

Israel: Background and U.S. Relations in Brief

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Israel: Background and U.S. Relations in Brief

Israel has forged close bilateral cooperation with the United States in many areas. A 10-year bilateral military aid memorandum of understanding—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. Some Members of Congress have increased their scrutiny over Israel's use of U.S. security assistance, contributing to debate on the subject. This report also discusses the following matters:

Current government and coalition uncertainty. Prime Minister Naftali Bennett of the Yamina party heads a power-sharing government featuring a group of disparate parties from across the political spectrum (including an Arab-led party) that replaced the government of the long-serving Benjamin Netanyahu in June 2021. To date, the government has focused on pragmatic management of Israel's security and economy rather than comprehensive policies such as those related to the Palestinians. Even so, disagreements have occurred between various elements of the coalition. In April 2022, a member of Yamina resigned from the coalition and voiced support for an alternative, right-of-center government. With the coalition's support down to only 60 out of 120 Knesset (parliament) members, it may have difficulty passing legislation. The opposition is probably unlikely to garner majority Knesset support for a Netanyahu-led government, but could conceivably get support to require new elections.

Israeli-Palestinian issues. In hopes of preserving the viability of a negotiated two-state solution among Israelis and Palestinians, Biden Administration officials have sought to help manage tensions, bolster Israel's defensive capabilities, and strengthen U.S.-Palestinian ties that frayed during the Trump Administration. Israeli officials and some Members of Congress have publicly opposed a Biden Administration plan to reopen a U.S. consulate in Jerusalem to handle relations with Palestinians. Administration officials regularly speak out against steps taken by Israelis or Palestinians that could risk sparking violence and undermining the vision of two states—including settlement expansion and settler violence, demolitions, evictions, incitement to violence, and payments for individuals imprisoned for acts of terrorism. A wave of violence in the spring of 2022 has triggered heightened counterterrorism measures and questions about how to avoid escalation. With Gaza still under the control of the Sunni Islamist militant group Hamas (a U.S.-designated terrorist organization), the United States and other international actors face significant challenges in seeking to help with reconstruction without bolstering the group.

Increased regional cooperation: The Abraham Accords and Turkey. The Biden Administration has followed agreements reached during the Trump Administration that normalized or improved relations between Israel and four Arab or Muslim-majority states—the United Arab Emirates (UAE), Bahrain, Sudan, and Morocco. Biden Administration officials have said that any further U.S. efforts to assist Israeli normalization with Muslim-majority countries would seek to preserve the viability of a negotiated two-state solution to the Israeli-Palestinian conflict. Security and economic ties between Israel, the UAE, Bahrain, and Morocco have deepened. Palestinian leaders have denounced normalization as an abandonment of the Palestinian national cause, given Arab states' previous insistence that Israel address Palestinian negotiating demands as a precondition for improved ties. In 2022, Israel has taken some steps to improve relations with Turkey, apparently seeking reduced Turkish support for Hamas and more regional cooperation to counter Iran.

Iran and other regional issues. Israeli officials seek to counter Iranian regional influence and prevent Iran from acquiring nuclear weapons. Israel supported President Trump's withdrawal of the United States from the 2015 international agreement that constrained Iran's nuclear activities. Prime Minister Bennett has made statements opposing the Biden Administration reentering or revising the agreement. Observers have speculated about future Israeli covert or military actions to influence nuclear diplomacy and Iran's program. Israel also has reportedly conducted a number of military operations against Iran and its allies in Syria, Lebanon, and Iraq due to its concerns about Iran's presence in these areas and Lebanese Hezbollah's missile arsenal.

Russia's 2022 invasion of Ukraine. In the wake of Russia's 2022 invasion of Ukraine, Israel has sought to provide political support for Ukraine and humanitarian relief for Ukrainians without alienating Russia. Since 2015, Russia's military presence and air defense capabilities in Syria have given it influence over Israel's ability to conduct airstrikes there.

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 the management of a seaport terminal in Haifa, Israel has taken some steps to reduce Chinese investment in strategically important areas.

Contents

Overview: Major Issues for U.S.-Israel Relations.....	1
Domestic Issues.....	1
Current Government.....	1
The Coalition’s Uncertain Future.....	3
Israeli-Palestinian Issues	3
Risks of Escalating Violence.....	5
Gaza and Its Challenges	6
International Human Rights Considerations	7
Regional Cooperation.....	8
The Abraham Accords.....	8
Improving Relations with Turkey	11
Iran and the Region	12
Iranian Nuclear Issue and Regional Tensions	12
Hezbollah	14
Russia’s Invasion of Ukraine.....	14
China: Investments in Israel and U.S. Concerns	15

Tables

Table 1. Israeli Power-Sharing Government: Key Positions	2
--	---

Appendixes

Appendix A. Israel: Map and Basic Facts	17
Appendix B. Israeli Political Parties in the Knesset and Their Leaders	18
Appendix C. Chinese Investments in Israeli Technology Companies: 2011-2020.....	21

Contacts

Author Information.....	21
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Overview: Major Issues for U.S.-Israel Relations

Israel (see **Appendix A** for a map and basic facts) has forged close bilateral cooperation with the United States in many areas. For more background on aid, arms sales, and missile defense cooperation, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

U.S.-Israel security cooperation—a critical part of the bilateral relationship—is multifaceted. U.S. law requires the executive branch to take certain actions to preserve Israel’s “qualitative military edge,” or QME, and expedites aid and arms sales to Israel in various ways. 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 (FMF) and to spend \$500 million annually on joint missile defense programs from FY2019 to FY2028, subject to congressional appropriations. The MOU anticipates possible supplemental aid in emergency situations such as conflict. In March 2022, Congress appropriated \$1 billion in supplemental funding through FY2024 for the Iron Dome anti-rocket system as a response to the system’s heavy use during a May 2021 conflict between Israel and Gaza Strip-based groups such as Hamas and Palestine Islamic Jihad (PIJ) (both of which are U.S.-designated terrorist organizations).

The Trump Administration made U.S. policy changes affecting bilateral relations when it recognized Jerusalem as Israel’s capital in 2017 and moved the location of the U.S. embassy to Israel from Tel Aviv to Jerusalem in 2018. These actions could affect future outcomes regarding Jerusalem’s status—given Palestinian claims to East Jerusalem as their future national capital—though the Trump Administration did not take a position on the boundaries of Israeli sovereignty in the city. The Biden Administration has said that the embassy will remain in Jerusalem.

Additional issues to be discussed below with significant implications for U.S.-Israel relations include

- Israel’s current power-sharing government and its uncertain future.
- Israeli-Palestinian problems and their implications for U.S. policy, including risks of escalating violence, Gaza and its challenges, and human rights considerations.
- Developments regarding Israel’s normalization or improvement of relations with various Arab and Muslim-majority states since the Abraham Accords.
- Concerns about Iran’s nuclear program and regional influence, including with Lebanon-based Hezbollah.
- Russia’s 2022 invasion of Ukraine.
- Chinese investment in Israeli companies and infrastructure.

Domestic Issues

Current Government

A power-sharing government headed by Prime Minister Naftali Bennett (see the text box below for a brief biography) took office in June 2021. This leadership change ended Benjamin Netanyahu’s 12-year tenure as prime minister and two years of political turmoil following Netanyahu’s February 2019 criminal indictment on corruption charges.¹ Netanyahu and his Likud party now lead the Knesset’s opposition, as was the case from 2006 to 2009.

¹ Netanyahu also served an earlier 1996-1999 term as prime minister.

While Bennett—a right-of-center figure who leads the Yamina party—currently heads the government, the centrist Yesh Atid party leader Yair Lapid played a leading role in arranging the coalition. If the government remains intact, Bennett is scheduled to serve as prime minister until August 27, 2023, at which point Lapid would become prime minister. The government draws its support from a disparate coalition of parties on the right (Yamina, New Hope, Yisrael Beiteinu), center (Yesh Atid and Kahol Lavan), and left (Labor, Meretz) of the political spectrum, as well as from the Arab-led, Islamist United Arab List (UAL or Ra’am) (see **Table 1** and **Appendix B**). UAL is the first independent Arab party to join an Israeli government.² Women make up approximately one-third of Israel’s cabinet, with nine female ministers, more than in any previous government.³

Table 1. Israeli Power-Sharing Government: Key Positions

Position	Name	Party
Prime Minister	Naftali Bennett	Yamina
Foreign Minister and Alternate Prime Minister	Yair Lapid	Yesh Atid
Defense Minister	Benny Gantz	Kahol Lavan
Finance Minister	Avigdor Lieberman	Yisrael Beiteinu
Justice Minister	Gideon Sa’ar	New Hope
Interior Minister	Ayelet Shaked	Yamina
Transportation Minister	Merav Michaeli	Labor
Public Security Minister	Omer Bar Lev	Labor
Health Minister	Nitzan Horowitz	Meretz

Prime Minister Naftali Bennett: Biography



Bennett, born in 1972, is a leading figure of the Israeli national religious, pro-settler right. He hails from a modern Orthodox Jewish background. Having parents who emigrated from the United States, Bennett lived in America at multiple times as a youth and adult. He served in various Israeli special forces units (and remains a reservist) before starting what became a very successful career as a software entrepreneur.

