

# Israel: Background and U.S. Relations in Brief

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## Israel: Background and U.S. Relations in Brief

The following matters are of particular significance to U.S.-Israel relations.

**Domestic political and economic challenges (including COVID-19).** A second wave of Coronavirus Disease 2019 (COVID-19) in Israel, combined with other factors, has contributed to domestic political and economic challenges. In July, popular protests against Israeli Prime Minister Binyamin Netanyahu and government policies swelled in connection with these domestic challenges and the ongoing criminal trial against Netanyahu on corruption charges. Nevertheless, polls suggest that Netanyahu's Likud party would remain the largest party in the Knesset if new elections were held.

**U.S.-Israel security cooperation.** While Israel maintains robust military and homeland security capabilities, it also cooperates closely with the United States on national security matters. A 10-year bilateral military aid memorandum of understanding—signed in 2016—committed the United States to provide Israel \$3.3 billion in Foreign Military Financing annually from FY2019 to FY2028, along with additional amounts from Defense Department accounts for missile defense. Amounts for future years remain subject to congressional appropriations.

**Israeli-Palestinian issues.** President Trump has expressed interest in helping resolve the decades-old Israeli-Palestinian conflict. His policies, however, have largely sided with Israeli positions, thus alienating Palestine Liberation Organization (PLO) Chairman and Palestinian Authority (PA) President Mahmoud Abbas. The President's January 2020 *Vision for Peace* plan appears to favor Israeli positions on disputed issues such as borders and settlements, the status of Jerusalem and its holy sites, security, and Palestinian refugees. After the plan's release, Netanyahu announced his intention to annex areas in the West Bank that the plan anticipates coming under Israeli sovereignty, but annexation has not taken place to date.

**UAE and Bahrain normalization deals and possible U.S. arms sales.** In August 2020, Israel and the UAE announced their willingness to fully normalize bilateral relations, after Israel agreed to suspend plans to annex parts of the West Bank. A similar Israel-Bahrain normalization announcement followed in September. The agreements could have implications for the region and U.S. policy. The deals could be interpreted as vindicating Prime Minister Netanyahu's long-standing claim that he could normalize Israel's relations with Arab countries before reaching a peace agreement with the Palestinians. Palestinian leaders denounced the UAE deal and withdrew their ambassador from the UAE, while UAE officials claim that they have preserved prospects for future negotiations toward a Palestinian state. The UAE deal may have increased the likelihood of U.S. sales of advanced weaponry (F-35 aircraft, drones, electronic warfare planes) to the UAE. Any sales could face congressional scrutiny related to safeguarding Israel's Qualitative Military Edge, which is codified in U.S. law.

**Iran and other regional issues.** Israeli officials seek to counter Iranian regional influence and prevent Iran from acquiring nuclear weapons. Prime Minister Netanyahu strongly supported President Trump's withdrawal of the United States from the 2015 international agreement that constrained Iran's nuclear activities. Facing intensified U.S. sanctions, Iran has reduced its compliance with the 2015 agreement. Reports suggest that Israel may have been behind a July 2020 explosion that destroyed a number of advanced uranium enrichment centrifuges at Iran's Natanz nuclear facility. Israel has reportedly conducted a number of military operations in Syria, Iraq, and Lebanon against Iran and its allies due to concerns about Iran's efforts to establish a permanent presence in these areas and to improve the accuracy and effectiveness of Lebanese Hezbollah's missile arsenal.

**China: Investments in Israel and U.S. concerns.** U.S. officials have raised some concerns with Israel over Chinese investments in Israeli high-tech companies and civilian infrastructure that could increase China's ability to gather intelligence and acquire security-related technologies. While Chinese state-owned companies remain engaged in some specific infrastructure projects, including operations at Haifa's seaport set to begin in 2021, in May 2020 Israel turned down the bid of a Chinese-affiliated company to construct a major desalination plant.

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## Introduction: Major Issues for U.S.-Israel Relations

Israel (see **Appendix A**) has forged close bilateral cooperation with the United States in many areas; issues with significant implications for U.S.-Israel relations include the following.

- Israeli domestic political issues, including challenges related to the COVID-19 pandemic and associated economic concerns, and protests against Prime Minister Binyamin Netanyahu.
- Israel's security cooperation with the United States.
- Israeli-Palestinian issues and U.S. policy.
- Israel's agreement to normalize relations with the United Arab Emirates in return for suspending plans to annex some areas of the West Bank, and implications of the agreement for Israeli-Palestinian issues, U.S. arms sales, and Israel's Qualitative Military Edge.
- Shared U.S.-Israel concerns about Iran's nuclear program and regional influence, including with Lebanon-based Hezbollah, Syria, and Iraq.
- Chinese investment in Israeli companies and infrastructure, and U.S. concerns about implications for U.S. national security.

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 Jim Zanotti; and CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

## Domestic Issues

### COVID-19 and Economic Challenges

Israel is facing a host of domestic challenges, many of which are interrelated. Much of the public concern seems connected to a second wave of Coronavirus Disease 2019 (COVID-19) cases in Israel (significantly larger than the first wave in the spring) and associated economic challenges (see **Appendix A**). In response to the economic concerns, the Knesset enacted a \$1.9 billion stimulus plan in July 2020 to provide cash payments to Israeli citizens.<sup>1</sup>

Many Israelis have protested against Netanyahu and the government's policies (see below). Also, Prime Minister Netanyahu's standing has suffered somewhat in public opinion polls, amid questions about the survival of the government that took office in May 2020 based on a power-sharing agreement between Netanyahu of the Likud party and his main political rival, Defense Minister (and Alternate Prime Minister) Benny Gantz of the Kahol Lavan (Blue and White) party (see textbox below).

#### Key Aspects of Power-Sharing Agreement for Israel's Government

Under the power-sharing agreement for Israel's government that took office in May 2020, Netanyahu is expected to serve as prime minister and Gantz as alternate prime minister and defense minister for the first 18 months of the government's term, at which point Gantz is set to become prime minister for the next 18 months, with Netanyahu as his alternate.<sup>2</sup>

<sup>1</sup> "Knesset approves amended version of Netanyahu's NIS 6.5b handouts plan," *Times of Israel*, July 29, 2020.

<sup>2</sup> If Netanyahu and Gantz agree, after Gantz's initial 18 months as prime minister Netanyahu will serve another six

Observers analyzing the Netanyahu-Gantz deal have identified various perceived benefits for both sides.<sup>3</sup> Potential benefits for Netanyahu include his continuation as prime minister and apparent ability to remain in government until he exhausts all appeals (if convicted on corruption charges), his ability to hold votes on West Bank annexation, an effective veto over appointments of key judiciary and justice sector officials, and holding sway with the Knesset's right-of-center majority even during Gantz's time as prime minister. Potential benefits for Gantz include Netanyahu's lack of immunity from criminal proceedings, safeguards intended to ensure that Gantz will become prime minister 18 months through the government's term (as agreed), co-ownership of the governing and legislative agenda, and effective control over half the cabinet and positions (including the defense, foreign, and justice ministries) with significant influence on national security and rule of law in Israel. Despite the details of this political agreement, it is unclear whether either party would be able to compel its legal enforcement, as in the case if Netanyahu were to refuse to step down as prime minister.<sup>4</sup>

New elections would take place in the event that the government is dissolved. Under the terms of the unity agreement, Gantz would serve as caretaker prime minister before such elections in most situations if Netanyahu is responsible for the dissolution.<sup>5</sup> However, if the government dissolves over a failure to pass a budget, Netanyahu would reportedly remain as caretaker prime minister. The Knesset averted a dissolution in August 2020 by extending the budget deadline for 2020 to December.

