

US Policies towards Israel and the Middle East

A monthly report of the Mitvim Institute

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A. US-Israel Relations

- **New Memorandum of Understanding** - The US and Israel finalized a \$38 billion, ten-year [Memorandum of Understanding \(MoU\)](#) on US military aid that includes guaranteed missile defense funding. American defense industries will receive a major boost from the deal's provision to phase out a special exemption that has allowed Israel to spend 26% of military aid on its own industry. The move may entice Israeli companies to relocate the majority of their production to US territory, which would allow them to continue to receive contracts while also benefiting the US through corporate taxes and the employment of Americans. In a [statement on the MoU](#), President Obama spoke of America's "unshakeable" commitment to Israel. He said that this commitment also drives the US to press for a two-state solution, because "the only way for Israel to endure and thrive as a Jewish and democratic state is through the realization of an independent and viable Palestine."
- **Netanyahu's "ethnic cleansing" statement** - In an [English-language video](#), Prime Minister Netanyahu rejected the claim that settlements are an obstacle to peace. He also accused the Palestinian leadership of demanding a state without Jews, and accused other countries of supporting "ethnic cleansing" when they talk about settlement withdrawal. The video was [poorly received](#) in Washington. [Senior administration officials](#) spoke out against it, and [Middle East analysts](#) rejected the conflation of "Jews" and "settlers," clarifying that the Palestinian leadership would accept Jews as [citizens](#) of a future state, but would reject the idea of [settlements](#) under Israeli sovereignty. State Department Spokesperson Elizabeth Trudeau rejected the video as "[inappropriate](#) and unhelpful," and several [think tank](#) officials published [articles](#) deconstructing Netanyahu's accusations.
- **Election campaign** - Hillary Clinton [leads in the polls](#) following the [first presidential debate](#). This month, 75 former ambassadors and senior State Department officials signed a [statement](#) opposing Trump. Netanyahu met with [both candidates](#) on September 25, the day before the debate, but continues to keep a low profile towards the election. Both candidates have included promises to Israel in their campaigns; Trump said that he would recognize Jerusalem as Israel's capital (a common election-cycle talking point), and Clinton confirmed that she would protect Israel from de-legitimization in international arenas. Regarding funding, Sheldon Adelson (a strong supporter of Netanyahu) is backing super PACs in support of [Congressional races](#), and reportedly allocating less to Trump's campaign than expected. Republican Jewish donors are contributing [far less](#) to Trump than they have to other presidential candidates in the past.

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- **Anti-BDS legislation** - California Governor Jerry Brown signed [AB-2844](#), a bill that requires companies to certify that their policies are “not used to discriminate” against any country. AB-2844 was previously amended following criticism from the [American Civil Liberties Union](#) (ACLU) over its infringement on “the right to engage in boycott.” The New York City Council approved a [non-binding resolution](#) condemning BDS, and Councilman Stephen Levin issued a statement against [BDS, settlement growth, and the occupation](#). Levin’s statement is likely to resonate with liberal American Jews who support Israel, but oppose both BDS and the occupation, and may lead to a larger conversation over the fact that many anti-BDS bills do not distinguish between Israel and the territories it controls.

B. The Israeli-Palestinian Peace Process/Conflict

- **Obama parameters?** - The Obama administration is seemingly preparing the groundwork for a possible final push towards Israeli-Palestinian peace after the November elections. There is visible domestic support for such an effort: this month, 64 members of Congress backed a resolution [urging](#) President Obama to deliver a vision for a two-state solution before leaving office. In addition, the military aid deal (and the long-term commitment to Israel’s security that it represents) gives the administration more leverage to address settlements and other obstacles to peace. In advance of the UN General Assembly, however, 88 senators [sent a letter to Obama](#) urging him to oppose any “one-sided resolutions” against Israel and support direct negotiations over outside initiatives. During his remarks, Obama called on Palestinians to reject incitement and on Israel to recognize that it [cannot permanently occupy and settle](#) Palestinian land.
- **International peace initiatives** - French President Hollande told the UN General Assembly that France [intends to hold a peace conference](#) by the end of the year. Despite several meetings on the sidelines of the General Assembly, the initiative is unlikely to gain traction in the absence of strong support from the US or either of the parties. The proposed Moscow peace summit is still on the table, and the Kremlin announced that both Israeli and Palestinian leaders have agreed to meet ‘[in principle](#).’ While the proposal has increased Russia’s profile on Middle East security issues, it is [unlikely](#) to bring forth an agreement. In response to a question about the initiative, [State Department](#) spokesperson Mark Toner replied “if you don’t have the right climate for them to be successful, then it’s not worth having it.” The [Quartet met on the sidelines](#) of the General Assembly, and “emphasized its strong opposition to ongoing settlement activity, which is an obstacle to peace, and... (is) steadily eroding the viability of the two-state solution.”