Entering politics in 2006, Bennett served as chief of staff for Binyamin Netanyahu until 2008, while Netanyahu was serving as opposition leader in the Knesset. Later, Bennett served as director-general of the Yesha Council (the umbrella organization for Israeli West Bank settlers) from 2010 to 2012.

He then became the party leader for HaBayit HaYehudi (The Jewish Home) and led the party into the Knesset in 2013. In 2018 he left The Jewish Home, seeking various right-of-center electoral alliances before finally becoming head of Yamina in 2020. Bennett has participated in several coalition governments led by Netanyahu, serving as economy minister (2013-2015), education minister (2015-2019), and defense minister (2019-2020). In May 2020, he led Yamina into the opposition when Netanyahu and Likud formed a power-sharing government with Benny Gantz and Kahol Lavan.

Bennett openly opposes the creation of a Palestinian state, though he supports greater Palestinian autonomy in West Bank urban areas. He favors continued expansion of Israeli settlements in the West Bank and the annexation of Jewish-settled areas. However, he has agreed not to pursue annexation as prime minister in the current power-sharing government.

² Aaron Boxerman, “History made as Arab Israeli Ra’am party joins Bennett-Lapid coalition,” *Times of Israel*, June 3, 2021.

³ Mazal Mualem, “Israeli female ministers introduce reforms, shake up agenda,” *Al-Monitor*, September 10, 2021.

On domestic issues, Bennett generally supports free-market policies, a modest government safety net, and a focus on equality of opportunity and education for economically challenged Israelis. He has supported efforts in previous governments to limit the power of the judiciary and other national institutions to check executive and legislative actions.⁴

The Coalition's Uncertain Future

In April 2022, the power-sharing government weakened when coalition whip Idit Silman from Yamina resigned from the coalition, expressing concerns that the government's actions had harmed Jewish identity in Israel, and voicing support for an alternative, right-of-center government. Since forming, the coalition successfully passed a 2021-2022 budget, but its members clashed regularly on issues regarding the Palestinians, Israel's Arab minority, and religion within the state.⁵

With the coalition's support down to only 60 out of 120 Knesset members, it may have difficulty passing legislation, and if the Netanyahu-led opposition can garner support from 61 members, it can either form an alternative government or require new elections.⁶ The following considerations could be relevant:

- To lead a new government, Netanyahu would probably need at least a few more coalition supporters to switch sides, because the six Knesset members of the Arab-led Joint List from the opposition are unlikely to support him.
- Under the power-sharing agreement, a Knesset vote for new elections could lead to Lapid taking over as caretaker prime minister until the formation of a permanent government.
- A Knesset failure to pass a 2023-2024 budget by March 2023 would automatically trigger new elections.
- Another figure (such as Defense Minister Benny Gantz) could conceivably try to form a new government with support from current coalition and opposition elements.

Israeli-Palestinian Issues⁷

Biden Administration officials have said that they seek to preserve the viability of a negotiated two-state solution to the Israeli-Palestinian conflict, while playing down near-term prospects for direct Israeli-Palestinian negotiations.⁸ In doing so, they seek to help manage tensions, bolster Israel's defensive capabilities, and strengthen U.S.-Palestinian ties that frayed during the Trump Administration. These officials regularly speak out against steps taken by Israelis or Palestinians that could risk sparking violence and undermining the vision of two states—including settlement

⁴ Dahlia Scheindlin, "The Assault on Israel's Judiciary," The Century Foundation, July 7, 2021.

⁵ Dov Lieber, "Israel's Ruling Coalition Loses Majority," *Wall Street Journal*, April 7, 2022.

⁶ David Makovsky, "Political Tempest in Israel: Can Bennett Right the Ship?" Washington Institute for Near East Policy, April 11, 2022.

⁷ See also CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

⁸ White House, "Remarks by President Biden Before the 76th Session of the United Nations General Assembly," September 21, 2021.

expansion and settler violence, demolitions, evictions, incitement to violence, and payments for individuals imprisoned for acts of terrorism.⁹

Some Israeli settlement construction plans for East Jerusalem and the West Bank have advanced,¹⁰ but Israel has reportedly delayed a few plans flagged as especially damaging to the two-state vision by the Biden Administration or some Members of Congress.¹¹ Separately, in December 2021 Israel announced a plan to double Israeli settlement in the Golan Heights (see **Appendix A** for information on the status of the Golan Heights).¹²

Biden Administration officials have renewed diplomatic ties with West Bank-based Palestinian Authority (PA) President Mahmoud Abbas and resumed various forms of U.S. aid for Palestinians.¹³ Additionally, as part of FY2021 appropriations legislation, the Nita M. Lowey Middle East Partnership for Peace Act of 2020 (MEPPA, Title VIII of P.L. 116-260) authorized the establishment of two funds to support development in the West Bank and Gaza, along with various types of Israeli-Palestinian dialogue and cooperation.¹⁴ For allocation between the two MEPPA funds, Congress appropriated \$50 million for FY2021 and the same amount for FY2022, with additional \$50 million tranches authorized for FY2023, FY2024, and FY2025.

Israel has taken some steps to improve Palestinians' economic and living circumstances, including through loans and work permits.¹⁵ However, some critics charge that the measures mirror past Israeli efforts to manage the conflict's effects unilaterally rather than address its causes through negotiation with Palestinians.¹⁶

Reopening of U.S. Consulate in Jerusalem?

Biden Administration officials have said that they plan to reopen the U.S. consulate in Jerusalem that had previously functioned as an independent diplomatic mission in handling relations with the Palestinians, without specifying when the consulate might reopen.¹⁷ The Trump Administration merged the consulate into the U.S. embassy to Israel in March 2019, with the consulate's functions taken over by a Palestinian Affairs Unit (PAU) within the embassy. Competing Israeli and Palestinian national narratives over Jerusalem and its holy sites influence this issue, with both sides appealing to U.S. officials about its importance to their domestic constituencies.¹⁸ For

⁹ State Department, "Secretary Antony J. Blinken and Israeli Prime Minister Naftali Bennett After Their Meeting," Jerusalem, March 27, 2022.

¹⁰ Hagar Shezaf, "Israel Advances Thousands of Settlement Homes Despite Harsh U.S. Rebuke," *haaretz.com*, October 27, 2021.

¹¹ "Israel stops plan for contentious east Jerusalem settlement," *Associated Press*, December 6, 2021; "Plans to move forward with E1 settlement construction reportedly on hold," *Times of Israel*, January 6, 2022.

¹² "Israel plans to double settlement in Golan Heights," *Associated Press*, December 26, 2021.

¹³ CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

¹⁴ For information on the Partnership for Peace Fund (PPF), see <https://www.usaid.gov/west-bank-and-gaza/meppa>. For information on the Joint Investment for Peace Initiative (JIPI), see <https://www.dfc.gov/media/press-releases/dfc-announces-joint-investment-peace-initiative-promote-middle-east-peace>. According to USAID FY2022 Congressional Notification #43, January 20, 2022, the Administration plans to allocate \$46.5 million of FY2021 funding for MEPPA toward the PPF, and \$3.5 million toward the JIPI.

¹⁵ Thomas Grove and Fatima AbdulKarim, "Israel Offers Economic Help to Palestinians in Bid to Stem Influence of Hamas," *Wall Street Journal*, February 8, 2022; Aaron Boxerman, "Israel set to raise work permit quotas for Gazans to 20,000," *Times of Israel*, March 26, 2022.

¹⁶ Neri Zilber, "Israel's new plan is to 'shrink,' not solve, the Palestinian conflict," *CNN*, September 16, 2021.

¹⁷ State Department Press Briefing, November 3, 2021.

¹⁸ Barak Ravid, "U.S. and Israel to form team to solve consulate dispute," *Axios*, October 20, 2021; Jack Khoury and Jonathan Lis, "Palestinian Officials Say U.S. Seeks to Reopen Consulate Serving East Jerusalem After Israel Approves Budget," *haaretz.com*, October 3, 2021.

information on some possible locations of a reopened consulate, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

Reestablishing the consulate would require Israeli cooperation, given the need for Israeli authorities to issue visas to and help protect U.S. diplomats.¹⁹ In a November 3, 2021, hearing before the House Foreign Affairs Committee, Deputy Secretary of State for Management and Resources Brian McKeon said that “the practical reality is we would need privileges and immunities, which only the state of Israel can provide.”²⁰ Several top Israeli officials, including Prime Minister Bennett and Foreign Minister Lapid, have voiced strong opposition to a proposed reopening in Jerusalem.²¹ In late 2021, Members of Congress introduced bills in both Houses (S. 3063 and H.R. 6004) that would oppose reopening a consulate in Jerusalem to handle relations with the Palestinians, and prohibit funding for any diplomatic facility in Jerusalem other than the U.S. embassy to Israel.