Beyond COVID-19 and its economic impact, some criticism of Netanyahu is linked to his ongoing criminal trial on corruption charges (see **Appendix B**) and a Knesset Finance Committee vote in June to grant him some personal tax relief. Testimony in Netanyahu's trial is scheduled to begin in January 2021.

## Protests and Netanyahu's Political Status

Starting in July, protestors criticizing Netanyahu and government policies swelled to number in the thousands. Debate is ongoing between Netanyahu's supporters and critics about each other's culpability for various incidents of incitement and violence, as well as the culpability of protestors, counter-protestors, and police.

Despite the drop in Netanyahu's approval rating and the popular protests against him, polls suggest that if new elections were held soon, Likud would lose some seats but remain the largest party in the Knesset. Depending on a number of factors, this could put Netanyahu in position to lead a right-of-center coalition.<sup>6</sup> The current power-sharing government took office after Knesset elections in March 2020 (see **Appendix C**), following two previous elections—in April and September 2019—that failed to produce a government.

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months, followed by another six for Gantz. Britain Israel Communications and Research Centre, *The New Israeli National Unity Government*, May 2020. The designation of alternate prime minister was created by Knesset legislation before the government came into office. Under Israeli law, only a cabinet member with the status of prime minister can remain in office while under indictment, so the designation would allow Netanyahu to retain this status even after a transfer of power to Gantz. The designation also is designed to allow for Gantz to take over for Netanyahu without a separate Knesset vote.

<sup>3</sup> See, for example, David Horovitz, "Gantz tries, likely fails, to lock Netanyahu into eventually handing over power," *Times of Israel*, April 21, 2020; Yossi Verter, "Netanyahu-Gantz Deal Ensures Accused Premier Will Have the Last Word," *haaretz.com*, April 21, 2020; Chemi Shalev, "Netanyahu-Gantz Unity Deal: The Good, the Bad, the Ugly and the Ominous," *haaretz.com*, April 21, 2020.

<sup>4</sup> Horovitz, "Gantz tries, likely fails."

<sup>5</sup> See footnote 3.

<sup>6</sup> Ben Caspit, "Coronavirus-infected Israel, on brink of anarchy," *Al-Monitor*, September 8, 2020.

## U.S. Security Cooperation

While Israel maintains robust military and homeland security capabilities, it also cooperates closely with the United States on national security matters. U.S. law requires the executive branch to take certain actions to preserve Israel's "qualitative military edge," or QME.<sup>7</sup> Additionally, a 10-year bilateral military aid memorandum of understanding (MOU)—signed in 2016—commits the United States to provide Israel \$3.3 billion in Foreign Military Financing and to spend \$500 million annually on joint missile defense programs from FY2019 to FY2028, subject to congressional appropriations.

## Israeli-Palestinian Issues Under the Trump Administration<sup>8</sup>

President Trump has expressed interest in helping resolve the decades-old Israeli-Palestinian conflict. However, his policies have largely favored Israeli positions, thus alienating Palestine Liberation Organization (PLO) Chairman and Palestinian Authority (PA) President Mahmoud Abbas.

### Selected U.S. Actions Impacting Israeli-Palestinian Issues

December 2017	President Trump recognizes Jerusalem as Israel's capital, prompting the PLO/PA to cut off high-level diplomatic relations with the United States
May 2018	U.S. embassy opens in Jerusalem
August 2018	Administration ends contributions to U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
September 2018	Administration reprograms FY2017 economic aid for the West Bank and Gaza to other locations; announces closure of PLO office in Washington, DC
January 2019	As a result of the Anti-Terrorism Clarification Act of 2018 (P.L. 115-253), the Administration ends all bilateral U.S. aid to the Palestinians
March 2019	The U.S. consulate general in Jerusalem—previously an independent diplomatic mission to the Palestinians—is subsumed under the authority of the U.S. embassy to Israel; President Trump recognizes Israeli sovereignty in the Golan Heights
June 2019	At a meeting in Bahrain, U.S. officials roll out \$50 billion economic framework for Palestinians in the region tied to the forthcoming peace plan; PLO/PA officials reject the idea of economic incentives influencing their positions on core political demands
November 2019	Secretary of State Michael Pompeo says that the Administration disagrees with a 1978 State Department legal opinion stating that Israeli West Bank settlements are inconsistent with international law
January 2020	President Trump releases peace plan

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<sup>7</sup> CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti; CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

<sup>8</sup> For additional background, see CRS In Focus IF11237, *Israel and the Palestinians: Chronology of a Two-State Solution*, by Jim Zanotti.

## U.S. Vision for Peace Plan

On January 28, President Trump released a long-promised plan for Israel-Palestinian peace, after obtaining expressions of support from both Netanyahu and Gantz. The plan is otherwise known as the *Vision for Peace*, described in a document entitled *Peace to Prosperity*.<sup>9</sup>

The plan suggests the following key outcomes as the basis for future Israeli-Palestinian negotiations:<sup>10</sup>

- **Borders and settlements.** Israel would acquire sovereignty over about 30% of the West Bank (see **Figure D-1**), including settlements and most of the Jordan Valley. The Palestinians could eventually acquire a limited form of sovereignty (as described below) over the remaining territory. This includes areas that the Palestinian Authority (PA) currently administers, along with some territory currently belonging to Israel (with few Jewish residents) that the Palestinians would acquire via swaps to partially compensate for West Bank territory taken by Israel. Some areas with minimal contiguity would be connected by roads, bridges, and tunnels (see **Figure D-2**).
- **Jerusalem and its holy sites.** Israel would have sovereignty over nearly all of Jerusalem (including the Old City and Temple Mount/Haram al Sharif), with the Palestinians able to obtain some small East Jerusalem areas on the other side of an Israeli separation barrier.<sup>11</sup> Taken together, the plan and its accompanying White House fact sheet contain some ambiguity about worship on the Temple Mount/Haram al Sharif, though the plan says that Jordan would maintain its custodial role regarding Muslim holy sites.<sup>12</sup> A day after the plan's release, U.S. Ambassador to Israel David Friedman clarified that the "status quo" only allowing Muslim worship on the Mount/Haram would not change absent the agreement of all parties, while adding that the Administration hoped that an eventual accord would allow Jews to pray on the Temple Mount as part of greater openness "to religious observance everywhere."<sup>13</sup>
- **Security.** Israel would retain overall security control over the entire West Bank permanently, though Palestinians would potentially assume more security responsibility, over time, in territory they administer.<sup>14</sup>

<sup>9</sup> White House, *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*, January 2020, available at <https://www.whitehouse.gov/wp-content/uploads/2020/01/Peace-to-Prosperity-0120.pdf>. See also White House fact sheet, President Donald J. Trump's Vision for Peace, Prosperity, and a Brighter Future for Israel and the Palestinian People, January 28, 2020.

