Israel: Background and U.S. Relations in Brief

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Contents

Figures

Contacts

U.S.-Israel Relations: Key Concerns

Since the Cold War, strong relations between the United States and Israel have reinforced bilateral cooperation in many areas. Several matters have implications for U.S.-Israel relations and periodically expose some differences between leaders from the two countries. These matters include:

- Israeli-Palestinian issues and controversies surrounding them, including President Trump's December 2017 recognition of Jerusalem as Israel's capital and announced plan to relocate the U.S. embassy in Israel there.
- Regional security issues (including those involving Iran, Hezbollah, and Syria).
- Israeli domestic political issues, including criminal cases pending against Prime Minister Netanyahu.

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)

Figure 1. Israel: Map and Basic Facts

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/.

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 2017 unless specified.

Israeli-Palestinian Issues

Overview

Since President Trump took office, he and officials from his Administration have expressed desires to broker a final-status Israeli-Palestinian agreement. Many of their statements, however, have raised questions about whether and when a new U.S.-backed diplomatic initiative to pursue that goal might surface, as well as broader questions about the U.S. role in the peace process.[1] In December 2017, President Trump recognized Jerusalem as Israel's capital and announced his intention to relocate the U.S. embassy there from Tel Aviv. In response, Palestine Liberation Organization (PLO) Chairman and Palestinian Authority (PA) President Mahmoud Abbas publicly rejected U.S. sponsorship of the peace process.[2] Many other countries opposed President Trump's statements on Jerusalem. This opposition was reflected in December action at the United Nations.[3] These U.S. steps have changed the context for Israeli and Palestinian discussions on their respective political priorities. These discussions, in turn, have influenced Administration decisions to reduce or delay aid to the Palestinians.

Israeli Prime Minister Binyamin Netanyahu and other Israeli officials generally have welcomed Trump Administration actions emphasizing Israel's connection with Jerusalem. Some commentators assert that such developments may be emboldening various Israeli leaders to expand settlement building in East Jerusalem and the West Bank, and to seek greater Israeli control over areas whose status was previously reserved for negotiation.[4] However, some prominent Israeli figures have speculated that the Administration might seek concessions from Israel in return for actions that appear to benefit Israel.[5] While Netanyahu may be encouraging Administration rhetoric that threatens to reduce or halt aid to Palestinians under certain conditions,[6] other Israelis have expressed concern that sudden or total aid cutoffs to the Palestinians could destabilize the Gaza Strip or even the broader region.[7] Israeli security officials

[1] Before the Jerusalem announcement, some developments raised questions about the viability of a U.S.-brokered peace process. 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.

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

[3] 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. 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.

[4] Loveday Morris and Ruth Eglash, "With Trump in Power, Emboldened Israelis Try Redrawing Jerusalem's Boundaries," *Washington Post*, January 12, 2018. However, in February, when the Israeli media reported that Netanyahu had told his party colleagues about conversations with U.S. officials regarding the possible annexation of West Bank territory, a White House spokesman rebutted denied that any U.S.-Israel discussions on the topic had taken place. Mark Landler, "In Pursuit of Peace, Friction with Israel," *New York Times*, February 16, 2018.

[5] Derek Stoffel, "Trump's Jerusalem declaration: a gift to Israel, but price tag may be high," CBC News, December 12, 2017.

[6] Full text: Trump and Netanyahu remarks in Davos, *Times of Israel*, January 25, 2018.

