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The Middle East Peace Talks

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The Middle East Peace Talks

SUMMARY

The end of the Cold War, the decline of the Soviet Union, and the U.S.-led victory in the Gulf war facilitated the beginning of a new peace process in 1991. Israel and the Palestinians discussed a 5-year period of interim self-rule leading to a final settlement. Israel and Syria discussed Israeli withdrawal from the Golan Heights in exchange for peace. Israel and Jordan discussed relations. Israel and Lebanon focused on Israel's withdrawal from its self-declared security zone in south Lebanon and reciprocal Lebanese actions.

On September 13, 1993, Israel and the Palestine Liberation Organization (PLO) signed a Declaration of Principles (DOP), providing for Palestinian empowerment and some territorial control. Israel and Jordan signed a peace treaty agenda on September 14, 1993; Prime Minister Rabin and King Hussein affirmed the end of the state of belligerency between Israel and Jordan on July 25; a Peace Treaty was signed on October 26, 1994. Israel and the Palestinians signed an Interim Self-Rule in the West Bank/Oslo II accord on September 28, 1995. Israel continued implementing it despite the November 4 assassination of Prime Minister Rabin.

Israel suspended talks with Syria after terror attacks in February/March 1996. They resumed in December 1999, but were "postponed indefinitely" after January 2000. President Asad of Syria died on June 10, 2000, and was succeeded by his son, Bashar.

A January 1997 protocol produced Israeli redeployment from Hebron. Israeli-Palestinian talks were suspended in March 1997. Suicide bombings in Jerusalem in July and August distanced the parties further. In 1998, the

United States intensively mediated. An October 15-23 summit resulted in the Wye River Memorandum on implementation of earlier agreements. The Israeli cabinet froze implementation on December 20.

On September 4, 1999, Israeli Prime Minister Barak and Palestinian leader Arafat signed the Sharm al-Shaykh Memorandum on implementing Wye. Israel withdrew from south Lebanon on May 24, 2000. From July 11-24, President Clinton convened a summit with Israeli and Palestinian leaders at Camp David to reach a framework accord, but they did not succeed. A Palestinian uprising or *intifadah* began in September and continues. On December 23, President Clinton presented bridging proposals. Ariel Sharon was elected Prime Minister of Israel on February 6, 2001. He said that the results of Camp David and subsequent talks are null and void. The international war against terrorism after September 11 prompted renewed U.S. focus on ending the violence and resuming the peace process. General Anthony Zinni was named special adviser to the Secretary of State to help achieve a cease-fire, but the violence escalated.

Congress is interested in the peace talks because of its oversight role in the conduct of U.S. foreign policy, its support for Israel, and keen constituent interest. It is concerned about U.S. financial and other commitments and Palestinian fulfillment of commitments. Congress has appropriated aid for the West Bank and Gaza, with conditions intended to ensure PLO compliance with agreements with Israel. Congress repeatedly has endorsed Jerusalem as the undivided capital of Israel, and opposed a possible Palestinian unilateral declaration of statehood.

MOST RECENT DEVELOPMENTS

President Bush sent General Zinni back to the region to work with Israel and the Palestinians on implementing the Tenet plan. As a concession, Israeli Prime Minister Sharon abandoned his prior demand for 7 days of absolute quiet before talks and announced that “negotiations to stop the shooting will be held under fire.” A Palestinian spokesman said, however, that the Palestinians would not hold talks “without a comprehensive Israeli withdrawal from Palestinian cities and refugee camps.” On March 14, President Bush said, “it’s not helpful what the Israelis have recently done (reoccupy Palestinian-controlled areas) in order to create conditions for peace.” On March 15, the State Department spokesman called for a full Israeli withdrawal from reoccupied territories to facilitate Zinni’s work. Israel ended a 72-hour occupation of Ramallah on March 16 and withdrew from all other areas by March 19. Vice President Cheney visited Israel on March 18-19 and said that he was ready to meet Arafat at a site in the region if General Zinni determines that the Tenet plan is being implemented. Sharon said that he would allow Arafat to travel outside the West Bank and Gaza when Tenet went into effect. If an Arafat-Cheney meeting were arranged, Israel undoubtedly would allow Arafat to attend.