<sup>10</sup> Ibid.

<sup>11</sup> David M. Halbfinger and Isabel Kershner, "Trump's Would-Be Palestinian Capital: Dangerous, Scattered Slums," *New York Times*, February 1, 2020. For background information on and maps of Jerusalem, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti. The East Jerusalem areas earmarked for the Palestinians were added to the Jerusalem municipality after Israel captured East Jerusalem and the West Bank from Jordan in 1967.

<sup>12</sup> See footnote 9.

<sup>13</sup> "US envoy: We won't impose change to status quo to let Jews pray at Temple Mount," *Times of Israel*, January 29, 2020. For more information on the "status quo," see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti. Some sources remain concerned about the plan's possible change to the "status quo." See, for example, Ir Amim, "Ramifications of the US Middle East Plan on the Future of Jerusalem," April 2020.

<sup>14</sup> For background information on Palestinian self-governance, see CRS In Focus IF10644, *The Palestinians: Overview and Key Issues for U.S. Policy*, by Jim Zanotti.



- **Palestinian refugees.** Palestinian refugee claims would be satisfied through internationally funded compensation and resettlement outside of Israel (i.e., no “right of return” to Israel) in the West Bank, Gaza, and third-party states.
- **Palestinian statehood.** The Palestinians could obtain a demilitarized state within the areas specified in **Figure D-2** and **Figure D-3**, with a capital in Abu Dis or elsewhere straddling the East Jerusalem areas mentioned above and their outskirts.<sup>15</sup> Statehood would depend on the Palestinians meeting specified criteria over the next four years that present considerable domestic and practical challenges.<sup>16</sup> Such criteria include disarming Hamas in Gaza, ending certain international initiatives and financial incentives for violence, and recognizing Israel as “the nation state of the Jewish people.”<sup>17</sup>

## Possible West Bank Annexation

After the plan’s release, Netanyahu announced his intention to annex areas in the West Bank that the plan anticipates coming under Israeli sovereignty (as discussed below). To identify these areas more precisely, a U.S.-Israel joint committee has begun deliberations to identify the geographical contours of West Bank areas—including Jewish settlements and much of the Jordan Valley—that could become part of Israel.

Annexation has not occurred to date. Israel agreed in August 2020 to suspend plans for annexation as part of its agreement to normalize relations with the UAE (see “UAE and Bahrain Normalization Deal” below). Before the Israel-UAE deal, some observers questioned whether Netanyahu would go through with annexation given other domestic priorities in Israel and some reservations among U.S. officials.<sup>18</sup> The Palestinians, Arab states, many other international actors, and some Members of Congress oppose Israeli annexation of West Bank areas because of concerns that it could contravene international law and existing Israeli-Palestinian agreements, and negatively affect stability and regional cooperation. For more detailed information on the annexation issue, see CRS Report R46433, *Israel’s Possible Annexation of West Bank Areas: Frequently Asked Questions*, by Jim Zanotti.

## Gaza and Its Challenges

The Gaza Strip—controlled by the Sunni Islamist group Hamas (a U.S.-designated terrorist organization)—faces difficult and complicated political, economic, and humanitarian conditions.<sup>19</sup> Palestinian militants in Gaza regularly clash with Israel’s military as it patrols

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<sup>15</sup> See footnote 11.

<sup>16</sup> White House, Remarks by President Trump and Prime Minister Netanyahu of the State of Israel in Joint Statements, January 28, 2020. During that time, the plan and President Trump’s remarks—taken together—anticipate that Israel would refrain from building or expanding Jewish settlements in West Bank areas earmarked for a future Palestinian state, and from demolishing existing structures in those areas—subject to exceptions for safety and responses to acts of terrorism.

<sup>17</sup> Israeli insistence on Palestinian recognition of Israel as the nation state of the Jewish people was reportedly introduced into an Israeli-Palestinian negotiating context by Tzipi Livni when she was Israeli foreign minister during the 2007-2008 Annapolis negotiations. “The Pursuit of Middle East Peace: A Status Report,” Ambassador Martin Indyk, *Washington Institute for Near East Policy*, May 8, 2014. Other specified criteria for Palestinian statehood include reforms in governance and rule of law, and anti-incitement in educational curricula.

<sup>18</sup> See, for example, Anshel Pfeffer, “Why Netanyahu Will Never Annex West Bank Settlements and the Jordan Valley,” *haaretz.com*, May 7, 2020.

<sup>19</sup> CRS In Focus IF10644, *The Palestinians: Overview and Key Issues for U.S. Policy*, by Jim Zanotti.



Gaza's frontiers with Israel, and the clashes periodically escalate toward larger conflict. During 2020, Hamas and Israel have reportedly worked through Egypt and Qatar in efforts to establish a long-term cease-fire around Gaza that could ease Israel-Egypt access restrictions for people and goods. It is unclear how possible Israeli annexation of West Bank areas or Hamas's ongoing relationship with Iran might affect these efforts.

## Foreign Policy Issues

### UAE and Bahrain Normalization Deals<sup>20</sup>

A joint U.S.-Israel-UAE statement on August 13, 2020, announced that Israel and the UAE have agreed to fully normalize their relations, and that Israel is suspending plans to annex parts of the West Bank.<sup>21</sup> A similar joint U.S.-Israel-Bahrain statement on September 11 announced that Israel and Bahrain would fully normalize their relations.<sup>22</sup> On September 15, Prime Minister Netanyahu is scheduled to sign agreements with both countries' foreign ministers at the White House. The agreements could have implications for the region and U.S. policy, with the Israel-UAE deal particularly likely to boost bilateral trade and investment.<sup>23</sup>

Before these two deals, Egypt and Jordan had been the only Arab states with formal diplomatic relations with Israel. Israel established informal ties with a number of Arab states, including the UAE and Bahrain, in the 1990s.<sup>24</sup> Discreet Israeli links with the UAE and Bahrain on issues including intelligence, security, and trade have become closer and more public in the past decade as Israel has worked with various Arab Gulf states aligned with the United States in efforts to counter Iran's regional influence and military capabilities (see "Iran and the Region" below).<sup>25</sup>

Observers have speculated about the prospects for other Arab states to normalize relations with Israel.<sup>26</sup> While Saudi Arabia has agreed with Israel to allow mutual flyover privileges for commercial airline flights, leaders there have told White House Senior Adviser Jared Kushner that the Saudis would continue to condition normalization with Israel on Israeli-Palestinian peace.<sup>27</sup>

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<sup>20</sup> For more information, see CRS Insight IN11485, *Israel-UAE Normalization and Suspension of West Bank Annexation*, by Jim Zanotti and Kenneth Katzman, and CRS Report RS21852, *The United Arab Emirates (UAE): Issues for U.S. Policy*, by Kenneth Katzman.

<sup>21</sup> White House, Joint Statement of the United States, the State of Israel, and the United Arab Emirates, August 13, 2020.

<sup>22</sup> Jacob Magid, "Bahrain establishing full diplomatic relations with Israel, Trump announces," *Times of Israel*, September 11, 2020.