C. The Changing Middle East

- **Syria** - The US [suspended bilateral cooperation with Russia](#) on Syria, following the collapse of the latest iteration of the ceasefire and a large-scale assault on Aleppo. The US holds Russia and the Syrian regime responsible for intensified attacks against civilian areas and hospitals, and the September 19 attack on a humanitarian aid convoy. Republican senators initially [criticized](#) Kerry’s threat to end talks, implying that it was not strong enough to change Moscow’s position, given the great deal of leverage Russia holds in Syria. The State Department does not see the [political process](#) moving forward without a change from Russia, and a US interagency discussion of [diplomatic, military, intelligence, and economic](#) options is underway.

- **Yemen** - Compared to Syria, the [war in Yemen](#) received little attention during the UN General Assembly. In his speech, Obama referred to the breakdown of basic security and order across the Middle East, but did not mention Yemen specifically in his remarks. Analysts speculate that Yemen's fierce tribalism and structural lack of order have led the president to see [little incentive to overturn the status quo](#), even if that means supporting the apparently reckless military forays of Saudi Arabia, which leads the military coalition operating in Yemen.
- **Saudi Arabia** - The Senate [rejected](#) a bill to block a new [\\$1.15B arms deal](#) to Saudi Arabia, despite [criticism](#) by lawmakers over Saudi Arabia's aggressive bombing campaign and the growing number of civilian casualties in Yemen. The deal is moving forward, but Congress can still take additional steps to [block](#) it. In a separate legislative initiative, Congressional Republicans overruled Obama's veto of the "Justice Against Sponsors of Terrorism Act," and almost immediately had second thoughts. The bill allows relatives of 9/11 victims to sue the [Saudi government](#), and Obama's veto centered on the concern that foreign governments could pass reciprocal legislation. Such legislation could leave individual American service-members at risk of lawsuits abroad. Republican leaders now claim that "nobody had really focused on the [potential downside](#) [of the bill] in terms of our international relationships." House Speaker Paul Ryan and Senate Majority Leader Mitch McConnell say they are prepared to [rewrite the legislation](#) so that "our service members do not have legal problems overseas while still protecting the rights of the 9/11 victims."

D. The Iran Deal and its Aftermath

- **Iran-US relations** - Congress is considering [HR 5461](#), the "Iranian Leadership Asset Transparency Act." The bill would require the Treasury Department to report to Congress on assets held by Iranian leaders. Although the bill is intended to combat money laundering and terrorist financing, the White House has cautioned that it may [reduce transparency](#) in Iran's banking sector, and could also compromise intelligence methods. President Obama is expected to veto the bill if it reaches his desk in its current form. Meanwhile, the first major business deals since implementation of the [Iran deal](#) are underway: the Treasury Department has granted licenses for Airbus and Boeing to begin delivering commercial aircraft to Iran. The licenses include [specific provisions](#) that "prevent the aircraft from being transferred or conveyed" to Iranian entities that remain under sanctions.

E. Further reading

Topic	Articles
Israel / Peace Process	"American and Israeli Jews: Twin Portraits from Pew Research Center Surveys." <i>Pew Research Center</i> , Sept 27, 2016
	Shibley Telhami, "Washington has just agreed to give Israel unprecedented aid. What do Americans think?" <i>Brookings Institution</i> , Sept 15, 2016
	Matt Duss, "Settlement Withdrawal and 'Ethnic Cleansing,'" <i>Foundation for Middle East Peace</i> , Sept 9, 2016
	Eitan Hersh and Brian Schaffner, "The GOP's Jewish Donors are Abandoning Trump." <i>FiveThirtyEight</i> , Sept 21, 2016
Middle East	Charles Lister, "Obama's Syria Strategy is the Definition of Insanity." <i>Foreign Policy</i> , Sept 21, 2016
	Daniel L. Byman, "What's beyond the defeat of ISIS?" <i>Brookings Institution</i> , Sept 27, 2016
	Jeff Abramson, "Proposed Arms Sale to Saudi Arabia Should be Withdrawn; Future Transfers Put on Hold," <i>Arms Control Association</i> , Sept 6, 2016
	Bulent Aliriza, "After the Obama-Erdogan Meeting at the G20," <i>Center for Strategic and International Studies</i> , Sept 6, 2016
	Saad Hariri, "Iran Must Stop Meddling in Arab Affairs." <i>New York Times</i> , Sept 22, 2106
Iran	Annie Fixler and Mark Dubowitz, "The US is helping Iran fund chaos in the Middle East." <i>Foreign Policy</i> , Sept 27, 2016

F. Monthly Timeline

Date	Event
September 14	The US and Israel sign a Memorandum of Understanding (MoU) governing US military aid to Israel
September 21	PM Netanyahu and President Obama meet in New York
September 25	PM Netanyahu meets with Trump and Clinton
September 26	Clinton and Trump participate in the first presidential debate
September 27	Deputy Secretary of State Tony Blinken, Special Presidential Envoy Brett McGurk, Deputy Assistant Secretary Jonathan Cohen, and the Commander of the Operation Inherent Resolve Lieutenant General Townsend hold meetings in Turkey to discuss cooperation in Syria
September 28	Secretary Kerry threatens to suspend bilateral talks with Russia
September 30	President Obama visits Israel to participate in Shimon Peres' funeral