BACKGROUND AND ANALYSIS

Since the founding of Israel, Arab-Israeli conflict marked every decade until the 1990s. With each clash, issues separating the parties multiplied and became more intractable. The creation of the State of Israel in 1948 provided a home for the Jewish people, but the ensuing conflict made refugees of thousands of Arab residents of the formerly British Palestine, with consequences troubling for Arabs and Israelis alike. The 1967 war ended with Israel occupying territory of Egypt, Jordan, and Syria. Egypt and Syria fought the 1973 war, in part, to regain their lands. In 1982, Israel invaded southern Lebanon to prevent terrorist incursions; it withdrew in 1985, retaining control of a 9-mile “security zone” over which Lebanon seeks to reclaim. Middle East peace has been a U.S. and international diplomatic goal throughout the years of conflict. The 1978 Camp David talks, the only previous direct Arab-Israeli negotiations, brought about the 1979 Israel-Egypt Peace Treaty.

Changed International and Regional Scenes

At the height of the crisis he provoked in 1990, Iraqi President Saddam Husayn offered to withdraw from Kuwait if Israel withdrew from Arab territories it occupied (and if Syria withdrew from Lebanon). The United States and others denied a linkage, but on the day after the Gulf war began, January 18, 1991, President Bush declared, “When all this is over, we want to be the healers” On March 6, he defined U.S. postwar goals to include finding solutions to the Arab-Israeli conflict and the Lebanon situation, and sent Secretary of State Baker to the Middle East to organize a conference. The end of the Cold War and the decline of the Soviet Union aided him. During the Gulf war, the Soviets did not use their U.N. veto to prevent action and banned arms exports to Iraq. They needed Western aid and agreed with U.S. initiatives. They also were unable to continue diplomatic, military, and financial aid to

Iraq, Syria, and the Palestine Liberation Organization (PLO). The failed August 1991 Moscow coup sidelined hard-liners. U.S. policymakers no longer viewed the Soviet Union as obstructionist and sought it to cosponsor of a peace conference.

Arab states, whose unity was damaged in the Gulf war, recognized the United States as the remaining superpower. Egypt, Syria, and the Gulf states (Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Qatar, Oman) joined the anti-Iraq coalition. Gulf regimes depend on U.S. and allied military might. Since Camp David, Egypt has been a U.S. ally and the second largest recipient of U.S. foreign aid. Syria, opposed to Saddam Husayn and seeking benefactors, sent troops to defend Saudi Arabia. The PLO and Jordan, however, were sympathetic to Iraq and debilitated by the choice. The Gulf states ended aid for Jordan and the PLO as Palestinians fled the Gulf, inundating Jordan. European and other sympathy for the Palestinian cause eroded temporarily as Iraqi missiles hit Israeli civilian sites. Meanwhile, in the West Bank and Gaza, moderates argued for negotiations to ease the plight of the people. Thus, each party to the peace conference sought U.S. support: Egypt as a consequence of Camp David; Syria to replace lost Soviet patronage; Jordan to reclaim lost goodwill, aid, and trade; the Palestinians for some gain after years of loss; Israel because of its dependence on external, especially U.S. aid and resources.

Role of the United States

On March 6, 1991, President Bush outlined a framework for peace: grounded in U.N. Security Council Resolutions 242 and 338 and the principle of “territory for peace,” providing for Israel’s security and recognition of Palestinian political rights. Secretary of State Baker avoided declaring U.S. positions, but provided Israel, Syria, Lebanon, and the Palestinians non-binding letters of assurance that have not been released officially. He reportedly accepted Israel’s view that 242 is subject to interpretation, stated that the United States would not support creation of an independent Palestinian state, and assured Israel that the United States would give “considerable weight” to Israel’s view that the Golan Heights are important to its security. He reportedly assured Syria that the United States believes 242 applies to all fronts and gave Lebanon a commitment to its territorial integrity within its internationally recognized borders. He told the Palestinians that the United States wanted their legitimate political rights and opposed Israel’s annexation of East Jerusalem.