<sup>23</sup> Gilead Sher and Yoel Guzansky, "The United Arab Emirates and Israel Just Came Clean on Their Extra-Marital Affair," *War on the Rocks*, August 28, 2020.

<sup>24</sup> Miriam Berger, "Israel's relations in the Middle East, explained," *washingtonpost.com*, August 15, 2020; Adam Entous, "Donald Trump's New World Order," *New Yorker*, June 11, 2018; CRS Report 95-1013, *Bahrain: Unrest, Security, and U.S. Policy*, by Kenneth Katzman.

<sup>25</sup> Steve Hendrix, "Inside the secret-not-secret courtship between Israel and the United Arab Emirates," *washingtonpost.com*, August 14, 2020; CRS Report 95-1013, *Bahrain: Unrest, Security, and U.S. Policy*, by Kenneth Katzman.

<sup>26</sup> Hussein Ibish, "After the UAE, Who Will and Won't Be Next to Normalize with Israel?" *Arab Gulf States Institute in Washington*, August 24, 2020.

<sup>27</sup> "Kushner says Saudi Arabia, Bahrain to allow all Israeli flights to use airspace," *Times of Israel*, September 10, 2020.

## Israeli-Palestinian Implications

Israel's deals with the UAE and Bahrain could be interpreted as vindicating Prime Minister Netanyahu's long-standing claim that he could normalize Israel's relations with Arab countries before reaching a peace agreement with the Palestinians. They also appear to signal a change to Arab states' previous insistence—in the 2002 Arab Peace Initiative—that Israel address Palestinian negotiating demands as a precondition for improved ties.<sup>28</sup>

Whether Israeli plans for West Bank annexation are only temporarily postponed is unclear. Netanyahu sought in August to reassure Israeli pro-annexation constituencies that declaring Israeli sovereignty in the West Bank remains on his agenda pending U.S. approval.<sup>29</sup> Jared Kushner said that “we do not plan to give our consent for some time.”<sup>30</sup>

Palestinian leaders denounced the Israel-UAE deal and withdrew their ambassador from the UAE, arguing that the UAE legitimized Israel's annexation threats by bargaining over them, and thus acquiesced to a West Bank status quo that some observers label “de facto annexation.”<sup>31</sup> UAE officials contend that by significantly delaying Israeli declarations of sovereignty over West Bank areas, they have preserved prospects for future negotiations toward a Palestinian state.<sup>32</sup>

## U.S. Arms Sales to UAE and Israel's Qualitative Military Edge

Some U.S. and UAE officials have stated that the Israel-UAE deal has increased the likelihood of U.S. sales of advanced weaponry to the UAE.<sup>33</sup> Reportedly, the Trump Administration supports a sale of F-35 stealth fighters, armed MQ-9 Reaper drones, and EA-18G Growler electronic warfare planes to the UAE.<sup>34</sup> Some media sources state that Prime Minister Netanyahu acquiesced to the proposed sale in connection with the Israel-UAE deal.<sup>35</sup> Netanyahu has repeatedly denied this amid domestic concerns that Israel safeguard its Qualitative Military Edge (QME), which is codified in U.S. law.<sup>36</sup> To date, Israel is the only country in the Middle East that has purchased F-35s from the United States.

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<sup>28</sup> Annelle Sheline, “Trump’s Win Is a Loss for the Middle East,” *Politico Magazine*, August 14, 2020. 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 and adopted by the 22-member Arab League (which includes the PLO) in 2002, and later accepted by the then-56-member Organization of the Islamic Conference (now the 57-member Organization of Islamic Cooperation) at its 2005 Mecca summit. The text of the initiative is available at <http://www.bitterlemons.org/docs/summit.html>.

<sup>29</sup> Neri Zilber, “Normalization Deal Between Israel and the UAE Signals a Shift in the Region,” *foreignpolicy.com*, August 13, 2020.

<sup>30</sup> “U.S. won’t approve Israeli annexations for ‘some time,’ Kushner says,” *Reuters*, August 17, 2020.

<sup>31</sup> Walid Mahmoud and Muhammad Shehada, “Palestinians unanimously reject UAE-Israel deal,” *Al Jazeera*, August 14, 2020.

<sup>32</sup> “UAE minister: We bought lot of time on annexation; Palestinians should negotiate,” *Times of Israel*, August 14, 2020.

<sup>33</sup> Neri Zilber, “Peace for Warplanes?” *foreignpolicy.com*, August 31, 2020.

<sup>34</sup> Mark Mazzetti et al., “Israel’s Leader Said to Assent to U.A.E. Sale,” *New York Times*, September 4, 2020.

<sup>35</sup> *Ibid.*

<sup>36</sup> “Intel minister: We’ll act against sale of F-35s to UAE, including in US Congress,” *Times of Israel*, September 5, 2020. For more information on QME, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

If the Administration seeks to sell the aircraft mentioned above to the UAE, the following points may be relevant to Israel's stance on the proposed sale and congressional discussion of Israel's QME:

- The timing of any proposed sale, the type and quantity of aircraft, the features included in possible export versions for the UAE, and any conditions or limits on use of the aircraft.<sup>37</sup>
- U.S. willingness to sell or provide additional arms to Israel.<sup>38</sup>

## Iran and the Region

Israeli officials cite Iran as a primary concern to Israeli officials, largely because of (1) antipathy toward Israel expressed by Iran's revolutionary regime, (2) Iran's broad regional influence (especially in Syria, Iraq, and Lebanon),<sup>39</sup> and (3) Iran's nuclear and missile programs and advanced conventional weapons capabilities.

### Iranian Nuclear Issue and Regional Tensions

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 opposed the JCPOA in 2015 when it was negotiated by the Obama Administration, 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 core economic sectors. Facing the intensified U.S. sanctions, Iran has reduced its compliance with the 2015 agreement.

U.S.-Iran tensions since the U.S. withdrawal from the JCPOA have led to greater regional uncertainty, with implications for Israel.<sup>40</sup> Some Israelis have voiced worries about how Iran's apparent ability to penetrate Saudi air defenses and target Saudi oil facilities could transfer to efforts in targeting Israel.<sup>41</sup>

Reports suggest that Israel may have been behind a July 2020 explosion that destroyed a number of advanced uranium enrichment centrifuges at Iran's Natanz nuclear facility.<sup>42</sup> The incident has triggered speculation about whether Israel might more regularly resort to clandestine means to counter Iran's nuclear program and related projects, as it supposedly did during the years before the JCPOA. The July explosion took place some weeks after Iran and Israel reportedly exchanged cyberattacks—with Iran supposedly targeting Israel's drinking water supply, and Israel supposedly targeting an Iranian seaport—and in the context of a number of mysterious explosions

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<sup>37</sup> See, for example, Joseph Trevithick, "Here's How the U.S. Could Allay Israeli Concerns over Selling F-35s to UAE," *The Drive*, August 27, 2020.

<sup>38</sup> Ibid.; Anna Ahronheim, "US sale of F-35 jets to UAE will go ahead. What can Israel get in return?" jpost.com, August 24, 2020. 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. Eli Lake (citing *Duty* by Robert Gates), "In Gates Book, Details of Israel's Hard Bargaining over Saudi Arms," *Daily Beast*, January 10, 2014.

