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Israel: Background and U.S. Relations In Brief

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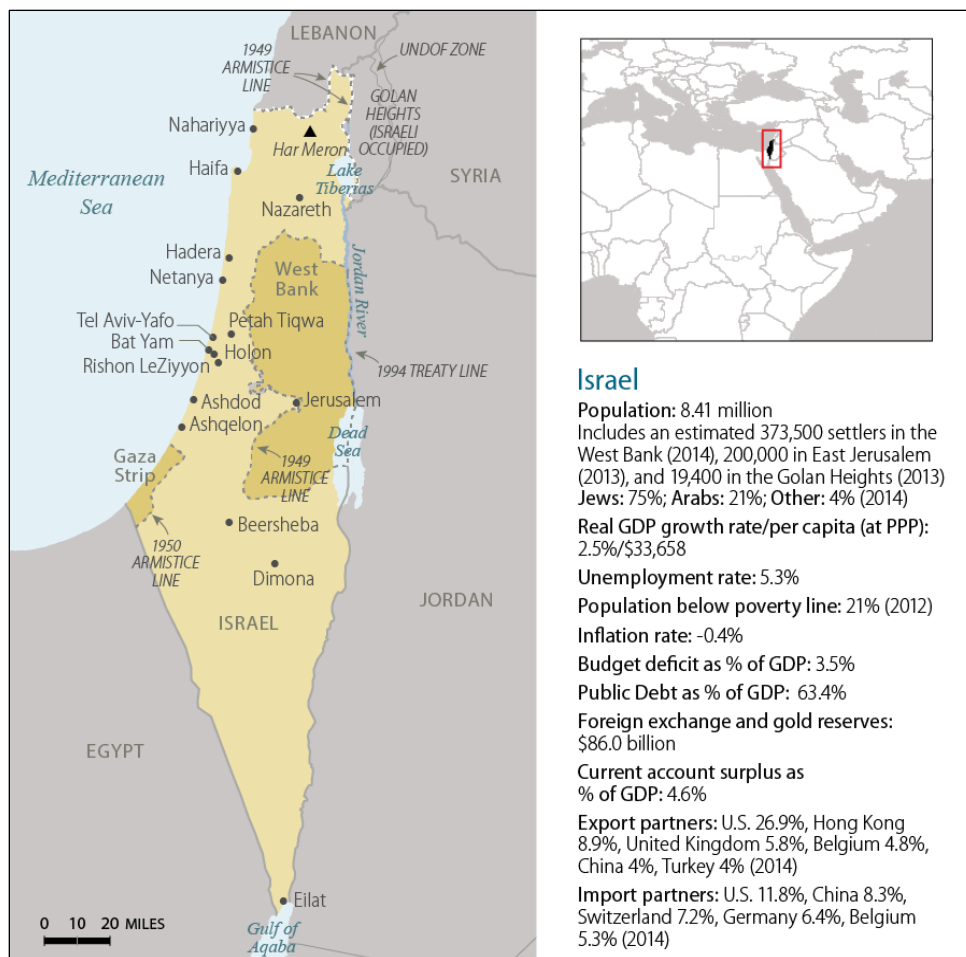
Introduction

Israel's security has significant relevance for U.S. interests in the Middle East, and Congress plays an active role in shaping and overseeing U.S. relations with Israel. This report focuses on the following:

- Recent dynamics in U.S.-Israel relations.
- U.S.-Israel next steps following the July 2015 Iranian nuclear deal.
- Regional threats Israel perceives from Hezbollah, Syria, and elsewhere.
- Recently intensified Israeli-Palestinian tensions and violence in connection with Jerusalem's holy sites.
- Domestic political developments in Israel.

For additional information and analysis, 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.

Figure 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, *World Factbook*; Economist Intelligence Unit; IMF World Outlook Database; Israel Central Bureau of Statistics. All numbers are estimates and as of 2015 unless specified.

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

Overview of U.S.-Israel Relations

For decades, strong bilateral relations have fueled and reinforced significant U.S.-Israel cooperation in many areas, including regional security. Nonetheless, at various points throughout the relationship, aligning U.S. and Israeli policies has presented challenges on some important issues. Notable differences regarding Iran and the Palestinians have arisen or intensified since 2009 during the tenures of President Obama and Israeli Prime Minister Binyamin Netanyahu. Israeli leaders have expressed some concerns about U.S. regional commitments and their potential implications for Israel, while U.S. officials have periodically shown unease regarding the compatibility of Israeli statements and actions with overall U.S. regional and international interests. However, both governments say that overall bilateral cooperation has continued and even increased by many measures in a number of fields such as defense, trade, and energy.

Israeli leaders and significant segments of Israeli civil society regularly emphasize their shared values and ongoing commitments to political, economic, and cultural connections with the United States and the broader Western world. However, the future trajectory of Israel's ties with the United States and other international actors may be influenced by a number of factors including geopolitical realities, generational change, and demographic trends.¹

The longtime U.S. commitment to Israel's security and "qualitative military edge" in the region is intended to enable Israel to defend itself against threats it perceives, which in recent years have largely come from Iran and groups Iran supports—such as Hezbollah in Lebanon and Hamas in the West Bank and Gaza Strip. The political complement to this cooperation has been a long-standing U.S. effort to encourage Israel and other regional actors to improve relations with one another. U.S. policymakers have sponsored or mediated numerous Arab-Israeli peace initiatives since the 1970s, including Israel's peace treaties with Egypt and Jordan and interim agreements with the Palestine Liberation Organization (PLO). However, largely owing to lingering Israeli-Palestinian disputes and widespread Middle Eastern turmoil, the ultimate objective of political normalization for Israel within the region has eluded successive Administrations.