President Clinton said that only the region’s leaders can make peace, and vowed to be their partner. In February 1993, Secretary of State Christopher defined full partner as an intermediary or an honest broker, to “probe positions, clarify responses, help define common ground, offer what may be bridging ideas.” With the Hebron Protocol of 1997, the United States became an indispensable party to Israeli-Palestinian talks. Clinton mediated the October 1998 Wye River Memorandum, and the United States undertook to coordinate its implementation. Clinton personally led negotiations at Camp David in July 2000.

The Bush Administration initially sought a less prominent role. In March 2001, Secretary of State Powell said that he would not appoint a special Middle East envoy to Arab-Israeli negotiations and that “the United States stands ready to assist, not insist. Only the parties themselves can determine the pace and scope and content of any negotiations” After the September 11 terrorist attacks on the United States, however, the Administration

focused anew on the peace process. Secretary Powell appointed retired General Anthony Zinni to be his special advisor to work with the Israelis and Palestinians on a cease-fire.

Conference Format and Developments

Madrid. On October 30, 1991, the conference opened. Parties were represented by 14-member delegations. A Jordanian/Palestinian delegation had 14 representatives from each. An unofficial Palestinian advisory team coordinated with the PLO. The United States, the Soviet Union, Syria, Palestinians/Jordan, the EC, Egypt, Israel, and Lebanon sat at the table. The U.N., the Gulf Cooperation Council, and the Arab Maghreb Union were observers.

Bilateral Talks

Israel-Palestinians. (Note: Primarily because of space constraints, incidents of violence, terror, and reprisals included in this section are very selective.) On November 3, 1991, Israel and the Jordanian/Palestinian delegation agreed to separate Israel-Jordan and Israel-Palestinians negotiating tracks, the latter to address a 5-year period of interim self-rule for Palestinians in the West Bank and Gaza Strip. In the third year, permanent status negotiations were to begin. Official negotiations addressed issues codified in the September 13, 1993 Declaration of Principles (See **Significant Agreements**, below), except Palestinian control of territory.

On August 9, 1993, Palestinian negotiators were appointed to a PLO coordination committee, ending a charade that had distanced the PLO from the talks. Israel and the PLO announced that secret talks in Oslo since January 1993 had produced an August 19 agreement on a Declaration of Principles, signed in September. (See **Agreements**, below.)

Talks begun in October 1993 produced An Agreement on the Gaza Strip and the Jericho Area on May 4, 1994, which incorporated A Protocol on Economic Relations. (See **Agreements**, below.) It officially began the 5-year period of interim Palestinian self-rule. On September 28, 1995, Israel and the Palestinians signed an Interim Agreement. (See **Agreements**, below.) Israel began redeploying on October 10. Israeli Prime Minister Rabin was assassinated on November 4; Foreign Minister Shimon Peres succeeded him and redeployed from six cities, and from areas around Hebron by December. On January 20, 1996, Palestinians elected an 88-member Council and Arafat as Chairman. On February 25, Hamas terrorists perpetrated the first of four suicide bombings in Israel. On April 24, the Palestine National Council (PNC) amended the Palestinian Charter by canceling "articles contrary to letters exchanged between the PLO and Israel in September 1993," i.e., those calling for the destruction of Israel. Final status talks on borders, security, settlements, refugees, and Jerusalem began ceremonially on May 5.