<sup>39</sup> For information on this topic, see CRS Report R44017, *Iran's Foreign and Defense Policies*, by Kenneth Katzman.

<sup>40</sup> See, for example, CRS Report R45795, *U.S.-Iran Conflict and Implications for U.S. Policy*, by Kenneth Katzman, Kathleen J. McInnis, and Clayton Thomas.

<sup>41</sup> Uzi Even, "Iran Attack on Saudi Arabia Shows Why Israel Must Shut Down Its Nuclear Reactor," *haaretz.com*, October 6, 2019.

<sup>42</sup> Farnaz Fassihi, et al., "Explosion at Iran Nuclear Site Sets Back Enrichment Program," *New York Times*, July 6, 2020.

affecting Iranian infrastructure.<sup>43</sup> One Israeli media source reported, however, that the explosion apparently did not slow Iran's ability to produce low-enriched uranium that could reduce its time to "break out" to a nuclear weapon if it chose to do so.<sup>44</sup>

## Hezbollah

Lebanese Hezbollah is Iran's closest and most powerful non-state ally in the region. Hezbollah's forces and Israel's military have sporadically clashed near the Lebanese border for decades—with the antagonism at times contained in the border area, and at times escalating into broader conflict.<sup>45</sup> Speculation persists about the potential for wider conflict and its regional implications.<sup>46</sup> Israeli officials have sought to draw attention to Hezbollah's buildup of mostly Iran-supplied weapons—including reported upgrades to the range, precision, and power of its projectiles—and its alleged use of Lebanese civilian areas as strongholds.<sup>47</sup>

Ongoing tension between Israel and Iran raises questions about the potential for Israel-Hezbollah conflict. Various sources have referenced possible Iran-backed Hezbollah initiatives to build precision-weapons factories in Lebanon.<sup>48</sup> In July 2020, a reported Israeli airstrike in Syria presumably targeting alleged arms transfers to Hezbollah in Lebanon killed a Hezbollah operative, raising questions about a possible Hezbollah response to reinforce deterrence based on its leadership's past statements.<sup>49</sup> Israel's military thwarted a subsequent attempt to attack Israeli military positions in the disputed Sheb'a Farms area that Israel treats as part of the Golan Heights. Some reports assess that Hezbollah does not want escalation, partly due to significant political and economic problems in Lebanon, but do not rule out the potential for heightened conflict owing to miscalculation between Hezbollah and Israel.<sup>50</sup>

## Syria and Iraq: Reported Israeli Airstrikes Against Iran-Backed Forces

Israel has reportedly undertaken airstrikes in conflict-plagued Syria and Iraq based on concerns that Iran and its allies could pose threats to Israeli security from there. Iran's westward expansion of influence into Iraq and Syria over the past two decades has provided it with more ways to supply and support Hezbollah, apparently leading Israel to broaden its regional theater of military action.<sup>51</sup> The U.S. base at At Tanf in southern Syria reportedly serves as an impediment to Iranian

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<sup>43</sup> Amos Harel, "The Explosion at Natanz Is a Direct Hit on Iran's Nuclear Program," *haaretz.com*, July 5, 2020; Dalia Dassa Kaye, "Has Israel been sabotaging Iran? Here's what we know," *washingtonpost.com*, July 15, 2020.

<sup>44</sup> Jon Gambrell, "Blasts at Natanz site batter but don't break Iran nuclear pursuits," *Times of Israel*, July 16, 2020.

<sup>45</sup> CRS Report R44759, *Lebanon*, by Carla E. Humud; CRS In Focus IF10703, *Lebanese Hezbollah*, by Carla E. Humud.

<sup>46</sup> For possible conflict scenarios, see Nicholas Blanford and Assaf Orion, *Counting the cost: Avoiding another war between Israel and Hezbollah*, *Atlantic Council*, May 13, 2020; Hanin Ghaddar, "How Will Hezbollah Respond to Israel's Drone Attack?" *Washington Institute for Near East Policy*, Policywatch 3171, August 28, 2019.

<sup>47</sup> See, for example, Ben Hubbard and Ronen Bergman, "Who Warns Hezbollah That Israeli Strikes Are Coming? Israel," *New York Times*, April 23, 2020; Seth Jones, "War by Proxy: Iran's Growing Footprint in the Middle East," *Center for Strategic and International Studies*, March 11, 2019; Jonathan Spyer and Nicholas Blanford, "UPDATE: Israel raises alarm over advances by Hizbullah and Iran," *Jane's Intelligence Review*, January 11, 2018.

<sup>48</sup> Ben Caspit, "Hezbollah, Israel losing red lines," *Al-Monitor*, September 4, 2019; Katherine Bauer, et al., "Iran's Precision Missile Project Moves to Lebanon," *Washington Institute for Near East Policy*, December 2018.

<sup>49</sup> Amos Harel, "Hezbollah Failed to Attack Israel, but Made One Significant Achievement," *haaretz.com*, August 1, 2020.

<sup>50</sup> See, for example, Amos Harel, "For Hezbollah, Beirut Devastation Makes Provoking Israel Even Riskier," *haaretz.com*, August 6, 2020.

<sup>51</sup> Seth J. Frantzman, "Are Israeli Drones Targeting Hezbollah Officers in Syria?" *nationalinterest.org*, April 17, 2020;

efforts to create a land route for weapons from Iran to Lebanon.<sup>52</sup> Russia, its airspace deconfliction mechanism with Israel, and some advanced air defense systems that it has deployed or transferred to Syria also influence the various actors involved.<sup>53</sup>

Since 2018, Israeli and Iranian forces have repeatedly targeted one another in Syria or around the Syria-Israel border. After Iran helped Syria's government regain control of much of the country, Israeli leaders began pledging to prevent Iran from constructing and operating bases or advanced weapons manufacturing facilities in Syria.<sup>54</sup> In April 2020, then-Defense Minister Naftali Bennett said that Israeli policy had shifted from blocking Iran's entrenchment in Syria to forcing it out entirely.<sup>55</sup>

In Iraq, reports suggest that in the summer of 2019, Israel conducted airstrikes against weapons depots or convoys that were connected with Iran-allied Shiite militias. A December 2019 media report citing U.S. officials claimed that Iran had built up a hidden arsenal of short-range ballistic missiles in Iraq that could pose a threat to U.S. regional partners, including Israel.<sup>56</sup> Perhaps owing to sensitivities involving U.S. forces in Iraq, then-Defense Minister Bennett suggested in February 2020 that Israel would avoid further direct involvement there—leaving any efforts to counter Iran-backed forces in Iraq to the United States.<sup>57</sup>

## **China: Investments in Israel and U.S. Concerns<sup>58</sup>**

U.S. officials have raised some concerns with Israel over burgeoning Chinese investments in Israeli high-tech companies and civilian infrastructure.<sup>59</sup> Israel-China investment ties have grown since China announced its Belt and Road Initiative in 2013,<sup>60</sup> with Israel as an attractive hub of innovation for Chinese partners, and China as a huge potential export market and source of investment for Israeli businesses.

Closer Israel-China economic relations have led to official U.S. expressions of concern,<sup>61</sup> apparently focused on the possibility that China might gather intelligence or acquire technologies with the potential to threaten U.S. national security in such fields as cybersecurity, artificial

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Caspi, "Hezbollah, Israel losing red lines."