As regional developments have increased Israeli concerns about threats near Israel's borders, they have also presented opportunities for Israel to make common cause with some Arab states in countering Iranian influence. Additionally, in recent years, Israeli and Arab leaders have expressed similar concerns about the nature and effectiveness of U.S. engagement in the region on behalf of its traditional partners.

¹ See e.g., Dennis Ross, *Doomed to Succeed: The U.S.-Israel Relationship from Truman to Obama*, New York: Farrar, Straus and Giroux, 2015; Haim Malka, *Crossroads: The Future of the U.S.-Israel Strategic Partnership*, Washington, DC: Center for Strategic and International Studies, 2011.

Key Middle Eastern Security Concerns

Iranian Nuclear Deal: Next Steps for the United States and Israel

Israel's opposition to an international comprehensive agreement on Iran's nuclear program reflects deep and abiding Israeli concern over the issue. For years, Israeli leaders have described Iran and its reported pursuit of a nuclear breakout capacity as an imminent threat, though a range of views exist among Israeli officials and analysts regarding how to address the threat and its potential implications for Israel's security and international relationships.²

When the Iranian nuclear deal was announced in July 2015, Prime Minister Netanyahu said that it was a "historic mistake" and that Israel would "not be bound" by it. His critical view of the agreement, restated in his October 2, 2015 speech to the U.N. General Assembly, is widely shared across the Israeli political spectrum. However, some former officials from Israel's security establishment have publicly asserted that the deal has positive aspects,³ with some of them voicing concerns about possible damage that continued Israeli opposition to the deal might do to U.S.-Israel relations. With the deadline for Congress to pass a resolution of disapproval of the deal having expired in September 2015, some Israeli military leaders have reportedly urged Netanyahu "to begin working on a joint U.S.-Israeli strategy based on the deal's premise that Iran's nuclear program will be indeed be frozen for 15 years."⁴

Before the comprehensive agreement was announced, Israel and the United States reportedly began preliminary consultations on an aid and arms sales package to assuage Israeli concerns regarding the deal. Israeli leaders voice concern that the agreement and the sanctions relief it might provide for Iran could lead to increased material support for Hezbollah and other Iranian allies.⁵ This possibly greater Iranian capacity to affect the regional balance of power in the wake of the deal, along with newly considered U.S. arms sales to Arab Gulf states—apparently calculated to mitigate the Gulf states' own concerns regarding the deal—could potentially affect Israel's "qualitative military edge" over regional threats.⁶ Israeli officials also express concern that the deal, by preserving much of Iran's nuclear infrastructure, legitimizes Iran's aspirations to be a "nuclear threshold" state.

² See transcript of testimony from Natan Sachs of the Brookings Institution from the hearing before the House Foreign Affairs Committee on July 16, 2014, at <http://docs.house.gov/meetings/FA/FA00/20140716/102496/HHRG-113-FA00-Transcript-20140716.pdf>.

³ Additionally, an Israeli media report indicates that Israel's Atomic Energy Commission has advised members of Israel's defense establishment that the deal would prevent Iran from developing a nuclear bomb over its duration. Chaim Levinson, "Israel's Nuclear Advisory Panel Endorses Iran Deal," *haaretz.com*, October 22, 2015.

⁴ David Ignatius, "Netanyahu's Next Step," *Washington Post*, September 4, 2015.

⁵ In an April 6 interview, President Obama said, "I've been very forceful in saying that our differences with Iran don't change if we make sure that they don't have a nuclear weapon—they're still going to be financing Hezbollah, they're still supporting Assad dropping barrel bombs on children, they are still sending arms to the Houthis in Yemen that have helped destabilize the country. There are obvious differences in how we are approaching fighting ISIL in Iraq, despite the fact that there's a common enemy there." "Transcript: President Obama's Full NPR Interview on Iran Nuclear Deal," April 7, 2015.

⁶ Amos Harel, "Washington, Jerusalem discussing massive compensation for Iranian nuclear deal," *haaretz.com*, May 20, 2015; and Leslie Susser, "The Challenge: Getting the US Back in Israel's Corner," *Jerusalem Report*, May 18, 2015. On May 19, 2015, the Defense Security Cooperation Agency published a notification of a proposed U.S. sale to Israel of \$1.879 billion worth of munitions and associated parts.

Such considerations are presumably driving Israeli leaders to seek tangible measures of reassurance from their U.S. counterparts. During its successful effort to avoid a congressional resolution of disapproval regarding the nuclear deal, the Obama Administration sent letters to several Members of Congress stipulating ongoing or planned steps to help Israel defend itself and counter Iran's destabilizing regional influence.⁷ An aid and arms sales package to Israel reportedly could include more annual U.S. military aid to Israel, greater numbers and expedited delivery of fighter aircraft (F-15s and F-35s), refueling planes, cruise missiles, and more funding for various U.S.-Israeli co-developed and/or -produced missile defense programs.⁸