[7] Isabel Kershner, "Trump's Threat to Cut Palestinian Aid Worries Israelis," *New York Times*, January 4, 2018.

are supposedly contemplating sending food and medicine to Gaza to prevent the difficult humanitarian situation there from "spiraling into violence."[8]

PLO Chairman Abbas reportedly has refused to engage with U.S. officials "charged with the political process,"[9] and Palestinian leaders are discussing political and diplomatic alternatives. Citing alleged U.S. bias favoring Israel, Palestinian leaders are seeking to counteract U.S. influence on the peace process by increasing the involvement of other actors like the European Union and Russia.[10] In a January speech, Abbas accused Israel of "killing" the peace process. Abbas also made remarks calling Israel "a colonialist project that is not related to Judaism."[11] The Palestinian Central Council (a PLO advisory body) recommended that the PLO suspend its recognition of Israel, stop its security coordination with Israel (a suggestion the Council also made in 2015), and struggle "in all forms" against Israeli occupation.[12] To date, Abbas has not suspended recognition of Israel or security cooperation with it.[13] In a February 2018 speech before the U.N. Security Council, Abbas called for a "multilateral international mechanism" to help solve the "Palestine question," with an international peace conference by mid-2018.[14] Speculation persists about possible Palestinian international initiatives aimed at pressuring Israel or bolstering global recognition of Palestinian statehood.[15]

In late January, a Pew Research Center poll (see **Figure 2**) indicated that the U.S. public's views on Israel may be more polarized along partisan lines than ever before.[16] The poll comes at a time when many commentators and Members of Congress are debating the proper U.S. approach to Israel and the Palestinians, and questioning the Trump Administration's policies on Israeli-Palestinian issues.[17]

[8] "IDF chief said to warn Gaza war likely if humanitarian crisis persists," *Times of Israel*, February 4, 2018.

[9] "PA 'Maintains' Communications with US, Consul 'Invited' to PLO Central Council Session," Al-Hayah Online (translated from Arabic), January 13, 2018, Open Source Enterprise LIW2018011368005965. The President's advisors on Israeli-Palestinian 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.

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

[11] "PA's Abbas Says Palestinians Want Peace, Reject US Sponsorship of Peace Process," Palestine Satellite Channel Television (translated from Arabic), January 14, 2018, Open Source Enterprise LIW2018011470870087. For information on an ongoing Fatah-Hamas negotiating process mediated by Egypt, see "Palestinian reconciliation deal dying slow death," *Times of Israel*, February 2, 2018.

[12] "Palestinian Central Council calls for struggle against Israel 'in all forms,'" Al Arabiya English, January 16, 2018.

[13] Neri Zilber and Ghaith al-Omari, "The Hush-Hush Deal That Keeps the Middle East From Exploding," *Daily Beast*, February 12, 2018.

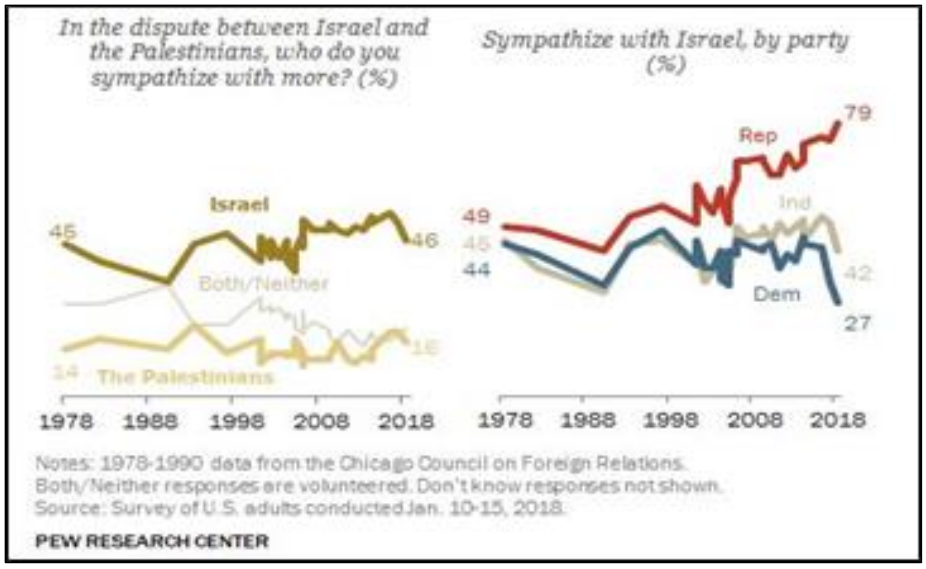
[14] "Full text of Abbas's address to the UN Security Council," *Times of Israel*, February 21, 2018.