<sup>52</sup> Jones, "War by Proxy: Iran's Growing Footprint in the Middle East."

<sup>53</sup> Anna Ahronheim, "Russia: Syrian air defense nearly hit passenger plane after Israeli attack," jpost.com, February 8, 2020; Seth J. Frantzman, "What's behind Russia's criticism of Israeli airstrikes in Syria," jpost.com, February 8, 2020.

<sup>54</sup> See, for example, Israeli Prime Minister's Office, PM Netanyahu's Speech at the United Nations General Assembly, September 27, 2018.

<sup>55</sup> "Defense minister: We've moved from blocking Iran in Syria to forcing it out," *Times of Israel*, April 28, 2020.

<sup>56</sup> Julian E. Barnes and Eric Schmitt, "Iran Is Secretly Moving Missiles Into Iraq, U.S. Officials Say," *New York Times*, December 5, 2019.

<sup>57</sup> Nati Yefet and Judah Ari Gross, "Bennett: US agreed to counter Iran in Iraq while Israel fights it in Syria," *Times of Israel*, February 10, 2020.

<sup>58</sup> For background on past U.S. concerns regarding Israeli defense transactions with China, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti; CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

<sup>59</sup> Shira Efron, et al., *Chinese Investment in Israeli Technology and Infrastructure: Security Implications for Israel and the United States*, RAND Corporation, 2020; and Shira Efron, et al., *The Evolving Israel-China Relationship*, RAND Corporation, 2019.

<sup>60</sup> For more information on the Belt and Road Initiative, see CRS Report R45898, *U.S.-China Relations*, coordinated by Susan V. Lawrence.

<sup>61</sup> Ron Kampeas, "Breaking China: A rupture looms between Israel and the United States," *Jewish Telegraphic Agency*, June 2, 2020.



intelligence, satellite communications, and robotics. Previously, China-Israel defense industry cooperation in the 1990s and 2000s contributed to tension in the U.S.-Israel defense relationship and to an apparent de facto U.S. veto over Israeli arms sales to China.<sup>62</sup> In passing the FY2020 National Defense Authorization Act (S. 1790), the Senate expressed its sense (in Section 1289) that the U.S. government should “urge the Government of Israel to consider the security implications of foreign investment in Israel.” Partly due to U.S. concerns regarding China’s involvement in Israel’s economy, Israel created an advisory panel on foreign investment in Israel in late 2019.<sup>63</sup> However, this panel reportedly does not have the authority to review investments in sectors such as high-tech that accounted for most of China’s investments in Israel in the previous decade.<sup>64</sup> Apparently, debate continues within Israel’s government about how to balance economic interests with national security concerns.<sup>65</sup>

In the past two years, U.S. officials have made notable efforts to discourage Chinese involvement in specific Israeli infrastructure projects. President Trump reportedly warned Prime Minister Netanyahu in March 2019 that U.S. security assistance for and cooperation with Israel could be limited if Chinese companies Huawei and ZTE establish a 5G communications network in Israel, in line with similar warnings that the Administration communicated to other U.S. allies and partners.<sup>66</sup> Two Israeli analysts wrote in March 2020 that Israeli officials have reportedly blocked Chinese companies from working on Israeli communications infrastructure.<sup>67</sup> Additionally, the U.S. Navy is reportedly reconsidering its practice of periodically docking at the Israeli naval base in Haifa, because a state-owned Chinese company (the Shanghai International Port Group) has secured the contract to operate a new terminal at Haifa’s seaport for 25 years (beginning in 2021).<sup>68</sup> Other state-owned Chinese companies are developing a new port in Ashdod (which also hosts an Israeli naval base), and taking part in construction for Tel Aviv’s light rail system and road tunnels in Haifa.<sup>69</sup> In May 2020, shortly after Secretary of State Michael Pompeo visited Israel and voiced concern that Chinese access to Israeli infrastructure could complicate U.S.-Israel cooperation, Israel’s finance ministry chose a domestic contractor to construct a \$1.5 billion desalination plant, turning down the bid from a subsidiary of the Hong Kong-based CK Hutchison Group.<sup>70</sup>

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<sup>62</sup> Efron, et al., *The Evolving Israel-China Relationship*, 2019, pp. 15-20.

<sup>63</sup> Arie Egozi, “Israelis Create Foreign Investment Overseer; China Targeted,” *Breaking Defense*, November 13, 2019.

<sup>64</sup> Efron, et al., *Chinese Investment in Israeli Technology*, 2020, pp. 24-25.

<sup>65</sup> James M. Dorsey, “Israel-China Relations: Staring Into the Abyss of US-Chinese Decoupling,” *The Globalist*, June 9, 2020; Mercy A. Kuo, “US-China-Israel Relations: Pompeo’s Visit,” *The Diplomat*, May 27, 2020.

<sup>66</sup> Hiddai Segev, Doron Ella, and Assaf Orion, “My Way or the Huawei? The United States-China Race for 5G Dominance,” *Institute for National Security Studies Insight No. 1193*, July 15, 2019.

<sup>67</sup> Hiddai Segev and Assaf Orion, “The Great Power Competition over 5G Communications: Limited Success for the American Campaign against Huawei,” *Institute for National Security Studies Insight No. 1268*, March 3, 2020.

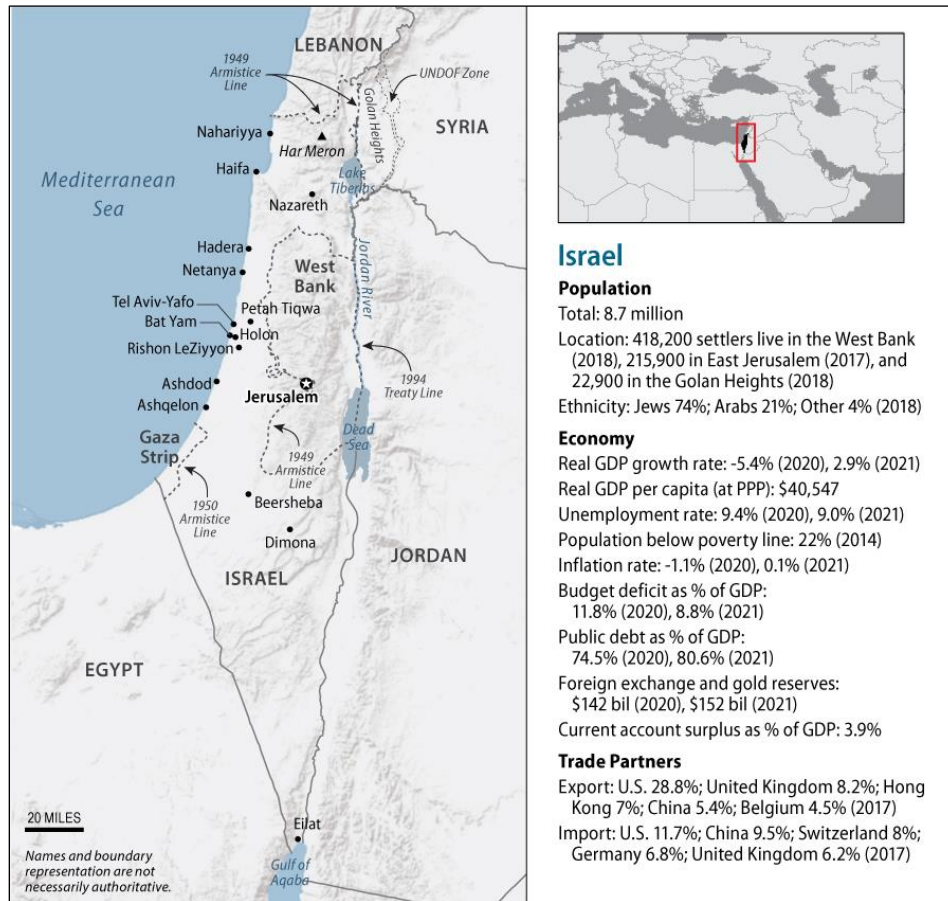
<sup>68</sup> Roie Yellinek, “The Israel-China-U.S. Triangle and the Haifa Port Project,” *Middle East Institute*, November 27, 2018. Section 1289 of S. 1790 also contains a provision stating that the United States has an interest in continuing to use the naval base in Haifa, but has “serious security concerns” with respect to the leasing arrangements at the Haifa port. Reportedly, the Israeli government plans to limit sensitive roles at the port to Israelis with security clearances. Jack Detsch, “Pentagon repeats warning to Israel on Chinese port deal,” *Al-Monitor*, August 7, 2019.