The reported U.S.-Israel preliminary consultations on aid and arms sales may to some extent reflect possible willingness or preparation among Israeli officials to shift their focus away from opposing the nuclear deal, and toward insisting on its enforcement.⁹ Additionally, although some Israeli defense officials hint that a unilateral Israeli military strike against Iranian nuclear facilities remains an option to prevent Iran from acquiring a nuclear weapon, most analysts assert that such an option is less viable and likely than in the past.¹⁰

In the years before the agreement, Israel reportedly undertook a number of covert actions aimed at delaying or impeding Iran's progress toward a nuclear weapons capability—some with reported U.S. collaboration. According to one media report, current and former Israeli officials have said that Netanyahu "reserves the right to continue covert action," raising questions about how the United States might view and respond to such action in a post-deal environment.¹¹

Regional Threats from Hezbollah, Syria, and Elsewhere

A number of regional developments, as well as the Iranian nuclear deal, may affect Israel's deterrence posture vis-à-vis Hezbollah. These include:

- Events in Lebanon and Syria.
- The Iranian nuclear deal and its implementation.
- Developments providing potential insight into U.S.-Israeli resolve and closeness, such as international responses to possible Iranian violations of the nuclear deal or the anticipated Israeli deployment (as early as 2016) of the Hezbollah-focused David's Sling missile defense system.

In January 2015, Israel launched a deadly helicopter attack against Hezbollah fighters in Syria in close proximity to the Israeli-controlled Golan Heights. This airstrike triggered a cycle of

⁷ As one example, see the text of letter from President Obama to Representative Jerrold Nadler at http://www.nytimes.com/interactive/2015/08/20/world/middleeast/document-obamas-letter-to-congressman-nadler.html?_r=3.

⁸ Carol E. Lee and Gordon Lubold, "Obama Seeks to Reassure Allies—Israelis, Saudis worried over Iran nuclear deal," *Wall Street Journal*, July 20, 2015; Harel, op. cit.; Susser, op. cit.; Julian Pecquet, "US offer of anti-Iran bomb lands as a dud in Israel," *Al-Monitor Congress Pulse*, September 21, 2015.

⁹ "Israel and Iran: A Tough Deal to Swallow," *Economist*, April 8, 2015; Ben Caspit (translated from Hebrew), "Yadlin says Iran deal isn't a bad agreement," *Al-Monitor Israel Pulse*, April 3, 2015; Efraim Halevy, "Obama was right, Iran capitulated," *Ynetnews*, April 6, 2015.

¹⁰ See e.g., Amos Harel, "Why Netanyahu Deserves Credit for Iran Nuclear Deal," *haaretz.com*, July 18, 2015. Russia's announcement in mid-April 2015 that it intends to fulfill its agreement to provide Iran an upgraded anti-aircraft capability (the S-300 system), after having suspended performance for a number of years, may decrease the viability of an Israeli military option even more.

¹¹ Adam Entous, "Spy Vs. Spy: The Fraying U.S.-Israel Ties," *Wall Street Journal*, October 23, 2015.

retaliatory fire between Israel and Hezbollah in Lebanon.¹² At other times during the conflict in Syria both before and after this incident, Israel has fired on targets in Syria in response to actual or threatened cross-border fire into Israeli-controlled territory or in attempts to prevent arms transfers to Hezbollah in Lebanon.

As Russian aircraft have become directly involved in Syria in the fall of 2015, Israel and Russia have initiated talks to establish a “joint mechanism for preventing misunderstandings,” but one Israeli analyst has written that despite such deconfliction talks, “it is unclear how the Israel Air Force will tolerate potential jamming, cyber strikes and limits of its space for maneuvering or if Moscow decides to establish an electromagnetic cordon sanitaire and anti access-area denial sphere around the pro-Assad coalition's operational theater.”¹³ An October media report from Lebanon claims that Russian aircraft have already blocked the pathway of Israeli jets near the Lebanon-Syria border in at least one instance.¹⁴ Such incidents may raise concerns among Israeli leaders about being able to mount the military operations they deem necessary to prevent or mitigate the supply of arms to Hezbollah via Syrian territory.

Israeli officials have sought to draw attention to Hezbollah’s weapons buildup and its alleged use of Lebanese civilian areas as strongholds.¹⁵ In highlighting these issues, Israel may be aiming to bolster the credibility of its threat of massive retaliation against a Hezbollah attack, at least partly to spur key international actors to work toward preventing or delaying conflict.¹⁶ Observers debate the extent to which Hezbollah’s involvement in the Syrian conflict in support of the Assad regime has weakened or strengthened the group.

Sunni Salafi-jihadist activity in the region since 2014—particularly involving the Islamic State organization—has also deepened existing Israeli concerns regarding the security of neighboring Jordan. In September 2015, Israel began constructing a security barrier along its border with Jordan that will be similar to projects undertaken at its other frontiers.¹⁷ Israeli security officials additionally monitor groups and individuals in the neighboring Gaza Strip and (Egypt’s) Sinai Peninsula who claim allegiance to or inspiration from Salafi-jihadists, and Israeli leaders have taken note of incidents in Europe since 2014 in which extremists have specifically targeted Jews (including Israeli citizens).¹⁸

¹² The initial Israeli strike killed six Hezbollah fighters and an Iranian Revolutionary Guard Corps general traveling with them. Hezbollah retaliatory fire from Lebanon killed two Israeli soldiers, and the Israeli return fire inadvertently killed a U.N. peacekeeper (from Spain) in Lebanon.