[15] See, e.g., "Arabs to seek world recognition of East Jerusalem as Palestinian capital," *Times of Israel*, January 6, 2018; "Palestinians seek to join UN as full member – report," *Times of Israel*, January 7, 2018.

[16] Pew Research Center, "Republicans and Democrats Grow Even Further Apart in Views of Israel, Palestinians," January 23, 2018.

[17] Bryant Harris, "Trump moves exacerbate growing US partisan divide over Israel," *Al-Monitor Congress Pulse*, January 23, 2018; Ron Kampeas, "Why Democrats sat on their hands when Donald Trump celebrated recognizing Jerusalem as the capital of Israel," Jewish Telegraphic Agency, February 1, 2018.

Figure 2. Poll of U.S. Views on Israel and the Palestinians



Assessment

The contentious issues described above have made prospects for a relaunch of Israeli-Palestinian talks in 2018 uncertain. In a February interview, the President expressed some skepticism about both sides' interest in making peace.[18] The Administration still seeks support from Arab states (such as Saudi Arabia, Jordan, and Egypt) for a U.S.-aided peace process.[19] Following a January ministerial meeting in Jordan, Saudi Foreign Minister Adel bin Ahmed Al Jabir reinforced the joint Arab position opposing the new U.S. stance on Jerusalem, and supporting a Palestinian state with its capital in East Jerusalem.[20] Despite these Arab states' negative public reaction to the President's Jerusalem decision, they are reportedly working discreetly with the United States and Israel to counter Iran's influence in the region.[21] The Administration's National Security Strategy, issued in December 2017, asserts, "Today, the threats from jihadist terrorist organizations and the threat from Iran are creating the realization that Israel is not the cause of the region's problems. States have increasingly found common interests with Israel in confronting common threats."[22]

Arab state positions on a resumption of peace negotiations could depend on a number of factors. Their stances may partly hinge on Arab public opinion regarding Jerusalem, Israeli settlements, and other controversial topics. Arab leaders' views could also depend on how much they believe that coordination with the United States and Israel against Iran is tied to cooperation on the peace process.[23] A separate issue is whether Arab state support would convince Palestinian leaders to

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

[19] Amir Tibon, "Trump 'Firmly Committed' to Restarting Peace Process, Pence Says in Egypt Ahead of Israel Visit," *Ha'aretz*, January 20, 2018.

[20] Saudi Press Agency, "Basis for Resolving Palestinian-Israeli Conflict Depends on International References, Arab Peace Initiative" January 6, 2018.

[21] See, e.g., David Kirkpatrick, "Tapes Reveal Tacit Acceptance by Arabs of Jerusalem Decision," *New York Times*, January 7, 2018.

[22] Available at https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf.

[23] See, e.g., Yaroslav Trofimov, "Middle East Crossroads: Israel, Saudi Arabia Can't Manage Closer Ties," *Wall Street*
(continued...)

engage in negotiations despite ongoing political controversies with the United States and Israel, difficulties with past peace initiatives, questions regarding Abbas's continued leadership,[24] and divided rule in the West Bank and Gaza.[25]

Palestinians appear to view their national aspirations as being undermined by the prospect of indefinite Israeli control over large swaths of the West Bank,[26] and by Netanyahu's insistence that whatever sovereignty Palestinians achieve will be limited in scope.[27] Abbas has voiced concern about the possible removal of core issues of the Israeli-Palestinian conflict—namely, Jerusalem's status and Palestinian refugees' rights—from the negotiating table.[28] Reportedly, the Administration has suggested addressing the Palestinian demand for a capital in East Jerusalem by having the capital in a West Bank neighborhood (Abu Dis) outside of Jerusalem's current municipal boundaries.[29]