<sup>69</sup> Efron, et al., *The Evolving Israel-China Relationship*, 2019, p. 38.

<sup>70</sup> “Amid US pressure, Israel taps local firm over China for \$1.5b desalination plant,” *Times of Israel*, May 26, 2020.

# Appendix A. Map and Basic Facts

Figure A-I. 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 Economic Outlook Database. All numbers are estimates as of 2020 unless specified. Numbers for 2021 are projections.

**Notes:** According to the U.S. executive branch: (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. Additionally, the United States recognized the Golan Heights as part of Israel in 2019; however, U.N. Security Council Resolution 497, adopted on December 17, 1981, held that the area of the Golan Heights controlled by Israel's military is occupied territory belonging to Syria. The current U.S. executive branch map of Israel is available at <https://www.cia.gov/library/publications/the-world-factbook/attachments/maps/IS-map.gif>.



## Appendix B. Indictments Against Netanyahu and Steps of the Legal Process

### Indictments

**Case 1000:** Netanyahu received favors from Hollywood mogul Arnon Milchan and Australian billionaire James Packer, in return for taking actions in Milchan's favor.

**The charge:** Fraud and breach of trust

**Netanyahu's defense:** There is no legal problem in receiving gifts from friends; did not know that his family members requested gifts.

**Case 2000:** Netanyahu and Yedioth Ahronoth publisher Arnon Mozes struck a deal: Favorable coverage for Netanyahu in return for limiting the circulation of the Sheldon Adelson-owned newspaper *Israel Hayom*.

**The charge:** Fraud and breach of trust

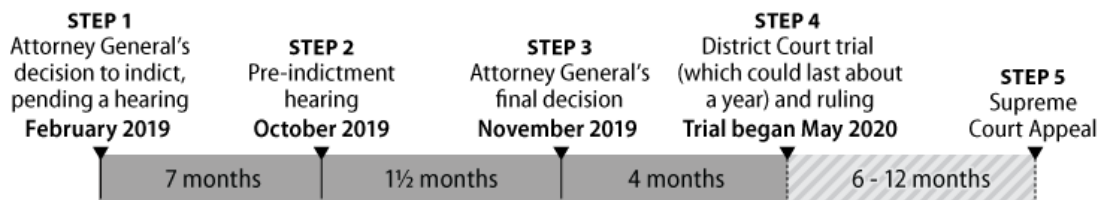
**Netanyahu's defense:** He had no intention of implementing the deal, and relations between politicians and the media should not be criminalized.

**Case 4000:** As communication minister, Netanyahu took steps that benefited Shaul Elovitch who controlled telecom company Bezeq—in return for favorable coverage in Bezeq's Walla News site

**The charge:** Bribery, fraud and breach of trust

**Netanyahu's defense:** There is no evidence that he was aware of making regulations contingent on favorable coverage.

### Selected Steps in the Legal Process, and the Time Between Them



**Sources:** For "Indictments," the content comes from *Ha'aretz* graphics adapted by CRS. For "Selected Steps in the Legal Process, and the Time Between Them," CRS prepared the graphic and made slight content adjustments to underlying source material from Britain Israel Communications and Research Centre. The interval listed between Steps 4-5 is an estimate.

## Appendix C. Israeli Political Parties in the Knesset and Their Leaders

### RIGHT



**Likud** (Consolidation) – 36 Knesset seats (Coalition)

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. His rhetorical support for more assertive populist and nationalistic measures (including diminishing judicial powers and annexing West Bank territory) has increased after criminal allegations surfaced against him for corruption, and after President Trump took office.



**Yisrael Beitenu** (Israel Our Home) – 7 seats (Opposition)

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 served as Israel's defense minister until his resignation in November 2018. 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. 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 Beitenu as a platform for former Soviet immigrants. He was acquitted of corruption allegations in a 2013 case.



**Yamina** (Right) – 5 seats (Opposition)

Right-of-center merger of three parties: New Right, Jewish Home, and National Union; base of support among religious Zionists (mostly Ashkenazi Orthodox Jews); includes core constituencies supporting West Bank settlements and annexation.

Leader: Naftali Bennett

Born in 1972, Bennett served previously as defense, education, and economy minister. 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.

## LEFT



### **Labor (Avoda) – 3 seats (Coalition)**

Labor is Israel's historical repository of social democratic, left-of-center, pro-secular Zionist ideology; associated with efforts to end Israel's responsibility for Palestinians in the West Bank and Gaza.

#### Leader: Amir Peretz

Born in 1952, Peretz is Israel's economy minister. He became Labor's leader for the second time in July 2019, after serving as party leader from 2005 to 2007. He was first elected to the Knesset in 1988 and has served as defense minister (during the 2006 Hezbollah conflict) and environment minister. Peretz was a farmer in southern Israel and served as mayor of Sderot before joining the Knesset.



### **Meretz (Vigor) – 3 seats (Opposition)**

Meretz is a pro-secular Zionist party that supports initiatives for social justice and peace with the Palestinians, and former Prime Minister Ehud Barak's Israel Democratic Party.

#### Leader: Nitzan Horowitz

Born in 1965, Horowitz became Meretz's leader in June 2019 and was first elected to the Knesset in 2009. He had a long career as a prominent journalist before entering politics.

## CENTER



### **Kahol Lavan (Blue and White) – 15 seats (Coalition)**

Centrist party largely formed as an alternative to Prime Minister Netanyahu, ostensibly seeking to preserve long-standing Israeli institutions such as the judiciary, articulate a vision of Israeli nationalism that is more inclusive of Druze and Arab citizens, and have greater sensitivity to international opinion on Israeli-Palestinian issues.