A December 2021 media report claimed that controversy on the issue led the Biden Administration to effectively shelve plans to reopen the consulate. It also said that the PAU was communicating directly with State Department officials in Washington, rather than working through other embassy channels.²² This type of direct communication with Washington was a core aspect of the previous consulate general’s independent status.

Risks of Escalating Violence

A number of complicated factors may contribute to heightened tensions and episodic violence between Israelis and Palestinians in the West Bank, Jerusalem, and Israel. With prospects dim for diplomatic resolution of final-status issues like borders, refugees, and Jerusalem’s status, militants and activists on both sides may seek to shape outcomes or express protest. Arab states’ greater willingness—despite Israeli-Palestinian diplomatic stalemate—to cooperate openly with Israel could feed increased tensions (see “The Abraham Accords” below).

Recent developments include:

- Israeli-Palestinian protests and violent altercations near Jerusalem sites where Palestinian residents face the threat of eviction.²³
- West Bank violence between Israeli settlers and Palestinians, and settler harassment of Palestinian communities.²⁴
- Heightened Israeli and PA security measures to counter alleged Palestinian lawlessness and militancy in West Bank cities such as Jenin and Nablus.²⁵
- Arab Bedouin discontent over government initiatives that could displace their largely unregistered communities in southern Israel.²⁶

In four instances to date since March 2022 in Israeli urban centers, Arab attackers from Israel and the West Bank have killed at least 14 people.²⁷ PA President Mahmoud Abbas and prominent Arab

¹⁹ Shira Efron and Ibrahim Eid Dalalsha, “Reopening the U.S. Consulate in Jerusalem: Subject to Israeli Discretion?” Israel Policy Forum, January 14, 2021.

²⁰ Transcript available at <http://www.cq.com/doc/congressionaltranscripts-6386943?5&search=6Qx4QHfb>.

²¹ “Next test for Israel PM: US plan for Palestinian mission,” *Agence France Presse*, November 8, 2021.

²² Jacob Magid, “US holding off on reopening Jerusalem consulate amid strong pushback from Israel,” *Times of Israel*, December 15, 2021.

²³ “Tense Ramadan nights at Jerusalem gate stir escalation worries,” *Reuters*, April 7, 2022.

²⁴ Patrick Kingsley, “Attacks by Settlers Raise Alarm in a More Violent West Bank,” *New York Times*, February 13, 2022.

²⁵ Ahmad Melhem, “Jenin becomes hub of resistance to Israeli policies in West Bank,” *Al-Monitor*, March 22, 2022.

²⁶ Aaron Boxerman, “Why tree planting in the Negev sparked protests, riots and a coalition crisis,” *Times of Israel*, January 12, 2022.

²⁷ Dov Lieber and Shayndi Raice, “Attacks Threaten Israeli-Palestinian Ties,” *Wall Street Journal*, April 9, 2022.

Israeli leaders have denounced violence against civilians,²⁸ and Israeli authorities have intensified counterterrorism activities in Israel and the West Bank,²⁹ leading to some arrests and fatal clashes that have further fueled tensions.³⁰ Because of the targeting of cities inside Israel, some observers have compared and contrasted these attacks with past waves of Israeli-Palestinian violence, including one from 2015-2016 and the 2000-2005 second Palestinian *intifada* (uprising).³¹

Notwithstanding heightened security measures, Israeli leaders have sought to avoid access disruptions in April for Muslim celebrants at key sites in Jerusalem during Ramadan (which overlaps with Passover and Easter in 2022), and have consulted with Jordanian leaders who maintain a special custodial role over Jerusalem's Muslim sites.³² In May 2021, Ramadan tensions and eviction controversies in Jerusalem helped spark a major Israel-Gaza conflict that also featured Arab-Jewish violence in a number of Israeli cities.³³ To date in April 2022, Hamas and PIJ leaders have expressed support for attacks against Israel but have avoided escalation from Gaza.³⁴

On April 15, clashes between Israeli police and Palestinian worshippers at the Temple Mount/Haram al Sharif led to the police entering Al Aqsa Mosque (normally the exclusive province of Muslims) after Friday morning prayers and arresting hundreds, drawing condemnations from Jordan and the PA, and threats from Hamas and PIJ.³⁵ Israeli officials said that Israel remains committed to allowing worship at the site but will oppose incitement, while warnings from UAL leader Mansour Abbas over any "continued harm at Al Aqsa" reminded the power-sharing government that a defection of UAL members could affect its survival.³⁶

Gaza and Its Challenges

The Gaza Strip—controlled by Hamas, but significantly affected by general Israeli and Egyptian access and import/export restrictions—faces difficult and complicated political, economic, and humanitarian conditions.³⁷ Palestinian militants in Gaza periodically clash with Israel's military as it patrols Gaza's frontiers with Israel, with militant actions and Israeli responses sometimes endangering civilians in both places. These incidents periodically escalate toward larger conflict, as in May 2021. Hamas and Israel reportedly work through Egypt and Qatar to help manage the flow of necessary resources into Gaza and prevent or manage conflict escalation. Since 2018, Egypt and Hamas (perhaps with implied Israeli approval) have permitted some commercial trade

²⁸ "President Abbas condemns the killing of Israeli civilians," *Wafa*, March 29, 2022; Aaron Boxerman, "Breaking silence, PA leader Mahmoud Abbas condemns Bnei Brak terror attack," *Times of Israel*, March 30, 2022.

²⁹ Dov Lieber, "Israel Boosts Security After Attacks," *Wall Street Journal*, March 31, 2022.

³⁰ "6 Palestinians killed in West Bank as extensive Israeli military operation continues," *Times of Israel*, April 14, 2022.

³¹ Anna Ahronheim, "No, it's not the Third Intifada - analysis," *jpost.com*, March 30, 2022.

³² CRS Report RL33546, *Jordan: Background and U.S. Relations*, by Jeremy M. Sharp.

³³ Jeff Daniels, "Q&A on the escalating Israeli-Palestinian violence," *UCLA Newsroom*, May 19, 2021.

³⁴ Amos Harel, "Copycat Attacks Maybe, but Israelis Shouldn't Worry About a Third Intifada," *haaretz.com*, April 5, 2022.

³⁵ "Scores of Palestinians Injured in Clashes With Israeli Police at Al-Aqsa Compound," *haaretz.com*, April 15, 2022; "Amid violence on Temple Mount, Ra'am warns coalition in danger; PM holds assessment," *Times of Israel*, April 15, 2022.

³⁶ "Amid violence on Temple Mount," *Times of Israel*.

³⁷ CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

via the informal Salah al Din crossing that bypasses the formal PA controls and taxes at other Gaza crossings.³⁸

With Gaza under Hamas control, the obstacles to internationally-supported recovery from the May 2021 conflict remain largely the same as after previous Israel-Hamas conflicts in 2008-2009, 2012, and 2014.³⁹ Because of the PA's inability to control security in Gaza, it has been unwilling to manage donor pledges toward reconstruction, leading to concerns about Hamas diverting international assistance for its own purposes.⁴⁰ Before the 2021 conflict, Qatar had provided cash assistance for Gaza, but due to Israeli concerns about the potential for its diversion, Qatar began an arrangement in September 2021 to provide money transfers to needy families through the United Nations.⁴¹ In November 2021, Qatar and Egypt agreed on a new mechanism—with Israel's tacit approval—to restart assistance toward Gaza civil servants' salaries that had been on hold since the May 2021 outbreak of conflict.⁴²

International Human Rights Considerations

Some international bodies have taken actions that subject alleged Israeli human rights violations against Palestinians to further legal and political scrutiny, in the context of broader debate on this issue. The International Criminal Court (ICC) prosecutor announced the start of an ICC investigation in March 2021 into possible crimes in the West Bank and Gaza.⁴³ The investigation might draw from the findings of an ongoing commission of inquiry established by the U.N. Human Rights Council in May 2021 after the Israel-Gaza conflict.⁴⁴ The Biden Administration responded skeptically to the creation of the "open-ended" commission of inquiry.⁴⁵ Like its predecessors, the Administration has criticized the Human Rights Council for what it characterizes as a disproportionate focus on Israel.⁴⁶ In March 2022, 68 Senators signed a letter urging Secretary of State Antony Blinken to lead a multinational effort to end the commission.⁴⁷ That same month, the U.N. Special Rapporteur for the situation of human rights in the Palestinian territory occupied since 1967 reported to the Council that Israel is practicing "apartheid" in that

³⁸ Ahmad Abu Amer, "Egypt, Qatar agreement with Israel, Hamas provides boost for Gaza economy," *Al-Monitor*, November 23, 2021; Neri Zilber, "New Gaza Crossing Raises Questions About Blockade Policies," Washington Institute for Near East Policy, October 23, 2019.