Jerusalem: New U.S. Stance and Plans to Move the Embassy

On December 6, 2017, President Trump proclaimed "that the United States recognizes Jerusalem as the capital of the State of Israel and that the United States Embassy to Israel will be relocated to Jerusalem as soon as practicable."[30] A December deadline for presidential action under the Jerusalem Embassy Act of 1995 (P.L. 104-45) precipitated the timing of the President's decision.[31]

In making his decision, President Trump departed from the decades-long U.S. executive branch practice of not recognizing Israeli sovereignty over Jerusalem or any part of it.[32] The western part of Jerusalem that Israel has controlled since 1948 has served as the 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

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Journal, February 2, 2018.

[24] See CRS In Focus IF10644, *The Palestinians: Overview and Key Issues for U.S. Policy*, by (name redacted)

[25] CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by (name redacted)

[26] "Palestinians condemn Israeli plans to annex West Bank," Al Jazeera, January 1, 2018.

[27] David M. Halbfinger, "As a 2-State Solution Loses Steam, a 1-State Plan Gains Traction," *New York Times*, January 6, 2018.

[28] See, e.g., "PA's Abbas Says Palestinians Want Peace, Reject US Sponsorship of Peace Process," Palestine Satellite Channel Television (translated from Arabic), January 14, 2018, Open Source Enterprise LIW2018011470870087. For another observer's view, see Lara Friedman, "Taking Issues 'Off the Table'—First Jerusalem, Now Refugees," *Huffington Post*, January 5, 2018.

[29] "Jerusalem embassy: Abbas says Trump plan 'slap of the century,'" BBC News, January 14, 2018. For more speculation about possible Administration ideas, see Uri Savir, "Trump radicalizes US Mideast policies," *Al-Monitor Israel Pulse*, February 4, 2018.

[30] White House, Office of the Press Secretary, Presidential Proclamation Recognizing Jerusalem as the Capital of the State of Israel and Relocating the United States Embassy to Israel to Jerusalem, December 6, 2017.

[31] Under P.L. 104-45, if a U.S. embassy has not officially opened in Jerusalem by the deadline, a 50% limitation on spending from the general "Acquisition and Maintenance of Buildings Abroad" budget would apply in the following fiscal year unless the President signs a waiver asserting a national security interest in preventing the spending limitation. Despite his proclamation on the planned embassy relocation, the President ultimately did sign a waiver in response to the December deadline. Presidential Determination No. 2018-02, December 6, 2017. So long as the embassy has not officially opened in Jerusalem, the waiver is required every six months under P.L. 104-45 to keep the spending limitation from taking effect.

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

municipal boundaries) to be its capital. In explaining the President's decision, Acting Assistant Secretary of State for Near Eastern Affairs David Satterfield said on December 10, "This step was recognition of simple reality."[33] Some Members of Congress expressed support for President Trump's decision,[34] while others voiced opposition[35] or warned about possible negative consequences.[36]

The President stated—in a December 6 speech accompanying his proclamation—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.[37] Palestinians envisage East Jerusalem as the capital of their future state. The President did not explicitly mention Palestinian aspirations regarding Jerusalem. He called on all parties to maintain the "status quo" arrangement at holy sites, most of which are in East Jerusalem's Old City.[38] Echoing past statements,[39] the President said that the United States would support a two-state solution if both sides agree to it. In mid-December, a senior Administration official was quoted as saying "we cannot imagine Israel would sign a peace agreement that didn't include the Western Wall."[40]

On January 25, President Trump made additional remarks on Jerusalem while appearing with Prime Minister Netanyahu in Davos, Switzerland. The President said, "We took Jerusalem off the table, so we don't have to talk about it anymore," before telling Netanyahu, "You won one point [on Jerusalem], and you'll give up some points later on the negotiation, if it ever takes place."[41] A few days later, the President's envoy on the peace process, Jason Greenblatt, said, "When President Trump made his historic decision to recognize Jerusalem as Israel's capital, he was … absolutely clear that the United States has not prejudged any final status issues, including the specific boundaries of Israeli sovereignty in Jerusalem."[42] In a February interview, the President said that he would support specific boundaries as agreed upon by both sides.[43]

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:[44]

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[33] U.S. Consulate General in Jerusalem, Transcription for Telephonic Press Briefing with Acting Assistant Secretary David Satterfield, December 10, 2017.