¹³ Barbara Opall-Rome, “Israel, Russia Conclude First Round of Deconfliction Talks,” *Defense News*, October 7, 2015.

¹⁴ Roi Kais, “Report: Russia blocks Israeli jets over Lebanon,” *Ynetnews*, October 17, 2015.

¹⁵ Identical letters dated 27 May 2015 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General and the President of the Security Council, U.N. Document S/2015/382, May 27, 2015; Isabel Kershner, “Israel Says Hezbollah Military Sites Put Lebanese Civilians at Risk,” *New York Times*, May 13, 2015. Press reports citing unnamed U.S. officials with knowledge of Israeli intelligence estimates state that Hezbollah has upgraded the range and precision of its artillery, anti-ship, anti-tank, and anti-aircraft capabilities in recent years. Adam Entous, Charles Levinson and Julian E. Barnes, “Hezbollah Upgrades Missile Threat to Israel,” *Wall Street Journal*, January 2, 2014.

¹⁶ Amos Harel, “Israel’s secret weapon in the war against Hezbollah: The New York Times,” *haaretz.com*, May 16, 2015.

¹⁷ Barbara Opall-Rome, “Israel Invests Billions in Border Barricades,” *Defense News*, September 7, 2015.

¹⁸ See e.g., “Kosher Copenhagen deli targeted in anti-Semitic attack,” *Times of Israel*, April 9, 2015; “Brussels Jewish Museum killings: Suspect ‘admitted attack,’” *BBC News*, June 1, 2014.

Israeli-Palestinian Issues

Official U.S. policy continues to promote a “two-state solution” to address core Israeli security demands as well as Palestinian aspirations for national self-determination, though there is little or no indication that a major U.S. initiative is imminent. Several Israelis in the Netanyahu-led government and others toward the right of the political spectrum have bristled at Obama’s periodic efforts to move the peace process forward. Other Israeli politicians toward the left of the political spectrum welcome the principle of greater U.S. involvement, claiming that regional challenges and demographic changes make resolving the Palestinian issue more urgent. Netanyahu has publicly welcomed resuming negotiations without preconditions, but he and other Israeli officials have indicated or hinted that other regional challenges from Iran and Arab states steeped in turmoil since 2011 forestall or seriously impede prospects for mutual Israeli-Palestinian concessions through negotiation.

In light of a number of complicating factors, ranging from internal Israeli and Palestinian politics, to attempts by both sides to gain political advantage over the other outside of negotiations, prospects for progress toward resolving the decades-long conflict face serious challenges. After the most recent U.S.-backed round of peace talks collapsed in April 2014, Israeli-Palestinian disputes intensified in media exchanges and international fora. Doubts regarding prospects for peace appear to have increased after Netanyahu made remarks—which he later downplayed—during his successful election campaign in March 2015 that raised questions about his willingness to accept a two-state solution. In a May 2015 interview on Israeli television, President Obama said:

If, in fact, there’s no prospect of an actual peace process, if nobody believes there’s a peace process, then it becomes more difficult to argue with those who are concerned about settlement construction, those who are concerned about the current situation.... [H]ow do we move off what appears right now to be a hopeless situation and move it back towards a hopeful situation[?] That will require more than just words. That will require some actions.¹⁹

Ongoing Violence: Another Palestinian Intifada?

Tensions and violence have generally increased since the end of negotiations in April 2014, fueled in part by specific incidents and in part by cyclical patterns of protest, confrontation, and escalation (see chronology below). The most recent escalation began in September 2015 at the Temple Mount/Haram al Sharif (“Holy Esplanade”) in East Jerusalem, reportedly due to Palestinian objections to Jewish visits around the high holiday season, including one by Israeli cabinet member Uri Ariel.²⁰ In mid-September, amid concerns about possible disturbances,²¹ Israeli authorities used a number of security measures (including some rubber bullets and some live fire) to break up a Palestinian barricade of the Al Aqsa Mosque (located on the Esplanade, and generally seen as the third-holiest site in Islam) and confiscated pipe bombs from an East Jerusalem apartment.²² These actions apparently further fueled Palestinian unrest.

¹⁹ Transcript of President Obama’s interview with Israel’s Channel 2, May 29, 2015, available at http://www.jewishjournal.com/nation/article/president_barack_obama_speaks_with_ilana_dayan_transcript.

²⁰ Kevin Sullivan, “Is the Third Intifada Underway?,” *Real Clear World*, October 14, 2015. Ariel, from the pro-settler Jewish Home (Ha’bayit Ha’Yehudi) party, serves as agriculture and rural development minister.

²¹ “Israeli-Palestinian violence at Al-Aqsa Mosque likely to ease after Jewish New Year, but attacks on security checkpoints to continue,” *Jane’s Country Risk Daily Report*, September 15, 2015.

²² Roi Yanovsky and Elior Levy, “Clashes break out on Temple Mount on eve of Rosh Hashanah,” *Ynetnews*, (continued...)