³⁹ David Makovsky, "Why Blinken Will Have a Tough Sell," Washington Institute for Near East Policy, May 25, 2021.

⁴⁰ Ibid.

⁴¹ Aaron Boxerman, "UN to begin dispensing Qatari cash to needy Gazan families Monday under new deal," *Times of Israel*, September 12, 2021.

⁴² Yaniv Kubovich, "Egypt, Qatar Reach Breakthrough on Hamas Civil Servants Salaries," *haaretz.com*, November 29, 2021; Abu Amer, "Egypt, Qatar agreement with Israel, Hamas."

⁴³ CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

⁴⁴ U.N. document, A/HRC/RES/S-30/1, May 27, 2021. The Council mandated the commission "to investigate in the Occupied Palestinian Territory, including East Jerusalem, and in Israel all alleged violations of international humanitarian law and all alleged violations and abuses of international human rights law leading up to and since 13 April 2021, and all underlying root causes of recurrent tensions, instability and protraction of conflict, including systematic discrimination and repression based on national, ethnic, racial or religious identity."

⁴⁵ U.S. Mission to International Organizations in Geneva, "Press Statement: UN Human Rights Council Session on the Israeli-Palestinian Situation," May 27, 2021.

⁴⁶ U.S. Mission to International Organizations in Geneva, "Secretary Blinken: Remarks to the 46th Session of the Human Rights Council," February 24, 2021. For more on Israel and the U.N. Human Rights Council, see CRS Report RL33608, *The United Nations Human Rights Council: Background and Policy Issues*, by Luisa Blanchfield and Michael A. Weber.

⁴⁷ The text of the letter is available at <https://www.portman.senate.gov/sites/default/files/2022-03/2022-03-28%20Letter%20to%20Sec%20Blinken%20on%20UNHRC%20Commission%20of%20Inquiry%20on%20Israel.pdf>.

territory.⁴⁸ In the context of human rights-related concerns, some Members of Congress have increased their scrutiny over Israel's use of U.S. security assistance, contributing to debate on the subject.⁴⁹

Regional Cooperation

The Abraham Accords

In late 2020 and early 2021, Israel reached agreements to normalize or improve its relations with four members of the League of Arab States (Arab League): the United Arab Emirates (UAE), Bahrain, Morocco, and Sudan. The Trump Administration facilitated each of these agreements, known as the Abraham Accords, and most of them were connected to U.S. security, diplomatic, or economic incentives for countries normalizing their relations with Israel.⁵⁰ In connection with the agreements, the UAE and Sudan formally ended their participation in the decades-long Arab League boycott of Israel.⁵¹ Morocco and Bahrain had previously done so. Developments since the Accords include a general deepening of trade, tourism, and investment ties—including an impending Israel-UAE free-trade agreement and a major Israel-UAE-Jordan initiative focused on desalinated water and solar energy.⁵² One exception is that implementing Israel-Sudan normalization appears to be on hold given the military's seizure of power in Sudan in October 2021.⁵³ As a sign of mutual high-level commitment to the Accords, Secretary of State Antony Blinken met Israeli Foreign Minister Lapid and the foreign ministers of the UAE, Bahrain, Morocco, and Egypt at a March 2022 summit in Israel's southern Negev desert.

U.S. and Israeli officials seek to expand the Abraham Accords to include other Arab and Muslim-majority countries. Commemorating the one-year anniversary of the Israel-UAE-Bahrain agreements in October 2021, Secretary of State Antony Blinken said that “we’re committed to continue building on the efforts of the last administration to expand the circle of countries with normalized relations with Israel in the years ahead.”⁵⁴ However, the Biden Administration may be less willing than the Trump Administration to offer major U.S. policy inducements to countries in connection with normalization efforts.⁵⁵ The Biden Administration also has sought to avoid

⁴⁸ U.N. document A/HRC/49/87 (Advance Unedited Version), March 21, 2022. The State Department's 2020 Country Report on Human Rights Practices: Israel, West Bank and Gaza is available at <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/israel-west-bank-and-gaza/>.

⁴⁹ Rebecca Kheel, “Progressives ramp up scrutiny of US funding for Israel,” *The Hill*, May 23, 2021. One bill, the Two-State Solution Act (H.R. 5344), would expressly prohibit U.S. assistance (including defense articles or services) to further, aid, or support unilateral efforts to annex or exercise permanent control over any part of the West Bank (including East Jerusalem) or Gaza.

⁵⁰ These incentives have included possible U.S. arms sales to the UAE and Morocco, possible U.S. and international economic assistance for Morocco and Sudan, U.S. recognition of Moroccan sovereignty in the disputed territory of Western Sahara, and the removal of Sudan from the U.S. state sponsors of terrorism list.

⁵¹ Jon Gambrell, “UAE formally ends Israel boycott amid US-brokered deal,” *Associated Press*, August 29, 2020; “Sudan officially annuls 63-year Israel boycott law,” *Times of Israel*, April 19, 2021.

⁵² “Israel and UAE finalise free trade deal,” *Reuters*, April 1, 2022; “Israel, Jordan sign huge UAE-brokered deal to swap solar energy and water,” *Times of Israel*, November 22, 2021.

⁵³ Transcript of February 1, 2022, Senate Foreign Relations Committee hearing featuring Assistant Secretary of State for African Affairs Molly Phee, available at <http://www.cq.com/doc/congressionaltranscripts-6445559?>.

⁵⁴ State Department, “Secretary Antony J. Blinken and Israeli Alternate Prime Minister and Foreign Minister Yair Lapid and United Arab Emirates Foreign Minister Sheikh Abdullah Bin Zayed Al Nahyan at a Joint Press Availability,” October 13, 2021.

⁵⁵ Michael Koplow, et al., “Biden has an opportunity to put his own stamp on Arab-Israeli relations,” *The Hill*, October

portraying Israeli normalization with Arab and Muslim-majority states as a substitute for efforts toward a negotiated two-state solution to the Israeli-Palestinian conflict.⁵⁶ Palestinian leaders denounced the initial announcement of UAE normalization with Israel as an abandonment of the Palestinian national cause, given Arab League states' previous insistence that Israel address Palestinian negotiating demands as a precondition for improved ties.⁵⁷

The Pathway to the Abraham Accords

Before the Abraham Accords, Egypt and Jordan had been the only Arab states with formal diplomatic relations with Israel.⁵⁸ In 1981, Saudi Arabia's then-Crown Prince Fahd bin Abd al Aziz Al Saud proposed a formula—later enshrined in the 2002 Arab Peace Initiative (API)—under which Israel would make certain concessions, including on Palestinian statehood, before Arab states would normalize their relations with it.⁵⁹ After Israel started negotiating directly with the Palestinians in the 1990s, it established limited diplomatic relations with Morocco, and informal ties with a number of other Arab states, including the UAE and Bahrain.⁶⁰ These countries downgraded their ties with Israel after the onset of the second Palestinian *intifada* (or uprising) in 2000.

However, since the early 2010s discreet Israeli links with Arab states became closer and more public on issues including intelligence, security, and trade. Israel has worked with some Arab states to counter common geopolitical concerns, such as Iran's regional influence and military capabilities and Sunni Islamist populist movements (including various Muslim Brotherhood branches and affiliates).⁶¹ Controversy surfaced in 2021 over the possible past use of spyware from the Israel-based company NSO Group by several countries throughout the world, perhaps including the UAE, Bahrain, Morocco, and Saudi Arabia (all four countries publicly said that allegations of spyware use were unfounded).⁶²

To cement its normalization of relations with the UAE, Israel agreed in August 2020 to suspend plans to annex part of the West Bank, with one source stating that the UAE received a commitment from U.S. (Trump Administration) officials that they would not approve Israeli annexation until at least January 2024.⁶³ Palestinian leaders claimed that the UAE legitimized Israel's annexation threats by bargaining over them, and thus acquiesced

14, 2021.

⁵⁶ State Department, "Secretary Antony J. Blinken Joint Press Statements at the Conclusion of the Negev Summit," October 13, 2021.

⁵⁷ Walid Mahmoud and Muhammad Shehada, "Palestinians unanimously reject UAE-Israel deal," *Al Jazeera*, August 14, 2020.

⁵⁸ Egypt and Israel signed a peace treaty in 1979, and Jordan and Israel did the same in 1994.

⁵⁹ 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 League of Arab States 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>.

⁶⁰ 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: Issues for U.S. Policy*, by Kenneth Katzman.

⁶¹ 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: Issues for U.S. Policy*, by Kenneth Katzman.