[34] White House, Office of the Press Secretary, WTAS: Support For President Trump's Decision To Recognize Jerusalem As Israel's Capital, December 7, 2017.

[35] See, e.g., Letter from Senator Dianne Feinstein to President Trump, dated December 1, 2017, available at https://twitter.com/SenFeinstein/status/938095387952500737/photo/1.

[36] See, e.g., Statement from Senator Tim Kaine, available at https://www.kaine.senate.gov/press-releases/kaine-statement-on-trump-announcement-on-jerusalem.

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

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

[39] Steve Holland, "Trump likes two-state solution, but says he will leave it up to Israelis, Palestinians," Reuters, February 23, 2017.

[40] Eric Cortellessa, "White House 'cannot envision situation' where Western Wall is not part of Israel," *Times of Israel*, December 15, 2017.

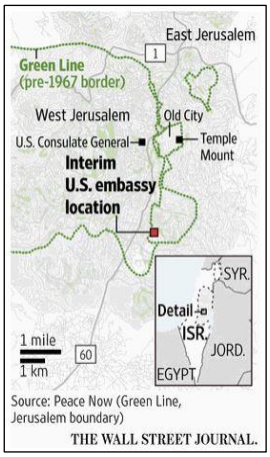
[41] Full text: Trump and Netanyahu remarks in Davos, *Times of Israel*, January 25, 2018.

[42] "Trump said to mull unveiling peace plan even if Abbas maintains boycott," *Times of Israel*, February 2, 2018.

[43] Bismuth, op. cit.

[44] Around that time, Palestinians will commemorate the 70th anniversary of the *nakba* (Arabic for "catastrophe"), or the displacement of hundreds of thousands of Palestinians in connection with the 1948 Arab-Israeli war, and the Muslim (continued...)

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 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.



Reportedly, Sheldon Adelson, a prominent U.S. businessman and supporter of both President Trump and Prime Minister Netanyahu, has offered to contribute funds or property toward a new embassy.[45] Legal and political issues could complicate any private financial backing for an embassy, though private donations have previously funded work on some existing overseas ambassadorial residences.[46]

Congress could consider a number of legislative and oversight options with regard to the planned embassy move. 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 seven to 10 years to construct, and a former official estimated that building a new embassy in Jerusalem may cost about $500 million.[47]

Regional Security Issues

Israel relies on the following strengths to manage potential threats to its security and existence:

- overwhelming regional conventional military superiority;
- undeclared but universally presumed nuclear weapons capability;[48] and
- de jure or de facto arrangements with the authoritarian leaders of its Arab state neighbors aimed at preventing regional conflict.

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holy month of Ramadan will begin shortly thereafter. Isabel Kershner, "A Loudly Disputed Embassy in a Quiet Corner of Jerusalem," *New York Times*, February 27, 2018.

[45] Felicia Schwartz, "U.S. Officials Say Embassy to Open in May—Washington weighing offer of funding from casino magnate for Jerusalem facility," *Wall Street Journal*, February 24, 2018.

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

[47] Ibid.

[48] 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.

Another Israeli strength is the support it receives from the United States. 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.[49]

U.S. decisionmakers' views could influence the type and level of support that the United States might provide to address threats Israel perceives. These views could also influence how Israel might continue its stated policy of "defending itself, by itself" while also receiving external assistance. They also could influence the extent to which the United States places conditions on the support it provides to Israel.

Iran and Its Allies

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 not face 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.[50] Prime Minister Netanyahu remains publicly skeptical of the 2015 international agreement on Iran's nuclear program, calling in a September 2017 speech before the U.N. General Assembly for the agreement's signatories to "fix it or nix it."[51] Many other Israeli officials have accepted the nuclear agreement, and some have characterized it in positive terms.