Binyamin Netanyahu was elected Prime Minister of Israel on May 29, 1996. His coalition's guidelines called for negotiations to reach a permanent arrangement on condition that the Palestinians fulfill all commitments fully, opposed the establishment of a Palestinian state west of the Jordan River, vowed to ensure the existence and security of Jewish settlements, and to keep Jerusalem under Israel's sovereignty. On August 2, his cabinet abolished most restraints on settlements. In September 1996, Palestinians protested violently

against Israel's opening of an archaeological tunnel at the base of Jerusalem holy sites. After an October 1-2 summit, the two sides resumed talks and initialed a Protocol Concerning the Redeployment in Hebron on January 15, 1997 (See **Agreements**, below). Israel redeployed from about 80% of Hebron.

On February 26, 1997, Israel approved construction of housing at Har Homa/Jabal Abu Ghneim in south East Jerusalem. On March 7, Israel announced the first of three further redeployments, from 7% of West Bank territory to Palestinian control and from 2% to joint Israeli-Palestinian control. The Palestinians demanded 30%, to be consulted, and to control 90% after final redeployment. On March 18, Israel broke ground at Har Homa. On March 21, a suicide bombing occurred in Tel Aviv. On July 30, a double suicide bombing in Jerusalem killed 13, including one American, and wounded 168. The President and Secretary of State called on the PA to make a 100% effort on security and sent Special Envoy Dennis Ross to the region. Israel and the PA agreed to report on the bombing to a panel including the CIA. On September 4, Hamas exploded three suicide bombs in Jerusalem.

The United States focused on redeployments, security cooperation, accelerated final status talks, and a timeout on settlement construction and, in September and October 1998, U.S. officials made a concerted effort to complete implementation of the Interim Accord, culminating in the Wye River Memorandum of October 23 (see **Agreements**, below). The Israeli cabinet approved the Memorandum but said (1) that redeployments depended on the abrogation of Palestinian Charter articles, (2) that a third redeployment should not be from more than 1% of territory before a final agreement, and (3) that if the Palestinians unilaterally declare a state, then Israel reserves the right to apply Israeli law to the rest of the West Bank. On November 20, Israel completed the first stage of the second redeployment (from 2% of territory to joint Israeli-Palestinian control and from 7.1% of territory to Palestinian control) and the release of 250 Palestinian prisoners.

On December 14, the PNC and others voted to annul the Charter articles. On December 20, Israel froze Wye implementation until the Palestinians abandoned their call for a state with Jerusalem as its capital, curbed violence and incitement, accepted Israeli prisoner releases, collected and destroyed illegal weapons, and resumed security cooperation. Europe and the United States forestalled a Palestinian declaration of statehood on May 4, 1999. In March, the European Union (EU) reaffirmed the "Palestinian right to self-determination including the option of a state" On April 26, President Clinton wrote, "We support the aspirations of the Palestinian people to determine their own future on their land."

Ehud Barak defeated Netanyahu in the May 17, 1999 election. Barak and Arafat signed the Sharm al-Shaykh Memorandum on September 4, 1999. (See **Agreements**, below.) Israel released prisoners, and transferred civilian control of 7% of the West Bank to the Palestinians. Final status talks resumed ceremonially on September 13. The Palestinians gave Israel 30,000 police officers' names. Israel released more prisoners, opened a safe passage between the West Bank and Gaza and a major thoroughfare in Hebron, and redeployed from 5% of the West Bank on January 5, 2000. The two sides failed to conclude a framework for a final status accord by February 13, 2000, as called for at Sharm al-Shaykh.

On March 8, Barak and Arafat agreed to resume negotiations. Israel transferred 6.1% of the West Bank territory to complete the second redeployment. The two sides did not meet a May deadline for a framework for an accord. In May, Israeli soldiers fought Palestinian

demonstrators and police. The Palestinians withdrew from talks because, they said, Israel's offer of territory lacked geographic contiguity. "Secret" talks in Sweden were suspended due to violence. They resumed on June 1, and later moved to the United States.