⁶² Ronen Bergman and Mark Mazzetti, "The Battle for the World's Most Powerful Cyberweapon," *New York Times Magazine*, January 28, 2022; "Saudi Arabia And UAE Deny Pegasus Spyware Allegations," *Agence France Presse*, July 22, 2021; "Morocco says it will investigate 'unfounded allegations' on spyware," *Reuters*, July 21, 2021; Thomas Brewster, "NSO iPhone Spyware Hacks Bahrain Activists In The U.K., Report Claims," *forbes.com*, August 24, 2021. The U.S. Commerce Department placed NSO Group on its Entity List in November 2021, restricting its use of U.S.-origin technology. Department of Commerce, "Commerce Adds NSO Group and Other Foreign Companies to Entity List for Malicious Cyber Activities," November 3, 2021. Since then, Israel's defense ministry has since reportedly narrowed the list of countries that can receive spyware. Rina Bassist, "Israel freezes spyware exports," *Al-Monitor*, February 10, 2022.

⁶³ Jacob Magid, "US assured UAE it won't back Israel annexation before 2024 at earliest, ToI told," *Times of Israel*, September 13, 2020.

to a West Bank status quo that some observers label “de facto annexation.”⁶⁴ UAE officials countered that by significantly delaying Israeli declarations of sovereignty over West Bank areas, they preserved prospects for future negotiations toward a Palestinian state.⁶⁵

Saudi Arabia reportedly supported the UAE and Bahrain in their decisions to join the Abraham Accords, even facilitating the Accords by allowing the use of Saudi airspace by direct commercial airline flights between those countries and Israel.⁶⁶ However, reports indicate that Saudi Arabia and Qatar may be unlikely to join the Accords in the near future absent Israeli efforts to address Palestinian negotiating demands.⁶⁷

Arab state leaders considering entering into or maintaining normalization with Israel might gauge whether expected benefits from normalization would outweigh concerns about popular criticism or unrest they might face for possibly undermining the Palestinian cause.⁶⁸ Normalization efforts to date have not triggered significant unrest, but outside insight is limited into public opinion, its drivers, and how popular reactions are shaped by the nature of authoritarian Arab regimes.

In January 2021, President Trump ordered U.S. Central Command (CENTCOM), which commands U.S. military forces in most countries in the Middle East, to add Israel to its area of responsibility, partly to encourage military interoperability as a means of reinforcing closer ties between Israel and many Arab states.⁶⁹ Israel had previously been under the purview of U.S. European Command. CENTCOM formalized Israel’s move in September 2021,⁷⁰ and in late October an Israeli Defense Forces liaison was stationed at CENTCOM headquarters.⁷¹ Since then, Israel has joined military exercises with the United States and the other Abraham Accords states, as well as other CENTCOM partners such as Saudi Arabia, Oman, Jordan, Egypt, and Pakistan.⁷²

Following a string of missile and drone attacks against the UAE in early 2022, apparently by Iran-allied forces in Yemen (Houthis), the UAE has reportedly expressed interest in closer cooperation with Israel at a time when some U.S. arms sales to Arab states remain in question.⁷³ Earlier, both Morocco (November 2021) and Bahrain (January 2022) signed memoranda of understanding (MOUs) with Israel on security cooperation.⁷⁴ These MOUs appear to anticipate

⁶⁴ Walid Mahmoud and Muhammad Shehade, “Palestinians unanimously reject UAE-Israel deal,” *Al Jazeera*, August 14, 2020.

⁶⁵ “UAE minister: We bought lot of time on annexation; Palestinians should negotiate,” *Times of Israel*, August 14, 2020.

⁶⁶ Barak Ravid, “Scoop: Jake Sullivan discussed Saudi-Israel normalization with MBS,” *Axios*, October 20, 2021.

⁶⁷ Jonathan Harounoff, “Why the Saudis Are Slower Than Their Neighbors to Make Peace with Israel,” *haaretz.com*, February 16, 2022; Zachary Basu, “Interview: Qatar’s FM rules out normalization with Israel, Syria,” *Axios*, February 2, 2022.

⁶⁸ See, for example, Jared Malsin and Amira al-Fekki, “Egypt’s ‘Cold Peace’ a Harbinger for Region,” *Wall Street Journal*, December 17, 2020.

⁶⁹ Jared Szuba, “Trump orders US Central Command to include Israel amid strategic shift,” *Al-Monitor*, January 15, 2021.

⁷⁰ U.S. Central Command, “U.S. Central Command Statement on the Realignment of the State of Israel,” September 1, 2021.

⁷¹ Judah Ari Gross, “IDF liaison sets up shop in US CENTCOM offices in Florida, solidifying move,” *The Times of Israel*, October 29, 2021.

⁷² “UAE, Bahrain, Israel and U.S. forces in first joint naval drill,” *Reuters*, November 11, 2021. Participant list for 2022 International Maritime Exercise available at <https://www.dvidshub.net/graphic/18822/imx-ce-22-participant-list>.

⁷³ Arie Egozi, “Amid attacks, UAE quietly asks Israel about defense systems: Sources,” *Breaking Defense*, January 25, 2022.

⁷⁴ Ben Caspit, “Gantz says Israel, Morocco ‘leap together’ in historic agreement,” *Al-Monitor*, November 26, 2021; Rina Bassist, “Israel signs security cooperation agreement with Bahrain,” *Al-Monitor*, February 3, 2022. During the same visit in which Israeli Defense Minister Benny Gantz signed the MOU with Bahrain, he and Bahrain’s defense minister made a public visit to the U.S. Navy’s 5th Fleet base there to emphasize the level of collaboration among all parties involved.

more intelligence sharing, joint exercises and training, and arms sales. In a February 8, 2022, Senate Armed Services Committee hearing, CENTCOM Commander Lieutenant General Michael Kurilla (before his confirmation), said that Israel and other regional countries were cooperating on integrated air and missile defense and in other security areas.⁷⁵ At the March 2022 Negev summit, Israel and its Arab counterparts reportedly discussed a range of possible cooperative measures, such as real-time intelligence sharing on inbound drone and missile threats and Israeli export of air defense systems.

In January 2022, some Members of the Senate and House formed bipartisan caucuses to promote the Abraham Accords. The caucuses appear dedicated to connecting successful implementation of the Accords with prosperous regional cooperation involving Palestinians, including progress toward a negotiated two-state solution to the Israeli-Palestinian conflict.⁷⁶ In March, Congress enacted the Israel Relations Normalization Act of 2022 (IRNA, Division Z of P.L. 117-193). Among other things, the IRNA requires the Secretary of State to submit an annual strategy for strengthening and expanding normalization agreements with Israel, and an annual report on the status of measures within Arab League states that legally or practically restrict or discourage normalization efforts with Israel or domestic support for such efforts.

Common cause between Israel and other Abraham Accords states could intensify, dwindle, or fluctuate depending on global and regional political and economic trends. Questions include:

- What direct military cooperation do Arab states seek with Israel as they consider the benefits and drawbacks of either deterring or accommodating Iran?
- What other political and economic factors, including the regional roles of China and Russia, could influence the future of the Abraham Accords and cooperation among its participants?
- How might the Abraham Accords countries influence Palestinian issues?
- How likely are Saudi Arabia and other countries to join the Abraham Accords, and under what conditions?

Improving Relations with Turkey

Israel and Turkey—which maintain diplomatic relations but have not had ambassadors stationed in each other’s country since 2018—have shown signs of improving ties over the past year. The two countries’ relations have been troubled since the late 2000s, based on disagreements over Palestinian issues and Turkey’s support for the Sunni Islamist group Hamas (a U.S.-designated terrorist organization), though the countries have continued to expand trade ties.⁷⁷

Israeli openness to rapprochement with Turkey may stem from a confluence of factors, including:

- Potentially greater Turkish willingness to reduce its support for Hamas in hopes of better political and economic relations with Israel and other key U.S. partners in the region (Sunni Arab governments such as the United Arab Emirates and Saudi Arabia)—partly to improve Turkey’s image in Washington. Some reports

⁷⁵ Transcript of hearing available at <http://www.cq.com/doc/congressionaltranscripts-6450846?>.

⁷⁶ For more information, see <https://www.rosen.senate.gov/sites/default/files/2022-01/Senate%20Abraham%20Accords%20Caucus%20Mission%20Statement.pdf>.

⁷⁷ Kemal Kirisci and Dan Arbell, “President Herzog’s visit to Ankara: A first step in normalizing Turkey-Israel relations?” Brookings Institution, March 7, 2022.

from early 2022 hint at Turkey's willingness to expel Hamas members allegedly involved in militant operations from its territory.⁷⁸

- Increasing Israeli focus on how relations with Turkey and other regional countries might help counter Iran.
- The 2021 leadership change from the Netanyahu government to the Bennett-Lapid power-sharing government.

In March 2022, Israeli President Isaac Herzog (a mostly ceremonial figure) visited Turkey, and the Turkish foreign, defense, and energy ministers may visit Israel later in the spring. Turkish President Recep Tayyip Erdogan and other top Turkish officials have made public statements expressing interest in energy cooperation with Israel, perhaps including a natural gas pipeline connecting the two countries.⁷⁹ While Israel has pursued greater high-level interaction with Turkey, it may be skeptical about significant near-term improvements in bilateral relations, and appears to remain committed to close strategic ties with Greece and the Republic of Cyprus⁸⁰—countries with which Turkey has longstanding historical, ethnoreligious, territorial, and maritime boundary disputes.