Netanyahu welcomed President Trump's decision in October 2017 to refrain from certifying Iran's compliance with the nuclear accord (under the Iran Nuclear Agreement Review Act of 2015, P.L. 114-17). The President asserted that he could not certify that the suspension of sanctions on Iran in relation to the 2015 agreement was "appropriate and proportionate" to the measures taken by Iran to terminate its illicit nuclear program.[52] Israeli officials are closely following U.S. deliberations with European countries in response to the President's January statement that if these countries cannot agree to "fix flaws" in the deal, "the United States will not again waive sanctions."[53]

Netanyahu and his supporters in government reportedly favor the prospect of a toughened U.S. and international sanctions regime on matters not directly connected to Iran's nuclear program, such as Iran's development of ballistic missiles and its sponsorship of terrorist groups.[54] Media reports indicate that many current and former officials from Israel's military and security establishment may favor the preservation of the nuclear deal because of doubts about achieving international consensus regarding stricter limits on Iran's conduct.[55]

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[49] Marty Oliner, "US-Israel relationship: More critical than ever," *The Hill*, May 3, 2017.

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

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

[52] For information on President Trump's decision, see CRS Report R44942, *Options to Cease Implementing the Iran Nuclear Agreement*, by (name redacted), (name redacted), and (name redacted) .

[53] Jeremy Diamond, "Trump issues warning, but continues to honor Iran deal," CNN, January 12, 2018.

[54] See, e.g., Jonathan Ferziger and Udi Segal, "Netanyahu's Challenge: Help Trump Fix or Scrap the Iran Deal," Bloomberg, October 18, 2017.

[55] Barak Ravid, et al., "Netanyahu at Odds With Israeli Military and Intelligence Brass Over Whether to Push Trump to Scrap Iran Nuclear Deal," *Ha'aretz*, September 16, 2017; Laura Rozen, "Ex-Netanyahu national security adviser urges (continued...)

Lebanon-Syria Border Area and Hezbollah

Since 2017, Israeli officials have increasingly expressed concerns about Iranian influence near Israel's northern borders with Lebanon and Syria. The government of Bashar al Asad regained control of large portions of Syria's territory, with assistance from Iran, various Iran-backed militias, and Russia.[56] Israel has alleged that Iran aspires to establish territorial corridors to the Mediterranean coast, and to have some kind of military presence along those corridors.[57] In his September 2017 address before the U.N. General Assembly, Prime Minister Netanyahu said

> We will act to prevent Iran from establishing permanent military bases in Syria for its air, sea and ground forces. We will act to prevent Iran from producing deadly weapons in Syria or in Lebanon for use against us. And we will act to prevent Iran from opening new terror fronts against Israel along our northern border.[58]

In this context, U.S. National Security Advisor Lt. Gen. H.R. McMaster publicly warned in December of the prospect of Iran having a "proxy army on the borders of Israel."[59]

Accordingly, Israel reportedly has

- continued airstrikes on targets inside Syria to prevent weapons transfers to Hezbollah in Lebanon, and increased warnings about threats from Hezbollah;[60]
- carried out airstrikes aimed at discouraging Iran from constructing and operating bases or advanced weapons manufacturing facilities in Syria;[61] and
- sought to influence agreements among Russia, the United States, and Jordan on de-escalation zones in southern Syria, especially by seeking Russian help in keeping Hezbollah and other Iranian allies as far as possible from the Israeli border.[62]

To date, Russia has apparently tolerated some Israeli military operations in or near Syrian airspace. Russia's maintenance of advanced air defense systems and its other interests in Syria could affect future Israeli operations.

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US to keep Iran deal," *Al-Monitor*, October 2, 2017; Mark Landler, "Ehud Barak, Israeli Hawk and No Friend of Iran, Urges Trump to Keep Nuclear Deal," *New York Times*, October 11, 2017.