Clinton, Barak, and Arafat held a summit at Camp David, from July 11 to July 24, to forge a framework accord on final status issues. They did not succeed. The parties had agreed that there would be no agreement unless all issues were resolved. Jerusalem was the major obstacle. Israel proposed that it remain united under its sovereignty, leaving the Palestinians control over East Jerusalem and Muslim holy sites. Israel was willing to cede more than 90% of the West Bank, wanted to annex settlements where about 130,000 settlers live, and offered to admit thousands of Palestinian refugees in a family unification program. An international fund would compensate other Palestinian refugees as well as Israelis from Arab countries. The Palestinians reportedly were willing to accept Israeli control over the Jewish quarter of Jerusalem and the Western Wall but sought sovereignty over East Jerusalem, particularly the Haram al-Sharif/Temple Mount, a site holy to Jews and Muslims. (See CRS Report RS20648, *Israeli-Palestinian Peace Process: Camp David Negotiations.*)

On September 28, Israeli opposition leader Ariel Sharon, with 1,000 security forces, visited the Temple Mount/Haram al-Sharif. Palestinians protested, and Israel responded forcefully. The second Palestinian *intifadah* or uprising began. On October 12, a mob in Ramallah killed two Israeli soldiers, provoking Israeli helicopter gunship attacks on Palestinian official sites. U.S. and other diplomats called a summit in Sharm al-Shaykh on October 16 and set up an international fact-finding committee to look into the violence.

Barak resigned on December 10, triggering an early election for Prime Minister. Further negotiations were held at Bolling Air Force Base, December 19-23. On December 23, President Clinton suggested that Israel cede sovereignty over the Temple Mount/Haram al-Sharif and Arab neighborhoods in Jerusalem and 96% of the West Bank and all of the Gaza Strip, and annex settlement blocs in exchange for giving the Palestinians Israeli land near Gaza. Jerusalem would be the capital of two countries. The Palestinians would cede the right of refugees to return to Israel and accept a Jewish "connection" to the Temple Mount and sovereignty over the Western Wall and holy sites beneath it. Israeli forces would remain in the Jordan Valley for 3 to 6 years to control borders, and then be replaced by an international force. The agreement would declare "an end to conflict." Barak said he would accept the plan as a basis for further talks if Arafat did so. Arafat sought clarifications on contiguity of Palestinian state territory, the division of East Jerusalem, and refugees' right of return, among other issues. The talks concluded at Taba, Egypt, on January 27, 2001.

On February 6, 2001, Ariel Sharon was elected Prime Minister of Israel. He vowed to retain united Jerusalem as Israel's capital, the Jordan Valley and other security areas. Sharon's associates asserted that the results of negotiations at and since Camp David were "null and void." The Bush Administration said that Clinton's proposals "were no longer United States proposals." Sharon said that he would strive for an interim agreement, not dealing with Jerusalem, Palestinian refugees, or a Palestinian state. On April 13, Sharon said that he could accept a disarmed Palestinian state on 42% of the West Bank, or about 2% more than the Palestinians control. Palestinian negotiators insisted that talks restart from where they left off at Taba.

On April 30, the international fact-finding commission headed by former Senator George **Mitchell** submitted a **report** on the causes of the violence and made recommendations for ending it, rebuilding confidence, and resuming negotiations. (See the State Department web site [<http://usinfo.state.gov/regional/nea/mitchell.htm>].) On June 12, the two sides agreed to CIA Director **Tenet's work plan** to cement the cease-fire and restore security cooperation. It calls, inter alia, for Israeli troops to pull back to positions held before September 2000, the lifting of Israeli closures of Palestinian territory, and stronger Palestinian efforts to prevent attacks on Israelis. On June 28, Israel and Palestinians agreed to a 7-day period without violence to be followed by a 6-week cooling-off period. Secretary of State Powell said that it was up to Sharon to determine if violence abated adequately. On July 19, the G-8 group of industrialized powers, including the United States, said "third-party monitoring, accepted by both parties" would aid in implementing the Mitchell report.