Iran and the Region

Israeli officials cite Iran as one of their primary concerns, largely because of (1) antipathy toward Israel expressed by Iran's revolutionary regime, (2) Iran's broad regional influence (including in Syria, Iraq, Lebanon, and Yemen), and (3) Iran's nuclear and missile programs and advanced conventional weapons capabilities. Israeli observers who anticipate the possibility of a future war similar or greater in magnitude to Israel's 2006 war against Lebanese Hezbollah refer to the small-scale military skirmishes or covert actions since then involving Israel, Iran, or their allies as "the campaign between the wars."⁸¹

Iranian Nuclear Issue and Regional Tensions

Israel 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). Then-Prime Minister Netanyahu strenuously 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 increased its enrichment of uranium to levels that could significantly shorten the time it requires to produce fissile material for nuclear weapons.⁸²

⁷⁸ Ariel Kahana, "Report: Israel, Turkey working to deport Hamas officials from Ankara," *Israel Hayom*, February 15, 2022; Ofer Bengio, "Turkey Finds Israel Useful Again," *Tablet*, March 13, 2022.

⁷⁹ Analysts debate prospects for a subsea Israel-Turkey natural gas pipeline. While it may be the most feasible pipeline option for transporting Eastern Mediterranean natural gas to Europe, political and economic obstacles may make liquefied natural gas (LNG) exports from liquefaction terminals in Egypt a more practical option. "Turkey best option for East Med gas transit to Europe: Experts," *Daily Sabah*, March 10, 2022; Sean Mathews, "Russia-Ukraine war: Conflict boosts hopes for East Mediterranean energy, experts say," *Middle East Eye*, April 5, 2022.

⁸⁰ "Summit in Ankara: Turkey is wooing a reluctant Israel," *Americans for Peace Now*, March 14, 2022.

⁸¹ See, for example, Seth J. Frantzman, "Iran and Hezbollah analyze Israel's 'war between the wars,'" *jpost.com*, November 14, 2021.

⁸² David E. Sanger and William J. Broad, "Iran Nears an Atomic Milestone," *New York Times*, September 13, 2021.

U.S.-Iran tensions since the U.S. withdrawal from the JCPOA have led to greater regional uncertainty, with implications for Israel.⁸³ Some Israelis have voiced worries about how Iran-backed attacks against targets in Saudi Arabia and the UAE could transfer to efforts in targeting Israel.⁸⁴ Additionally, reported low-level Israel-Iran conflict in various settings—including cyberspace, international waters, and the territory of Syria, Lebanon, and Iraq—has further exacerbated regional tensions.⁸⁵

As the Biden Administration engages in international diplomacy and considers the possibility of reentering or revising the JCPOA, Israel is reportedly seeking to influence diplomatic outcomes. Prior to the November 2021 resumption of international negotiations with Iran, Prime Minister Bennett stated that Israel would not be bound by a return to the JCPOA.⁸⁶ In January 2022, one media report suggested that some leading Israeli security officials might prefer some kind of international deal to no deal because an agreement could provide “increased certainty about the limitations on Iran’s nuclear program, and it would buy more time for Israel to prepare for escalation scenarios.”⁸⁷ Bennett has stated a preference for no deal,⁸⁸ but has said he does not intend to fight publicly with U.S. officials about it.⁸⁹

As international discussions around the JCPOA continued in March 2022, Bennett and Foreign Minister Lapid issued a joint statement arguing against reports that the United States might remove Iran’s Islamic Revolutionary Guard Corps (IRGC) from its Foreign Terrorist Organizations list in exchange for a promise not to harm Americans.⁹⁰ Eighty-seven Representatives signed a letter to Secretary of State Blinken opposing an IRGC de-listing.⁹¹ In early April, one source cited a U.S. official saying that the IRGC would not be de-listed.⁹²

Various sources document reported Israeli covert or military operations targeting Iran’s nuclear program,⁹³ and some U.S. officials have reportedly differed with Israeli counterparts on the overall effectiveness of such operations.⁹⁴ In between his August 2021 White House meetings with Prime Minister Bennett, President Biden said that the United States will first use diplomacy to “ensure Iran never develops a nuclear weapon,” but if that fails, “we’re ready to turn to other options.”⁹⁵ In a September 2021 interview, Defense Minister Gantz suggested that he would be

⁸³ 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.

⁸⁴ Seth J. Frantzman, “Iran reveals key details of Yemen Houthi attack on UAE – analysis,” *jpost.com*, January 19, 2022.

⁸⁵ Dion Nissenbaum, “Israel Steps Up Campaign Against Iran,” *Wall Street Journal*, April 11, 2022; Arie Egozi, “With missile attack and alleged espionage, Israel-Iran ‘shadow war’ slips into the open,” *Breaking Defense*, March 16, 2022.

⁸⁶ Israeli Prime Minister’s Office, “PM Bennett’s Remarks at the Security and Policy Conference of the Institute for Policy and Strategy Conference, Reichman University,” November 23, 2021.

⁸⁷ Barak Ravid, “Scoop: Israel’s military intel chief says Iran deal better than no deal,” *Axios*, January 5, 2022.

⁸⁸ Jonathan Lis, “Bennett Announces Laser-based Missile Defense System ‘Within a Year,’” *haaretz.com*, February 1, 2022.

⁸⁹ “Bennett says he won’t pick public fight with US over Iran nuclear deal,” *Times of Israel*, March 21, 2022.

⁹⁰ Israeli Prime Minister’s Office, “Joint Announcement from PM Bennett and Foreign Minister Yair Lapid,” March 18, 2022.

⁹¹ Text of letter available at <https://franklin.house.gov/sites/evo-subsites/franklin.house.gov/files/evo-media-document/03.07.22%20-%20%20LTR%20-%20IRGC%20FTO%20%28FINAL%29.pdf>.

⁹² David Ignatius, “Biden won’t remove Iran’s Revolutionary Guard from terror list,” *Washington Post*, April 8, 2022.

⁹³ “Iran foils Israel-linked ‘sabotage’ plot at nuclear plant,” *Agence France Presse*, March 15, 2022.

⁹⁴ David E. Sanger et al., “Israeli Attacks Spur Upgrade of Iran Sites,” *New York Times*, November 22, 2021.

⁹⁵ White House, “Remarks by President Biden and Prime Minister Bennett of the State of Israel Before Expanded Bilateral Meeting,” August 27, 2021.

prepared to accept a U.S. return to the JCPOA, while also calling for a “viable, U.S.-led plan B” to pressure Iran in case negotiations are unsuccessful, and alluding to Israeli military contingency plans.⁹⁶

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.⁹⁷ Speculation persists about the potential for wider conflict and its implications, including from incursions into Israeli airspace by Hezbollah drones.⁹⁸

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.⁹⁹ In early 2022, Hezbollah’s leadership and Israel’s defense ministry have publicly cited Iran-backed efforts by Hezbollah to manufacture precision-guided missiles in Lebanon.¹⁰⁰

Given Syria’s greater reliance on Iran due to its long civil war, Iran has sought to bolster Hezbollah by sending advanced weapons to Lebanon through Syria or by establishing other military sites on Syrian territory. In response, Israel has conducted hundreds of airstrikes on Iran-backed targets that could present threats to its security.¹⁰¹

Russia’s Invasion of Ukraine

Israel has publicly condemned Russia’s 2022 invasion of Ukraine through statements and votes in international fora. Meanwhile, it has sought to provide political support for Ukraine and humanitarian relief for Ukrainians—including allowing over 15,000 Jewish and non-Jewish refugees to enter Israel—without alienating Russia.¹⁰² Since 2015, Russia’s military presence and air defense capabilities in Syria have given it influence over Israel’s ability to conduct airstrikes there. As mentioned above, Israel has counted on access to Syrian airspace to target Iranian personnel and equipment, especially those related to the transport of munitions or precision-weapons technology to Hezbollah in Lebanon.¹⁰³

⁹⁶ Neri Zilber, “Israel Can Live with a New Iran Nuclear Deal, Defense Minister Says,” *foreignpolicy.com*, September 14, 2021.

⁹⁷ CRS Report R44759, *Lebanon*, by Carla E. Humud; CRS In Focus IF10703, *Lebanese Hezbollah*, by Carla E. Humud.

⁹⁸ Orna Mizrahi and Yoram Schweitzer, “Hezbollah’s Efforts to Restore its Domestic Standing: The Israeli Card,” Institute for National Security Studies, March 9, 2022.

⁹⁹ See, for example, “Hezbollah says it has doubled its arsenal of guided missiles,” *Associated Press*, December 28, 2020; Ben Hubbard and Ronen Bergman, “Who Warns Hezbollah That Israeli Strikes Are Coming? Israel,” *New York Times*, April 23, 2020.