The subsequent contention between Israelis and Palestinians has been most pronounced in and around Jerusalem’s Old City, but has spread to other places in Israel and the West Bank. An October 22 *Wall Street Journal* article stated that the weeks of violence had “left dead at least nine Israelis and 50 Palestinians.”²³

Observers debate whether another Palestinian *intifada* (or uprising) might be underway or imminent. Most deaths and injuries since September have come from so-called “lone wolf” attacks by Palestinian men and women—often teenagers²⁴—and Israeli security responses either to violent incidents or to protests. The present dynamic appears to differ from the general organizational guidance and coordination of Palestinian protests and attacks during the first (1987-1991) and second (2000-2005) intifadas. The current young generation of Palestinians has little or no memory of past intifadas, and many appear to be influenced by Internet-based social media that encourage spontaneous demonstrations and individual initiative in planning and executing attacks.²⁵ At least one apparently unprovoked attack by a Jewish Israeli against Arabs has also taken place.²⁶

Chronology of Key Events Possibly Related to Recent Israeli-Palestinian Violence

April 2014	A church and two mosques in Israel are vandalized, and a Jewish Israeli is arrested for allegedly delivering a threatening note to the Roman Catholic bishop of Nazareth, leading to expressions of concern among Arab Israelis.
June 2014	Hamas-linked militants kidnap and murder three Jewish Israeli teenagers in the West Bank, triggering robust Israeli investigative and security measures aimed at broadly subduing terrorist acts and plots. The suspected militants are killed by Israeli authorities in September.
July 2014	Jewish extremists murder a Palestinian teenager in East Jerusalem by beating and burning him, sparking further Israeli-Palestinian tension despite the arrest of the alleged killers.
July-August 2014	Israel-Gaza conflict (Israeli codename “Operation Protective Edge”) takes place, significantly affecting Israeli and Palestinian societies.
Fall 2014	Israeli-Palestinian tensions rise in Jerusalem in connection with Jewish Israeli visits (including by high-profile politicians) to the Holy Esplanade, leading to protests, individual instances of violence, and Israeli restrictions on access to the Esplanade. A day after a Palestinian bus driver dies under disputed circumstances, two Palestinians kill five Israelis (including three with U.S. citizenship) at a Jerusalem synagogue before being killed by police.
Summer 2015	As periodic incidents of Israeli-Palestinian violence continue in Jerusalem and the West Bank, an arson attack destroys a Palestinian home in the West Bank, killing a toddler and seriously injuring other family members. A number of Jewish settlers are arrested for the attack in August.

(...continued)

September 13, 2015.

²³ Rory Jones and Ruth Bender, “Netanyahu Stokes Palestinian Tensions—Israeli leader revives claim that Jerusalem mufti persuaded Hitler to exterminate Jews,” *Wall Street Journal*, October 22, 2015.

²⁴ See e.g., Jodi Rudoren, “Young Palestinians Fanning the Flames of a New Uprising,” *New York Times*, October 14, 2015.

²⁵ Mazal Mualem (translated from Hebrew), “Will social media spark a third intifada?,” *Al-Monitor Israel Pulse*, October 12, 2015.

²⁶ Ben Hartman, “Dimona: Jewish man stabs 4 Arabs in suspected nationalist attack,” *jpost.com*, October 9, 2015.

September-October 2015	Palestinians protest on the Esplanade and barricade Al Aqsa Mosque in connection with claims of increased Jewish religious visits during the high holiday period, triggering a robust Israeli security response. Israeli-Palestinian violence intensifies in and around Jerusalem and spreads to other areas in Israel and the West Bank as Israeli, Palestinian Authority, U.S., and other international officials publicly seek greater calm.
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Statements by prominent Palestinians before and after various incidents have fed Israeli claims about alleged incitement.²⁷ Meanwhile, Palestinians express grievances regarding material and psychological suffering that they claim as a result of Israeli efforts to exercise control in Palestinian-populated areas. The increase in violence has also led to questions about heightened Israeli security measures, in terms of both their efficacy and their legal implications—locally and internationally.²⁸ Specific instances involving Israeli authorities and suspected terrorists, including the death of an Eritrean migrant in Beersheba in a case of mistaken identity after a deadly attack by an Arab,²⁹ have triggered heated debate about when lethal force is appropriate to prevent a potential or actual attack or to prevent a suspect’s escape.

Among other measures taken after the mid-September outbreak of violence, the Israeli government relaxed limitations on the use of live fire and proposed heavier criminal penalties for those who throw objects at authorities, despite reservations voiced by Israel’s attorney general.³⁰ The government has also placed limitations on some Palestinians’ access to the Holy Esplanade and has approved temporary checkpoints, closures, and barriers designed to prevent Palestinians who live in various East Jerusalem neighborhoods from carrying out attacks in places where Jews and Arabs mix. In mid-October, Israeli military personnel were deployed to maintain order in cities throughout the country. Additionally, Israeli authorities have announced that Palestinian Jerusalemites taking part in attacks will have their residency status revoked.³¹

Although Prime Minister Netanyahu insists that he is acting to preserve the “status quo” arrangement for the Esplanade (described in the textbox below), a number of Muslim-majority countries have accused Israel of changing it.³² On October 19, Secretary of State John Kerry said that “Israel has made it clear to me that they do not intend to and have not changed the status quo,”³³ after the U.S. State Department spokesperson said in his October 14 daily press briefing

²⁷ See e.g., David Makovsky, “Dividing Jerusalem? Repercussions of the Latest Violence,” Washington Institute for Near East Policy, PolicyWatch 2509, October 21, 2015. Largely due to incitement concerns, Netanyahu has announced that the government plans to take measures against the northern branch of Israel’s Islamic Movement, particularly its funding streams. “Israel PM Benjamin Netanyahu Vows Crackdown on Islamic Movement,” *Indo-Asian News Service*, October 18, 2015. Some Arab Israeli leaders caution that moves taken against the movement could lead to widespread alienation among Israel’s Arab community. “Meet the Islamic Movement, Netanyahu’s newest public enemy,” *Jewish Journal*, October 19, 2015. A few days prior to the mid-September outbreak of violence, Israeli Defense Minister Moshe Ya’alon “made it illegal to fund or join two Muslim groups that harass Jewish visitors to the Temple Mount.” These groups are affiliated with the Islamic Movement. “Israel outlaws Muslim groups that confront Jews on Temple Mount,” *Jewish Telegraphic Agency*, September 10, 2015.