On August 8, Hamas detonated a suicide bomb at a Jerusalem pizzeria, killing 15 and wounding over 100. Two victims were American; one died. On August 10, Israeli forces seized Orient House, the center of Palestinian national activity in East Jerusalem. On August 26, Palestinian guerrillas infiltrated an Israeli army outpost in Gaza, and killed five soldiers. Israeli forces repeatedly entered Palestinian-controlled territory to destroy security posts and buildings they say provide cover for gunmen. The State Department said that it objected to such incursions because they try to reverse agreements that were made in the past. On August 27, Israel killed the head of the Popular Front for the Liberation of Palestine (PFLP). On August 28, the U.S. State Department spokesman noted that targeted killings "are only inflaming an already volatile situation."

On September 24, Sharon declared in a speech, "Israel wants to give the Palestinians what no one else gave them before, the possibility of a state." On October 2, President Bush said for the first time, "The idea of a Palestinian state has always been part of a vision, so long as the right of Israel to exist is respected." On October 17, Sharon said that he would accept the creation of a demilitarized Palestinian state, with Israel controlling all borders while retaining security zones and all of Jerusalem. In mid-October, Israel began to ease its blockade of Palestinian areas but stopped after the PFLP assassinated its Minister of Tourism on October 17.

On November 2, U.S. Deputy Assistant Secretary of State for Near Eastern Affairs Satterfield said that it was in Arafat's fundamental interests to confront Hamas and PIJ. Without such steps, it was "very difficult to establish the credibility necessary to advance a meaningful political process." On November 12, National Security Advisor Rice criticized Arafat and declared, "Until there is a real effort at the cessation of terrorism, its going to be very hard to get the peace process going."

On November 10, President Bush had told the U.N. General Assembly that the United States is "working toward the day when two states – Israel and Palestine – live peacefully together within secure and recognized borders...." In a November 19 speech, Secretary of State Powell announced that he was sending retired General Anthony Zinni to work with Israelis and Palestinians on a durable cease-fire to revive peacemaking. Violence escalated before and surged after Zinni arrived on November 26. Israel retaliated by destroying Arafat's helicopters and runway to keep him home to fight terror, attacking PA buildings and infrastructure, and tightening its closure of West Bank cities. Israel restricted Arafat in Ramallah beginning December 3. Sharon said that before a political arrangement with the

Palestinians, the PA had to make “bona fide” detentions of terrorists, dissolve terrorist organizations, confiscate illegal weapons and surrender them to Americans, prevent terrorism, and cease incitement. On December 7, Sharon said that he believed in a gradual solution and that Jerusalem and the right of return of the Palestinian refugees were “problems to which there were no answers.” He added, “it’s hard to believe that one can get into an agreement with Arafat, who is a real terrorist...”

In December, Zinni met with Israeli and Palestinian security chiefs. On December 12, after he had won agreement to cease hostilities for 48 hours, Hamas ambushed an Israeli bus in the West Bank and perpetrated two simultaneous suicide bombings in Gaza. The Israeli security cabinet charged that Arafat was “directly responsible” for the attacks ... “and therefore is no longer relevant ... Israel will no longer have any connection with him.” It also decided to undertake military operations to arrest terrorists and confiscate weapons. The United States and the EU said that they would continue to deal with Arafat. On December 16, however, Zinni was recalled for consultations. On the same day, Arafat called for “a comprehensive cessation of all armed activities ... especially suicide attacks.” The Israeli military reported a sharp decrease in violence after Arafat’s speech.

