security problems or dramatic diplomatic backlash, but on the possibility that a move could undermine promising opportunities for Israel to work with Arab states.[40]

However, proponents of a move downplay such concerns. One proponent asserted that widespread de facto acceptance of West Jerusalem as part of Israel means that relocating the embassy to Jerusalem would not prejudice the U.S. stance on the city's ultimate status, including that of the Old City and the holy sites.[41] A former senior U.S. official on Israeli-Palestinian issues wrote in January 2017 that coupling an embassy move with a larger diplomatic initiative regarding Jerusalem's status could possibly aid the peace process, under certain circumstances.[42]

Even before President Trump's inauguration, media sources and other observers speculated about how the incoming Administration might logistically handle an embassy move. They discussed the use of sites owned or leased by the U.S. government as possible venues for an embassy in Jerusalem.[43] They also raised the possibility of Trump designating the existing U.S. Consulate General in Jerusalem (which currently only deals with Palestinians in the West Bank, East Jerusalem, and Gaza) as an embassy or an embassy annex.[44] Another way the Administration could claim to follow through on Trump's campaign pledge could be for Ambassador Friedman to conduct official business in Jerusalem, where he owns a residence.[45]

Domestic Israeli Developments

A number of controversial domestic developments have taken place in 2017. Contention surrounding these issues may be greater given the possibility of early elections (legally, elections are required by 2019) if the governing coalition splits over Israeli-Palestinian negotiations, the criminal investigation into Netanyahu's conduct, or some other issue.

[38] Barak Ravid, "Netanyahu Briefed on Scenarios of Violence Should Trump Move Embassy to Jerusalem," haaretz.com, January 21, 2017.

[39] Danny Seidemann, "Moving the U.S. Embassy in Israel to Jerusalem: A Hard Look at the Arguments and Implications," *Insiders' Jerusalem*, January 3, 2017. See Article V, Section 3 of the Oslo Accord, which states that permanent status negotiations "shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest." http://www.mfa.gov.il/MFA/ForeignPolicy/Peace/Guide/Pages/Declaration%20of%20Principles.aspx. Israel and the PLO were the two parties to the Oslo Accord. The United States and Russia both witnessed the document.

[40] See, e.g., Lake, op. cit.

[41] Amiad Cohen, "Please, America, Move Your Embassy to Jerusalem," nytimes.com, December 27, 2016.

[42] Martin Indyk, "The Jerusalem-first option," *New York Times*, January 6, 2017.

[43] Raphael Ahren, "Jerusalem of Trump: Where the president-elect might put the US embassy," *Times of Israel*, December 13, 2016; Tamar Pileggi, "Trump's team already exploring logistics of moving embassy to Jerusalem — report," *Times of Israel*, December 12, 2016.

[44] Efraim Cohen, "How Trump Could Make Quick Move to Jerusalem for U.S. Israel Embassy," *New York Sun*, December 13, 2016.

[45] See, e.g., Julie Hirschfeld Davis, "Trump Speaks With Netanyahu, Seeking to Thaw U.S. Relations," *New York Times*, January 23, 2017.

- In February, the Knesset passed the Regulation Law. The law is expected by many observers to be overturned by Israel's Supreme Court.[46] Pending judicial action, the law authorizes the Israeli government to expropriate private Palestinian property in order to provide a basis for the legality (under Israeli law) of perhaps more than half of the approximately 100 settlement outposts.[47]
- Also in February, Sergeant Elor Azaria, a former military medic, was sentenced by an Israeli military court to 18 months in prison for manslaughter for shooting and killing a Palestinian (in March 2016) who had attacked an Israeli soldier minutes earlier but had been disarmed, was wounded, and no longer appeared to present a threat. The case, verdict, and sentencing generated enormous controversy domestically and internationally.[48]
- In March, the Knesset passed the Amendment Law, which prohibits foreigners from entering Israel if they have publicly committed to boycott Israel or areas it controls.[49]
- In early May, the Knesset Ministerial Committee on Legislation placed the Nationality Bill on the legislative agenda. If passed, the bill would define Israel as the national homeland of the Jewish people and establish Hebrew as the only official language (downgrading Arabic to a special status). Although its direct effect would be largely symbolic, some observers are concerned that the bill might further undermine the place of Arabs in Israeli society.[50]
- In June, the Netanyahu government froze a plan it had agreed to in 2016 to establish an "egalitarian" space where men and women could pray together at the Western Wall. Freezing the plan forestalled its possible enforcement via court action. This action and the government's accompanying proposal of a bill that would limit authority over religious conversions to Israel's chief rabbinate have been roundly criticized by large segments of the Jewish diaspora (including many U.S. Jews).[51] The government has stated that discussions will continue toward a compromise on the issue of egalitarian space at the Western Wall.

If elections take place in the near future, Netanyahu could face challenges from figures closer to the right end of the political spectrum (including Education Minister Naftali Bennett, Defense Minister Avigdor Lieberman, former minister Gideon Saar, and the previous defense minister Moshe Ya'alon) or elsewhere nearer the center or left (former finance minister Yair Lapid and new Labor Party leader Avi Gabbay).

[46] Ian Fisher, "Israel Passes Provocative Legislation to Retroactively Legalize Settlements," *New York Times*, February 7, 2017.

[47] Joe Dyke, "Clashes as Israel evicts wildcat settlers," Agence France Presse, February 1, 2017.

[48] "Israeli soldier gets 18 months for fatal shooting of Palestinian attacker," Associated Press, February 21, 2017.

[49] Ruth Levush, "Israel: Prevention of Entry of Foreign Nationals Promoting Boycott of Israel," Global Legal Monitor, Law Library of Congress, March 17, 2017.

[50] See, e.g., Mazal Mualem, "Does Israel really need the Nationality Law?" *Al-Monitor Israel Pulse*, May 9, 2017.

[51] The government's actions are largely seen as an effort to placate demands by ultra-Orthodox political parties that belong to the current government coalition. According to one observer, "To the chagrin of Reform, Conservative and more moderate Orthodox Jews, neither the Western Wall nor the issue of conversion to Judaism has the same importance in Israeli public life as it does among the Jewish Diaspora, where both are more closely connected to matters of personal identity." Shalom Lipner, "Bending at Israel's peril," *New York Times*, July 1, 2017.

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