²⁸ See e.g., Amnesty International, “Spiralling Violence in Israel/Occupied Palestinian Territories,” October 13, 2015.

²⁹ Josef Federman, “Fatal beating of Eritrean prompts soul-searching in Israel,” *Associated Press*, October 19, 2015.

³⁰ Mazal Mualem (translated from Hebrew), “Israel looks to respond to stones with bullets,” *Al-Monitor Israel Pulse*, September 25, 2015.

³¹ “Israel unveils new measures to halt Palestinian attacks,” *Agence France Presse*, October 14, 2015. For background information on the legal status of Palestinian residents of East Jerusalem, see http://www.btselem.org/jerusalem/legal_status.

³² Michael J. Koplou, “Unholy Fire on the Temple Mount,” *Israel Policy Forum*, October 15, 2015.

³³ Transcript of remarks by Secretary Kerry, Madrid, Spain, October 19, 2015.

that “the status quo has not been observed, which has led to a lot of the violence.”³⁴ On October 15, a group of Palestinians near the West Bank city of Nablus³⁵ caused some fire damage to the holy site of Joseph’s Tomb, leading some Israeli leaders to call for greater protection of shrines important to Judaism.

Jerusalem and Tensions over the Holy Esplanade and the “Status Quo”

The status of Jerusalem and its holy sites—revered in Judaism, Islam, and Christianity—has been a long-standing issue of political and religious contention between Jews and Arabs. During the 1920s and 1930s, a number of violent episodes occurred in Jerusalem, and control over the city and key areas in and around it was a major strategic consideration in the Arab-Israeli wars of 1948 and 1967.

Notwithstanding Israel’s 1967 takeover and subsequent annexation of East Jerusalem, it allowed the Jordanian *waqf* (or Islamic custodial trust) that had been administering the Holy Esplanade and its holy sites before the war to continue doing so subject to some Israeli security controls, thus establishing a “status quo” arrangement that has been Israel’s proclaimed policy since then. Under the arrangement (largely based on past practices dating from the 16th Century until the 1948 war), Muslims can access the Esplanade and worship there, while Jews and other non-Muslims are permitted limited access but not permitted to worship. Jewish worship is permitted at the Western Wall at the base of the Esplanade. Occasional access restrictions applied to Muslim patrons, such as those based on gender and/or age, have contributed to allegations that Israeli implementation of the status quo has been “piecemeal.”³⁶

The status quo is criticized and challenged by some individuals and groups who assert that Israel should advance Jewish historical and religious claims to the Esplanade, despite Chief Rabbinate rulings proscribing Jewish visits there.³⁷ Various past events apparently triggering concerns among Palestinians about possible Israeli attempts to change the status quo have arguably fueled tensions, including:

- September 1996 clashes (during Netanyahu’s first term as prime minister) leading to the deaths of 54 Palestinians and 14 Israeli security personnel after Israel opened a passage leading to/from the Western Wall courtyard through a tunnel (known as the Hasmonean or Kotel Tunnel) that archeologists had uncovered and restored.³⁸
- A September 2000 Esplanade visit by Likud Party leader (and future prime minister) Ariel Sharon just prior to the outbreak of the second Palestinian intifada.
- A series of incidents in the fall of 2014 featuring visits by right-of-center Knesset members and Jerusalem’s mayor to the Esplanade, followed by protests, violence, and periodic access closures to the Esplanade.³⁹

These tensions exist within a larger context of competing national and religious narratives regarding Jerusalem and its administration and development. Israelis have routinely used their influence with municipal and national authorities to advance Jewish objectives in the city, while Palestinians with little or no influence over Jerusalem’s formal administration have resorted to protests and occasional violence.⁴⁰ Some local and international observers and civil society organizations seek to raise legal objections to and/or international consciousness regarding the situation.

Polls among Jewish Israelis generally indicate their opposition to Israel giving up Jewish neighborhoods of East Jerusalem or partitioning the Esplanade and/or Old City in a potential agreement with Palestinian leaders, though an October 2015 survey reportedly showed Jewish Israeli support for excluding most Palestinian neighborhoods from Israeli control.⁴¹ However, Palestinian leaders have typically demanded that a political settlement address their claims to the Esplanade and Old City as well as to the Palestinian neighborhoods. Complicating matters further, a June 2015

³⁴ For more discussion of the events in question, see Ofer Zalberg, “The Crumbling Status Quo at Jerusalem’s Holy Esplanade,” International Crisis Group, October 7, 2015.

³⁵ The Hebrew name for Nablus, dating from Biblical references, is Shechem.

³⁶ Wendy Pullan, *et al.*, *The Struggle for Jerusalem’s Holy Places*, Routledge: New York, 2013, p. 15; Ir Amim and Keshev, *Dangerous Liaison: The Dynamics of the Rise of the Temple Movements and Their Implications*, March 1, 2013, pp. 12-15.