[56] Dion Nissenbaum, "As ISIS Fades, a New Focus on Iran—White House retools Mideast strategy, sees Iranian military as next challenge," *Wall Street Journal*, December 14, 2017.

[57] See, e.g., Yossi Melman, "The Middle East quagmire," *Jerusalem Report*, October 16, 2017.

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

[59] Dion Nissenbaum, "Pentagon Sees a Threat to Israel," *Wall Street Journal*, December 14, 2017.

[60] "Israel said to have hit Hezbollah convoys dozens of times," *Times of Israel*, August 17, 2017.

[61] Rory Jones, "Israel Warned Syria About Iranian Military Presence," *Wall Street Journal*, December 5, 2017; "Israel airstrike hits suspected Syrian chemical weapons plant," Deutsche Welle, September 7, 2017; Gili Cohen, "Iran Reportedly Built Weapons Factories in Lebanon for Hezbollah," *Ha'aretz*, March 14, 2017.

[62] According to one source, in connection with a November 2017 "Memorandum of Principles" between the United States, Russia, and Jordan, "Israel's demand for a 40-km-wide buffer zone in the Golan was rejected by Russia and the distance envisaged in the memorandum between Israeli and Hizbullah forces varies between 5 and 15 km." Jonathan Spyer and Nicholas Blanford, "UPDATE: Israel raises alarm over advances by Hizbullah and Iran," *Jane's Intelligence Review*, January 11, 2018

February 2018 Cross-Border Incident Raises Tensions

On February 10, 2018, a cross-border incident involving Israeli, Iranian, and Syrian forces raised regional tensions. After an Israeli helicopter reportedly downed an Iranian drone that was allegedly in Israeli airspace, Israeli forces launched a reprisal attack against targets in Syria. Under fire from Russian-origin Syrian air defense systems, an Israeli F-16 was reportedly hit. It crashed in Israeli territory, with the two occupants ejecting (one was hospitalized). Israel then launched another attack against what Israeli officials described as multiple Syrian air defense positions and Iranian military sites inside Syria.[63] The Israel Air Force called it "the biggest and most significant attack" it has conducted against Syrian air defenses since the 1982 Lebanon war.[64]

A number of key actors have made statements in the aftermath of this incident. Israeli officials stated that Israel would not tolerate an Iranian presence at its doorstep, and that it does not seek to escalate conflict.[65] Days later, Prime Minister Netanyahu gave a speech at the annual Munich Security Conference pledging to act, if necessary, not just against Iranian proxies, "but against Iran itself."[66] Secretary of Defense James Mattis characterized Israel's actions as self-defense and expressed full U.S. support for them.[67] Fueling speculation that the Israeli attacks may have come close to areas where Russian personnel are stationed, Russia's foreign ministry called for restraint and said that it is "absolutely unacceptable to create threats to the lives and security of Russian soldiers."[68] Observers speculate about how the incident will affect these actors' calculations going forward.[69]

Hezbollah has challenged Israel's security near the Lebanese border for decades.[70] In recent years, 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.[71] During Syria's civil war, Israel reportedly has 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.[72] Speculation persists about future conflict between Israel and Hezbollah and potential consequences for Lebanon, Israel, Syria, and others.[73] One January 2018 analysis stated that the "balance of deterrence" between Israel and Hezbollah remains strong and "weighs against either side deliberately launching a war," while the "risk of miscalculation" has grown "as various actors in Syria seek to consolidate influence."[74]

[63] Judah Ari Gross, "IDF, Syrian rebels identify regime targets hit in reprisal strikes," *Times of Israel*, February 11, 2018; Aron Heller and Sarah el Deeb, "Israel Says it Has Carried Out a 'Large Scale Attack' Against Iranian Targets in Syria," Associated Press, February 10, 2018.

[64] Gross, op. cit.

[65] See, e.g., "Minister: Iran will need 'time to digest' how Israel hit covert military sites," *Times of Israel*, February 11, 2018.