Zinni visited the region again, January 3-7, 2002. On January 3, however, attention shifted as Israel seized a Palestinian-commanded freighter, the *Karine A*, in the Red Sea carrying 50 tons of Iranian-supplied arms. On January 9, after 24 days without an Israeli fatality, Hamas killed four Israeli soldiers an army post in Gaza to retaliate for the seizure of the ship. In response, Israeli forces destroyed 54 homes in a Gaza refugee camp, tore up the Gaza airport runway, and fired missiles at a Palestinian naval base in Gaza. The State Department supported Israel’s self-defense but not the destruction of homes. Israel tightened the encirclement of Arafat in Ramallah and blew up the Voice of Palestine radio station in Ramallah. In response to questions about Arafat’s confinement, the U.S. Administration expressed “understanding” of Israel’s need to take steps in self-defense and to focus Arafat on improving the security situation. Between January 25-28, U.S. officials, including the President and Vice President, made a series of statements expressing frustration with Arafat.

On January 30, Sharon held cease-fire talks with senior Palestinian officials Ahmed Qurei, Mahmoud Abbas, and Muhammad Rashid. On February 2, Arafat wrote in the *New York Times*, “I condemn the attacks carried out by terrorist groups against Israeli civilians ... and I am determined to put an end to their activities.” He restated his commitment to a “two-state solution” and said that he was willing to negotiate “creative solutions to the plight of the refugees while respecting Israel’s demographic concerns.” Arafat later said he would like Palestinian refugees returned from Lebanon over 3 to 5 years. On February 5, Secretary Powell told a Senate committee that Arafat “cannot engage with us and others in the pursuit of peace, and at the same time permit or tolerate continued violence and terror.”

Sharon visited the White House on February 7. President Bush said that he would continue to pressure Arafat to take “serious, concrete, real steps to reduce terrorist activity.” Sharon said that he believed that pressure should be put on Arafat so that an alternative Palestinian leadership could emerge, but he did not ask the President to cut ties with Arafat as predicted.

On February 10, for the first time, Hamas fired its new Qassam-2 rocket at Israel, near the Gaza Strip. Hamas also claimed two gunmen who fired at Israel’s Southern Command

headquarters in Beersheva, killing two and wounding four. In response, from February 10-12, Israeli F-16s bombed a Palestinian security headquarters in Gaza and helicopters fired missiles around Gaza City. The State Department called the use of the rocket “troubling”, and said that Israel’s attacks were “counterproductive” and too close to civilian areas.

On February 12, Peres disclosed the peace plan he had developed with Ahmed Qurei. It calls for a cease-fire followed by mutual recognition of the Israeli and Palestinian states, the latter initially on the territory already ruled by the PA, and then one year of negotiations on borders, followed by one year of implementation. Peres suggested that Arafat backed the plan. Palestinians seek a letter of assurance that their final borders will be those of 1967. Sharon said the plan was not acceptable.

Palestinian militants refocused attacks on Israeli soldiers and settlers in the West Bank and Gaza instead of Israel proper to say that they are against occupation not against the state of Israel. Mid-February saw another sharp increase in violence. On February 21, PA security forces arrested three alleged murderers of Israeli’s tourism minister. Sharon’s spokesman said that the travel ban imposed on Arafat until he made the arrests would be lifted only if the gunmen were tried or extradited. Arafat responded that Israel had no right, under signed agreements, to demand extradition. On February 25, the Israeli security cabinet decided to pull tanks back from Arafat’s compound but keep him confined in Ramallah.

In remarks to a *New York Times* columnist published on February 17, Saudi Crown Prince Abdullah said that he had drafted a speech calling for “full withdrawal from all occupied territories, in accord with U.N. resolutions, including Jerusalem, for full normalization of relations” but changed his mind about delivering it “when Sharon took the violence and oppression to an unprecedented level.” On February 21, also in the *Times*, a Council on Foreign Relations fellow claimed that Saudi officials had told him that normalization did not preclude Israeli sovereignty over the Western Wall or over Jewish neighborhoods in East Jerusalem. Further, Saudi Arabia would not object to the transfer of small areas of the West Bank to Israel in return for comparable territory to be transferred to the Palestinians. An advisor to the Crown Prince later said that the details were for Israel, the Palestinians, Syria, and Lebanon to negotiate.