³⁷ Jeremy Sharon, “Chief Rabbis reimpose ban on Jews visiting Temple Mount,” *jpost.com*, December 2, 2013.

³⁸ Pullan, *op. cit.*, p. 37.

³⁹ See e.g., Nathan Thrall, “Rage in Jerusalem,” *London Review of Books*, December 4, 2014.

⁴⁰ See e.g., “Undivided and eternal unhappiness,” *Economist*, November 8, 2014.

⁴¹ Makovsky, *op. cit.*

poll reportedly showed that a majority of Palestinian residents of East Jerusalem might prefer Israeli to Palestinian citizenship, perhaps largely owing to economic and lifestyle considerations.⁴²

Violence intensified after Netanyahu and Palestinian Authority (PA) President Mahmoud Abbas gave speeches at the U.N. General Assembly in late September. Abbas stated that the Palestinians were no longer bound by the 1990s “Oslo” agreements creating the PA,⁴³ fueling speculation that the PA might at some point discontinue security cooperation with Israel or even disband itself. Yet, reports indicate that Abbas and some of his advisors are consulting with Israeli authorities and with Palestinian activists (including those from Abbas’s faction Fatah) in an effort to discourage Palestinian violence. With regard to Abbas’s public statements on violence, one analysis asserts that they “have ranged from praising the knife-wielding ‘martyrs’ and those ‘defending’ Jerusalem’s Al Aqsa Mosque against perceived Israeli violations ... to stating that he was for ‘popular, nonviolent struggle and oppose[d] all violence and use of weapons.’”⁴⁴

Many observers question whether Abbas’s actions are, on the whole, calibrated toward reducing or inflaming tensions, and whether he retains sufficient legitimacy among Palestinians to influence their actions.⁴⁵ One concern among Israeli, PA, and international officials appears to be that further escalation could strengthen political support for extremists on both sides—including U.S.-designated terrorist organizations Hamas, Palestine Islamic Jihad – Shaqaqi Faction, and Al-Aqsa Martyrs Brigade (a Fatah offshoot). Hamas leaders repeatedly encourage further attacks, while some figures from Fatah and other Palestinian factions have also reportedly made statements supporting violence.⁴⁶ Additionally, the Islamic State organization has posted online videos threatening Jewish Israelis.⁴⁷

It is also unclear whether PA security forces—some of whom receive training and equipment from the United States and other countries—will work with or defer to Israeli counterparts in suppressing various modes of Palestinian resistance if the PA forces are faced with popular pressure not to do so.⁴⁸ To date, the PA forces appear to be working to mitigate unrest in the West Bank areas they patrol.⁴⁹ (Israel maintains responsibility for security in East Jerusalem, having annexed the area after its capture in the 1967 Arab-Israeli War.)

⁴² David Pollock, “Half of Jerusalem’s Palestinians Would Prefer Israeli to Palestinian Citizenship,” *Fikra Forum*, August 21, 2015.

⁴³ The main document establishing PA limited self-rule over the Gaza Strip and parts of the West Bank is the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip (known generally as the “1995 Interim Agreement” or “Oslo II”), which was signed by Israel and the PLO on September 28, 1995. The text is available at <http://www.mfa.gov.il/MFA/ForeignPolicy/Peace/Guide/Pages/THE%20ISRAELI-PALESTINIAN%20INTERIM%20AGREEMENT.aspx>.

⁴⁴ Neri Zilber, “No, It’s Not Another Intifada,” *Politico*, October 22, 2015. Abbas has also characterized many Israeli security responses as human rights violations.

⁴⁵ For background on Abbas’s leadership prospects and speculation about the potential end of his tenure and succession, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

⁴⁶ Steven Emerson, “‘Moderate’ Palestinian Leaders Encourage Attacks, More Israelis Stabbed,” *Algemeiner*, October 9, 2015.

⁴⁷ “We are coming for you, Islamic State warns in new Hebrew video to Israelis,” *Times of Israel*, October 23, 2015.

⁴⁸ Some PA security force personnel attacked their Israeli counterparts in the early stages of the second intifada. See CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti and CRS Report R40664, *U.S. Security Assistance to the Palestinian Authority*, by Jim Zanotti.

⁴⁹ Avi Issacharoff, “PA arrests 19 Hamas members, suspects planning stabbing attacks,” *Times of Israel*, October 16, 2015.

U.S. Policy Considerations

U.S. officials and many Members of Congress,⁵⁰ along with several other international actors, have called for an end to the ongoing violence. As the violence has continued, various parties' statements and actions have attracted widespread media attention with the potential to affect the trajectory of events.⁵¹ On October 13, Secretary of State John Kerry said:

What's happening is that unless we get going, a two-state solution could conceivably be stolen from everybody. And there's been a massive increase in settlements over the course of the last years. Now you have this violence because there's a frustration that is growing, and a frustration among Israelis who don't see any movement.... We have another 16 months in this Administration, and I can assure you we're going to stay engaged and continue to try to work through these issues, because there are options and there's a better other side of the current conflict that we're witnessing.⁵²

Additionally, on October 19, Kerry said that "security and diplomacy go hand in hand." He encouraged greater Israeli action to clarify the Esplanade "status quo" and reassure interested actors of its continuation, while indicating that the United States, Israel, and Jordan would oppose efforts to bring "outsiders" in to enforce the status quo.⁵³

U.S. policymakers may consider the following questions in determining the nature and extent of their future engagement aimed at addressing Israeli-Palestinian disputes, including with respect to existing U.S. policies as compared with alternatives:

- How important are Israeli-Palestinian issues for regional security? How important are they in light of broader U.S. foreign policy or domestic priorities?
- What are the potential costs and benefits of diplomatic initiatives involving various actors (Israelis, Palestinians, Arab and Muslim-majority states and organizations, the European Union, Russia), or of establishing a framework to resolve the conflict via U.S. statements or a U.N. Security Council resolution?