¹⁰⁰ “Hezbollah claims it’s making drones and missiles in Lebanon; chief offers export opportunity,” *Associated Press*, February 16, 2022; Israeli Government Press Office, “DM Gantz Signs Seizure Order Against Lebanese Companies Supplying Hezbollah Project,” February 6, 2022.

¹⁰¹ Nissenbaum, “Israel Steps Up Campaign Against Iran.”

¹⁰² Isabel Kershner, “Israelis Debate How Many, and What Kind of, Refugees to Accept,” *New York Times*, March 24, 2022.

¹⁰³ Zev Chafets, “Why Israel Won’t Supply the Iron Dome to Ukraine,” *Bloomberg*, March 11, 2022.

Perhaps partly owing to Israel's careful stance on the conflict, Israeli officials have served in some instances as communicators between their Russian and Ukrainian counterparts.¹⁰⁴ Ukrainian officials, however, have expressed disappointment about Israeli unwillingness to provide military assistance to Ukraine. While Israel has not directly joined Western economic sanctions against Russia, Foreign Minister Lapid has said that Israel is determined to prevent Russians from using Israel to bypass sanctions.¹⁰⁵ Observers debate the influence of prominent Russian or Russian-speaking Israelis within Israel.¹⁰⁶ In a March 2022 interview on Israeli television, U.S. Under Secretary of State for Political Affairs Victoria Nuland said, "You don't want to become the last haven for dirty money that's fueling Putin's wars."¹⁰⁷

China: Investments in Israel and U.S. Concerns¹⁰⁸

U.S. officials have raised some concerns with Israel over burgeoning Chinese investments in Israeli high-tech companies and civilian infrastructure.¹⁰⁹ Israel-China investment ties have grown since China announced its Belt and Road Initiative in 2013,¹¹⁰ 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.¹¹¹

Closer Israel-China economic relations have led to official U.S. expressions of concern,¹¹² 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 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.¹¹³ 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 2019.¹¹⁴ 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

¹⁰⁴ Barak Ravid, "Israel's Bennett emerges as key mediator between Putin and Zelensky," *Axios*, March 9, 2022.

¹⁰⁵ Rina Bassist, "Israel vows country won't become safe haven for sanctioned Russian oligarchs," *Al-Monitor*, March 14, 2022.

¹⁰⁶ Patrick Kingsley, "Israel's Cautious Tone on Ukraine Puts Focus on Israeli Oligarchs," *New York Times*, April 11, 2022.

¹⁰⁷ "US official warns Israel: 'Don't be last haven for dirty money fueling Putin's war,'" *Times of Israel*, March 11, 2022.

¹⁰⁸ 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.

¹⁰⁹ Shira Efron et al., *Chinese Investment in Israeli Technology and Infrastructure: Security Implications for Israel and the United States*, RAND Corporation, 2020; Shira Efron, et al., *The Evolving Israel-China Relationship*, RAND Corporation, 2019; Jewish Institute for National Security of America, *Countering Chinese Engagement with Israel: A Comprehensive and Cooperative U.S.-Israeli Strategy*, February 2021.

¹¹⁰ For more information on the Belt and Road Initiative, see CRS Report R45898, *U.S.-China Relations*, coordinated by Susan V. Lawrence.

¹¹¹ Danny Zaken, "Chinese-operated port opens in Israel despite American concerns," *Al-Monitor*, September 9, 2021.

¹¹² Ron Kampeas, "Breaking China: A rupture looms between Israel and the United States," *Jewish Telegraphic Agency*, June 2, 2020.

¹¹³ Efron et al., *The Evolving Israel-China Relationship*, 2019, pp. 15-20. In late 2021, three Israeli companies and 10 suspects were indicted on charges of exporting cruise missiles to China without a permit. "10 Israelis set to be Indicted for Illegally Exporting Missiles to China," *Times of Israel*, December 20, 2021.

¹¹⁴ Arie Egozi, "Israelis Create Foreign Investment Overseer; China Targeted," *Breaking Defense*, November 13, 2019.

investments in Israel in the previous decade.¹¹⁵ According to a 2021 study by Israel's Institute for National Security Studies

Chinese investments, especially in the high-tech sector, did indeed show progressive growth both in number and scale, especially between 2014 and their peak in 2018. However, in 2019 and 2020 the pendulum swung again, as China slowed its penetration into the Israeli economy [see **Appendix C**], just as it did elsewhere in the world. The reasons for this were a combination of changes in domestic Chinese priorities regarding the export of capital out of the country and external causes, such as the coronavirus pandemic and a less inviting climate for Chinese investments due to American pressure.¹¹⁶

Additionally, U.S. officials have made notable efforts to discourage Chinese involvement in specific Israeli infrastructure projects. After reported warnings from the Trump Administration, Israeli officials apparently blocked Chinese companies from working on Israeli communications infrastructure such as 5G.¹¹⁷ U.S. concerns may have influenced Israel's finance ministry to reject a bid in 2020 from a Hong Kong-linked company to build a major desalination plant.¹¹⁸

Additionally, the U.S. Navy reportedly reconsidered its practice of periodically docking at the Israeli naval base in Haifa, because a state-owned Chinese company (the Shanghai International Port Group) secured the contract to operate a new terminal at Haifa's seaport for 25 years.¹¹⁹ This terminal opened in September 2021.¹²⁰ Biden Administration officials have reportedly pressed Israeli counterparts to regularly check heavy machinery at the port for technology that could be employed to spy on the nearby naval base.¹²¹ 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.¹²²

In early 2022, an Israeli official was cited as saying that Israel has agreed to "update Washington about any major deals with Beijing, especially in infrastructure and technology" and "would reconsider any such deals at America's request."¹²³

¹¹⁵ Efron et al., *Chinese Investment in Israeli Technology*, 2020, pp. 24-25.

¹¹⁶ Doron Ella, *Chinese Investments in Israel: Developments and a Look to the Future*, Institute for National Security Studies, February 1, 2021.

¹¹⁷ 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.

¹¹⁸ "Amid US pressure, Israel taps local firm over China for \$1.5b desalination plant," *Times of Israel*, May 26, 2020.

¹¹⁹ Roie Yellinek, "The Israel-China-U.S. Triangle and the Haifa Port Project," Middle East Institute, November 27, 2018. Reportedly, the Israeli government planned 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.

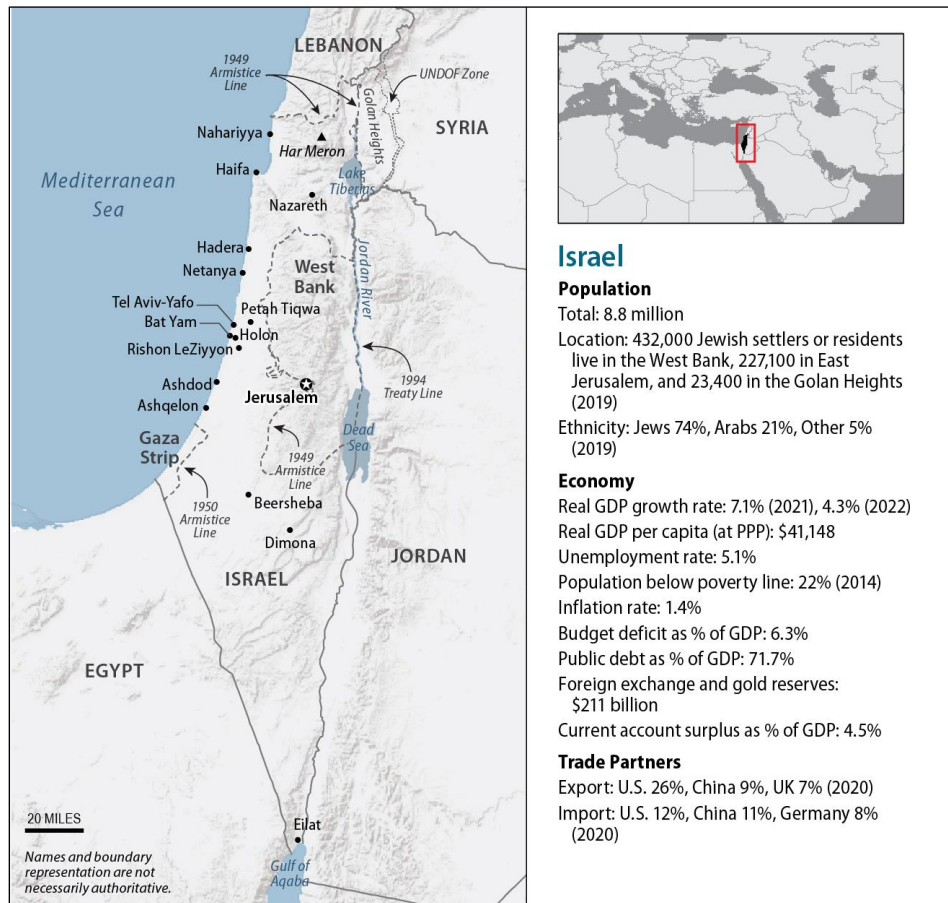
¹²⁰ Galia Lavi and Assaf Orion, "The Launch of the Haifa Bayport Terminal: Economic and Security Considerations," Institute for National Security Studies Insight No. 1516, September 12, 2021.