#### Leader: Benny Gantz

Born in 1959, Gantz is Israel's defense minister and alternate prime minister, and is scheduled to become prime minister by November 2021 under the unity agreement with Netanyahu. He served as Chief of General Staff of the Israel Defense Forces from 2011 to 2015. He established Hosen L'Yisrael (Israel Resilience Party) in December 2018. Hosen L'Yisrael merged with the Yesh Atid and Telem parties for the April 2019, September 2019, and March 2020 elections under the Kahol Lavan name. When the party split in March 2020 after Gantz agreed to pursue a unity government with Netanyahu, Hosen L'Yisrael kept the Kahol Lavan name. He has sought to draw contrasts with Netanyahu less through policy specifics than by presenting himself as a figure who is less polarizing and less populist.



### **Yesh Atid-Telem – 16 seats (Opposition)**

Yesh Atid (There Is a Future) is a centrist party in existence since 2012 that has championed socioeconomic issues such as cost of living and has taken a pro-secular stance. Telem (Hebrew acronym for National Statesman-like Movement) formed in January 2019 by former Defense Minister Moshe Ya'alon as a center-right, pro-nationalist alternative to Netanyahu. The parties merged with Hosen L'Yisrael in early 2019, then split from it in March 2020.

#### Leader: Yair Lapid

Born in 1963, Lapid is the leader of the opposition in the Knesset. He came to politics after a career as a journalist, television presenter, and author. He founded the Yesh Atid party in 2012, and from 2013 to 2014 he served as finance minister.



**Derech Eretz (Way of the Land) – 2 seats (Coalition)**

Center-right faction formed from the split of Kahol Lavan in March 2020.

Leaders: Zvi Hauser and Yoaz Hendel

Born in 1968, Hauser was Netanyahu's cabinet secretary from 2009 to 2013 and later led a coalition promoting recognition of Israeli sovereignty over the Golan Heights. Born in 1975, Hendel is Israel's communications minister. He has been an academic, journalist, and author covering national security issues. Both men joined Telem in early 2019 but formed Derech Eretz when Telem refused to join a unity government in March 2020.

**ULTRA-ORTHODOX**



**Shas (Sephardic Torah Guardians) – 9 seats (Coalition)**

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.



**United Torah Judaism – 7 seats (Coalition)**

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 construction and housing 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 a member of the Knesset's finance committee.

**ARAB**



**Joint List – 15 seats (Opposition)**

Electoral slate featuring four Arab parties that combine socialist, Islamist, and Arab nationalist political strains: Hadash (Democratic Front for Peace and Equality), Ta'al (Arab Movement for Renewal), Ra'am (United Arab List), Balad (National Democratic Assembly).

Leader: Ayman Odeh

Born in 1975, Odeh is the leader of Hadash, an Arab Israeli socialist party, and of the Joint List. An attorney, he served on the Haifa city council before becoming Hadash's national leader in 2006. He 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.

**Sources:** Various open sources.

**Note:** Knesset seat numbers based on results from the March 2, 2020, election. The Geshet (Bridge) party has a single member of the Knesset, Orly Levi-Abekasis, who is part of the coalition. Rafi Peretz split from the Yamina party to join the coalition.

## Appendix D. Maps Related to U.S. Plan

Figure D-1. Conceptual Map of Israel



**Source:** White House, *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*, January 2020.

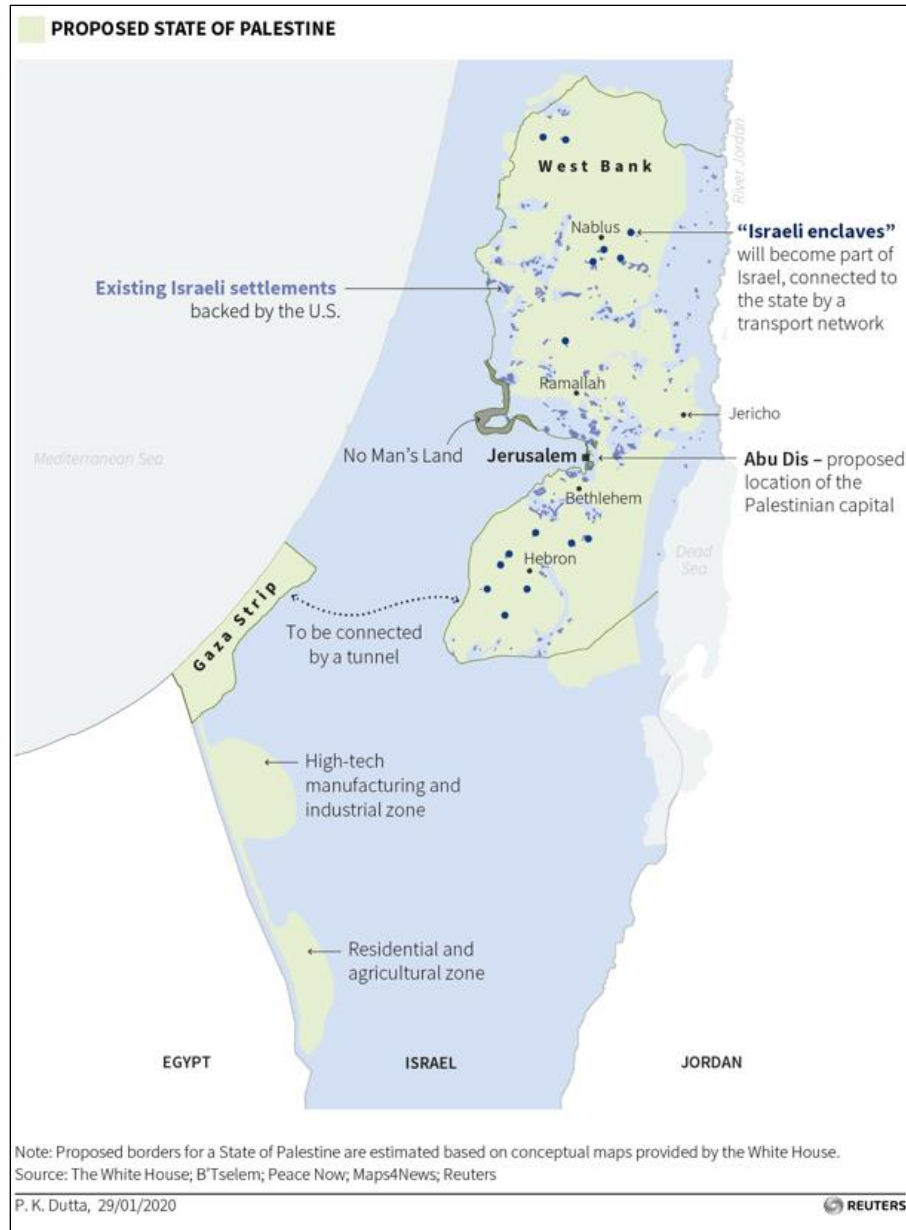
**Figure D-2. Conceptual Map of Future Palestinian State**



**Source:** White House, *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*, January 2020.



**Figure D-3. Unofficial Map with Green Line**



**Notes:** Green lines on map represent 1949-1967 Israel-Jordan armistice line (for West Bank) and 1950-1967 Israel-Egypt armistice line (for Gaza). All borders are approximate.



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