⁵⁰ See e.g., H.Res. 293 (Expressing concern over anti-Israel and anti-Semitic incitement within the Palestinian Authority.), which was reported favorably by a unanimous vote of the House Foreign Affairs Committee on October 22, 2015. As reported, the text is available at <http://docs.house.gov/meetings/FA/FA00/20151022/104113/BILLS-114-HRes293-R000487-Amdt-204.pdf>.

⁵¹ On October 21, the Executive Board of the U.N. Educational, Scientific, and Cultural Organization (UNESCO) adopted a resolution (despite votes against the resolution by the United States and five other Western countries—Israel is not on the Executive Board) criticizing Israeli actions regarding the Esplanade status quo and characterizing the Cave of the Patriarchs and Rachel's Tomb in the West Bank as "an integral part of Palestine." Aurelien Breeden and Isabel Kershner, "Unesco Criticizes Israel Over Handling of Holy Sites," *New York Times*, October 22, 2015. UNESCO's director-general had publicly denounced an earlier version of the resolution, saying that it "could be seen to alter the status of the Old City of Jerusalem and its Walls, inscribed on UNESCO's World Heritage list, and that could further incite tensions." Statement by the Director-General of UNESCO, Irina Bokova, October 20, 2015. Public debate and criticism in international media and official circles has focused at the same time on statements by Netanyahu alleging that the controversial Palestinian figure Haj Amin al Husseini influenced Adolf Hitler's decision to exterminate Jews during World War II. Jones and Bender, *op. cit.*

⁵² Transcript of remarks by Secretary Kerry at the Charles Hotel, Cambridge, Massachusetts, October 13, 2015. In his October 14 daily press briefing, the State Department spokesperson provided some clarification of Kerry's remarks: "The Secretary wasn't saying, well, now the settlement activity is the cause for the effect we're seeing. Is it a source of frustration for Palestinians? You bet it is, and the Secretary observed that. But he's not – this isn't about affixing, as I said, blame on either side here for the violence. What we want to see is the violence cease, and we want to see it end."

⁵³ France had proposed a U.N. Security Council resolution aimed at establishing an international presence in Jerusalem to guarantee the status quo.

- Given changed dynamics in the region, what value (if any) can Arab states offer to encourage Israeli and Palestinian leaders to pursue political resolution?
- What are the likelihood and potential implications of the following scenarios: large-scale Israeli-Palestinian violence, a PLO/PA succession crisis and/or dissolution, greater domestic empowerment of extremists on both sides, unilateral Israeli withdrawal from or annexation of West Bank territory, substantive international political, economic, and legal isolation or condemnation of Israel?

Domestic Israeli Politics: Emergency Measures, Socioeconomic Issues, and Possible Coalition Changes

The narrow Knesset majority that the current coalition holds—dominated by Netanyahu’s Likud party—complicates prospects for any new initiatives on the budget, housing, employment, or Israel’s natural gas resources,⁵⁴ despite continued calls from significant portions of Israeli society for action on cost of living and economic reform issues. With the fall 2015 outbreak of Israeli-Palestinian violence, the government’s attention has been largely diverted from socioeconomic matters within Jewish Israeli society to crisis management.

Most Israelis support some form of emergency security measures, and Netanyahu has consulted widely with other Jewish Israeli political leaders across coalition lines about the government’s continuing efforts to address the violence. At the same time, Netanyahu faces demands from left-of-center Israelis to find a workable blueprint for Israeli-Palestinian coexistence through some accommodation of Palestinian grievances and prevention of future Israeli provocations. He also faces demands from right-of-center Israelis for more vigorous anti-incitement measures against Palestinians and more robust official support for various Jewish nationalist and religious claims.

Before the violence intensified, much media speculation focused on the possibility that Netanyahu might change the composition of the government and increase the governing majority through a coalition deal with Zionist Union⁵⁵ leader Yitzhak Herzog, possibly involving the transfer of a number of ministries to Zionist Union control. However, any deal would appear to be contingent on Herzog gaining a mandate to lead the Zionist Union until the end of 2017.⁵⁶ It is unclear how possible coalition changes might be affected by ongoing Israeli-Palestinian violence.

Though prospects for a breakthrough in Israeli-Palestinian negotiations appear dim in any event, a Likud-Zionist Union coalition may be more likely than the current one to have the numerical strength and political orientation to consider new diplomatic options with Mahmoud Abbas and the PLO.

⁵⁴ On the natural gas issue, see Steven Scheer, “How Israel turned a gas bonanza into an antitrust headache,” *Reuters*, October 1, 2015.

⁵⁵ The Zionist Union consists of the Labor and Ha’tnua parties.

⁵⁶ Ben Caspit (translated from Hebrew), “Will Herzog join Netanyahu's government?,” *Al-Monitor Israel Pulse*, September 14, 2015.

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