¹²¹ Arie Egozi, "US Presses Israel on Haifa Port amid China Espionage Concerns: Sources," *Breaking Defense*, October 5, 2021.

¹²² Efron et al., *The Evolving Israel-China Relationship*, 2019, p. 38.

¹²³ Lahav Harkov, "Israel Agrees to Update US About China Trade to Avoid Tension," *Jerusalem Post*, January 3, 2022.

Appendix A. Israel: Map and Basic Facts



Sources: Graphic created by CRS. Map boundaries and information generated by Hannah Fischer using Department of State Boundaries (2017); Esri (2013); the National Geospatial-Intelligence Agency GeoNames Database (2015); DeLorme (2014). Fact information from International Monetary Fund, World Economic Outlook Database; CIA, *The World Factbook*; and Economist Intelligence Unit. All numbers are estimates for 2021 unless otherwise specified.

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/the-world-factbook/countries/israel/map>.

Appendix B. Israeli Political Parties in the Knesset and Their Leaders

RIGHT



Likud (Consolidation) – 30 Knesset seats (Opposition)

Israel's historical repository of right-of-center nationalist ideology; skeptical of territorial compromise; has also championed free-market policies.

Leader: *Benjamin Netanyahu*

Born in 1949, Netanyahu served as prime minister from 2009 to June 2021, 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.



Yisrael Beiteinu (Israel Our Home) – 7 seats (Coalition)

Pro-secular, right-of-center nationalist party with base of support among Russian speakers from the former Soviet Union.

Leader: *Avigdor Lieberman*

Born in 1958, Lieberman is Israel's finance minister, and has previously served as defense minister and foreign minister. He 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 Beiteinu as a platform for former Soviet immigrants. He was acquitted of corruption allegations in a 2013 case.



Yamina (Right) – 7 seats (5 Coalition/2 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. Two party members (Amichai Chikli and Idit Silman) do not support the governing coalition.

Leader: *Prime Minister Naftali Bennett* (biography in text box in the main body of the report)



New Hope (Tikva Hadasha) – 6 seats (Coalition)

New Hope is a party formed in 2020 as an alternative to Prime Minister Netanyahu and Likud for mainstream right-wing voters.

Leader: *Gideon Sa'ar*

Born in 1966, Sa'ar serves as justice minister. He served as cabinet secretary in the 1990s (for Prime Minister Netanyahu) and early 2000s (for Prime Minister Ariel Sharon). He became an influential and popular member of Likud, first elected to the Knesset in 2003. He served as education minister from 2009 to 2013 and interior minister from 2013 to 2014. After leaving the Knesset in 2014, he returned in 2019 but left Likud to form New Hope a year later.



Religious Zionism (HaTzionut HaDatit) – 6 seats (Opposition)

Grouping of right-of-center parties including Religious Zionism/National Union-Tkuma, Otzma Yehudit, and Noam that formed for the March 2021 elections.

Leader: Bezalel Smotrich

Born in 1980, Smotrich has headed the underlying party that leads Religious Zionism since 2019. A trained lawyer, he has engaged in regular activism to promote Jewish nationalist and religiously conservative causes.

LEFT



Labor (Avoda) – 7 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: Merav Michaeli

Born in 1966, Michaeli is transportation minister. She became Labor's leader in 2020 and was first elected to the Knesset in 2013. Before entering national politics, she founded and headed an organization that supports victims of sexual assault, and was a regular national media presence and university lecturer.



Meretz (Vigor) – 6 seats (Coalition)

Meretz is a pro-secular Zionist party that supports initiatives for social justice and peace with the Palestinians.

Leader: Nitzan Horowitz

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

CENTER



Yesh Atid (There Is a Future) – 17 seats (Coalition)

Yesh Atid 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.

Leader: Yair Lapid

Born in 1963, Lapid is foreign minister and alternate prime minister. Under the government's power-sharing agreement, he is set to become prime minister in August 2023. 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.



Kahol Lavan (Blue and White) – 8 seats (Coalition)

Centrist party formed in 2018 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. He served as Chief of General Staff of the Israel Defense Forces from 2011 to 2015.

ULTRA-ORTHODOX



Shas (Sephardic Torah Guardians) – 9 seats (Opposition)

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 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. In January 2022, he resigned his Knesset seat in connection with a criminal plea deal involving tax-related offenses, but maintained his leadership of the party.



United Torah Judaism – 7 seats (Opposition)

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: Moshe Gafni

Born in 1952, Gafni was educated in a yeshiva (traditional Jewish school) and headed a kollel (institute for advanced rabbinic study). He was first elected to the Knesset in 1988.

ARAB



Joint List – 6 seats (Opposition)

Electoral slate featuring three Arab parties that combine socialist and Arab nationalist political strains: Hadash (Democratic Front for Peace and Equality), Ta’al (Arab Movement for Renewal), and 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.



United Arab List (UAL or Ra’am) – 4 seats (Coalition)

Islamist Arab party that embodies conservative social values while seeking state support to improve Arabs’ socioeconomic position within Israel.

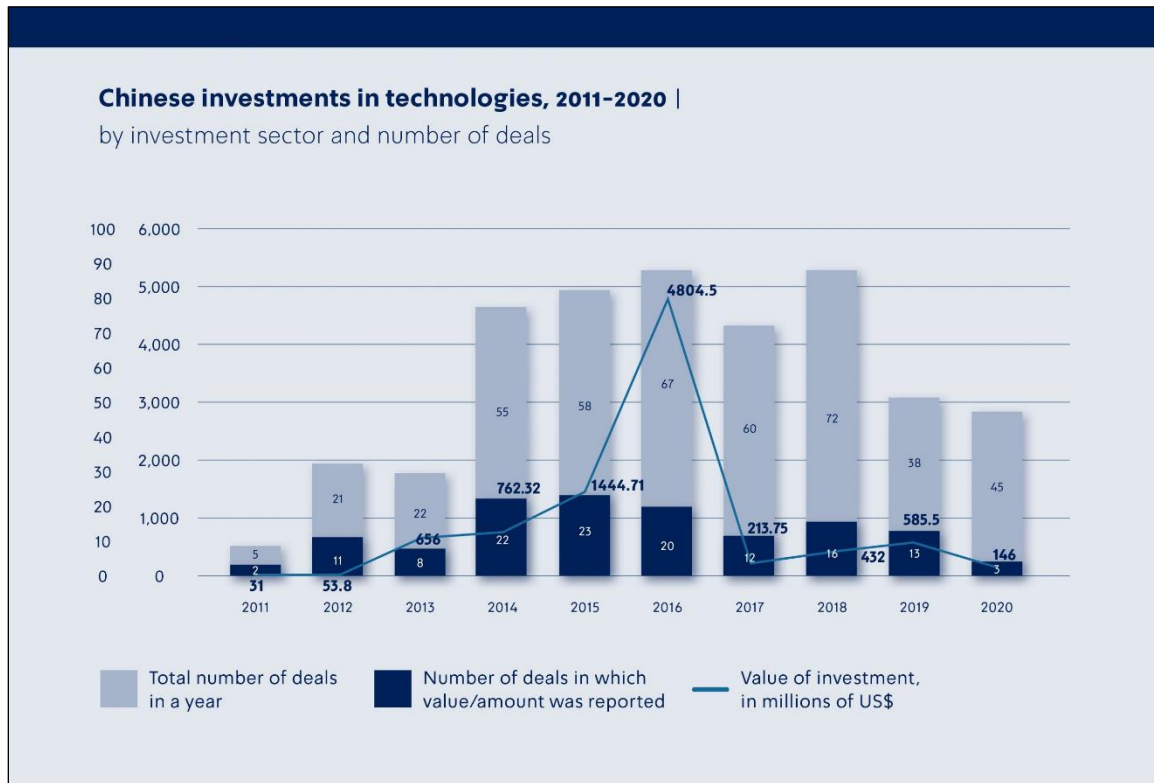
Leader: Mansour Abbas

Born in 1974, Abbas has led the UAL since 2007 and is a qualified dentist. He led the UAL into the coalition in June 2021 after receiving promises that the government would focus more resources and attention on socioeconomic help for Arab Israelis.

Sources: Various open sources.

Note: Knesset seat numbers based on results from the March 23, 2021, election.

Appendix C. Chinese Investments in Israeli Technology Companies: 2011-2020



Source: Institute for National Security Studies.

Notes: Publicly available information on these types of investments may be limited. An outlier transaction included in this figure is the 2016 purchase by China-based Alpha Frontier of the Israel-based mobile gaming company Playtika for \$4.4 billion.

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