[66] Israeli Prime Minister's Office, PM Netanyahu Shows Piece of Wreckage of the Iranian UAV that was Shot Down by Israel on February 10, February 18, 2018.

[67] "US defense secretary: Israel has 'absolute right to defend itself' against Iran," *Times of Israel*, February 12, 2018.

[68] Isabel Kershner, et al., "Israel Loses Jet and Then Hits at Iran in Syria," *New York Times*, February 11, 2018.

[69] See, e.g., Ibid.; Rory Jones, "Iran Looms over Israel-Syria Clash," *Wall Street Journal*, February 12, 2018.

[70] CRS Report R44759, *Lebanon*, by (name redacted).

[71] See, e.g., Spyer and Blanford, op. cit.; Andrew Exum, "The Hubris of Hezbollah," *The Atlantic*, September 18, 2017.

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

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

[74] Spyer and Blanford, op. cit.

Domestic Israeli Developments

Police Recommend Indictment of Netanyahu

The Israeli police recommended in February 2018 that Attorney General Avichai Mandelblit indict Prime Minister Netanyahu for bribery, fraud, and breach of trust.[75] Mandelblit's decision about whether to press charges could take months. In response, Netanyahu—who has consistently denied the allegations—said that the police recommendations "will end with nothing" and that he would stay in office to pursue Israel's well-being.[76]

The recommendations cover two specific cases and could threaten Netanyahu's position as prime minister. One Israeli media source summarizes 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.[77]

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 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.[78]

Legally, Netanyahu could continue in office if indicted, but public opinion may affect his actions and those of his government coalition partners. Polls show that about half of Israelis think that Netanyahu should step down.[79] However, a key coalition partner has pledged to wait for Mandelblit's decision, and polls also suggest that Netanyahu would remain a strong candidate if new elections took place.[80] 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.[81]

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[75] 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.

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

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

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

[79] "Poll: Netanyahu's Likud would remain biggest party despite corruption probes," op. cit.

[80] Ibid.

[81] Ian Deitch, "Israel's ex-PM Ehud Olmert released from prison," Associated Press, July 2, 2017. For information on (continued...)

Other Issues

A number of other contentious domestic developments are taking place in Israel. Several of the government's opponents and critics have voiced warnings about government initiatives depicted as targeting dissent or undermining the independence of key Israeli institutions such as the media, the judiciary, and the military. Controversial Knesset legislation may be forthcoming to define Israel as the national homeland of the Jewish people in a basic law,[82] and limit the Supreme Court's power of judicial review over legislation.[83] Key government figures are seeking to have legislation increasingly apply to Israeli settlements in the West Bank.[84] Early elections (legally, elections are required by 2019) may heighten contention surrounding these issues if the governing coalition splits over the cases against Prime Minister Netanyahu or some other issue.

If elections take place in the near future, Netanyahu (if he runs) could face challenges from figures on the right 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 nearer the center or left (former finance minister Yair Lapid, current finance minister Moshe Kahlon, and new Labor Party leader Avi Gabbay).[85]

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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.

[82] See, e.g., Lahav Harkov, "Government says it will push Jewish nation-state bill for first vote soon," jpost.com, December 18, 2017. Although the basic law's direct effect would be largely symbolic, some observers are concerned that the bill might further undermine the place of Arabs in Israeli society.

[83] See, e.g., "Jewish Home unveils draft of bill to weaken High Court," *Times of Israel*, December 19, 2017.

[84] Lahav Harkov, "Netanyahu: I've Been Talking to Americans About Annexing Settlements," jpost.com, February 12, 2018.

[85] See, e.g., "Poll: Lapid-Kahlon alliance would defeat Netanyahu's Likud in fresh elections," *Times of Israel*, January 14, 2018; Ravit Hecht, "Was Leaving Likud the Mistake of Moshe Ya'alon's Life? An Interview with Israel's Ex-defense Minister," *Ha'aretz*, January 25, 2018.