Secretary Powell said that Abdullah’s statement was “an important step that we have welcomed.” President Bush spoke to the Crown Prince and praised the statement as “a note of hope.” CIA Director Tenet and Assistance Secretary of State for Near Eastern Affairs Burns went to Saudi Arabia to discuss it further. Sharon said that he was willing to meet Saudi officials to explore their proposals, but it would be a “mistake” to replace ambiguous U.N. resolutions regarding Israel’s right to “secure and recognized borders” with an unacceptable, to him, demand for a total withdrawal to pre-1967 borders. Meanwhile, Peres called the Saudi idea “a general expression of goodwill” adding “if all the difficult questions and taboos and old prejudices will be hanged on the Saudi proposal, it may kill it.” Abdullah expects the Arab League summit (March 27-28 in Beirut) to approve his ideas.

On February 28, Israeli ground forces launched an assault on West Bank refugee camps that they said were “bases of terror infrastructure,” beginning what would eventually be a reoccupation of Palestinian areas that would only end three weeks later. Palestinian suicide bombers and gunmen from Al Aqsa, the PIJ, Hamas, and the PFLP continued to exact a high toll on Israelis. On March 8, the PA arrested the last suspect in the murder of the Israeli

Tourism minister, meeting Israel's condition for Arafat's release from Ramallah and leading Sharon to end restrictions of Arafat's movements in the West Bank and Gaza on March 11.

Israel-Syria. Syria seeks to regain sovereignty over the Golan Heights, 450-square-miles of land along the border that Israel seized in 1967. Israel applied its law and administration to the region in December 1981, an act other governments do not recognize. Syria initially referred to its goal as an end to the state of belligerency, not a peace treaty, preferred a comprehensive Arab-Israeli peace, and disdained separate agreements between Israel and Arab parties. Israel emphasized peace, defined as open borders, diplomatic, cultural, and commercial relations, security, and access to water resources.

In 1992, Israel agreed that 242 applies to all fronts. Syria submitted a draft declaration of principles, reportedly referring to a "peace agreement." Israeli Prime Minister Rabin accepted withdrawal on the Golan, without defining it, pending Syria's definition of "peace." On September 23, 1992, the Syrian Foreign Minister promised "total peace in exchange for total withdrawal." Israel offered "withdrawal," without "total." In 1993, Syrian President Asad announced interest in peace and suggested that bilateral tracks might progress at different speeds. In June, Secretary Christopher said that the United States might be willing to guarantee security arrangements in the context of a sound agreement on the Golan.

On January 16, 1994, President Clinton reported that Asad had told him that Syria was ready for talks about "normal peaceful relations" with Israel. The sides inched toward each other. In August, Rabin revealed a withdrawal timetable of "several years" and three years of normalization before complete withdrawal. Asad reportedly would not agree to more than one year for withdrawal. Asad again told President Clinton on October 27 that he was committed to establishing normal peaceful relations in return for full withdrawal. Israeli and Syrian chiefs of staff met in December. Syria claimed to have rejected Israel's demands for observation posts and asymmetrical demilitarized zones. Asad told Christopher that he would allow low-level Israeli diplomatic representation before complete withdrawal.

On March 20, 1995, ambassadorial talks resumed. Syria demanded an agreement on a declaration of principles for security arrangements before military talks. On May 24, Israel and Syria announced terms of reference for senior military experts to meet under U.S. auspices. Syria reportedly conceded that demilitarized and thinned-out zones may take topographical features into account and be unequal, if security arrangements were equal. Chiefs of staff discussed principles for security arrangements. Israel offered Syria an early-warning ground station in northern Israel in exchange for Golan stations, but Syria insisted on aerial surveillance only and that each country monitor the other from its own territory and receive U.S. satellite photographs. It was proposed that Syria demilitarize 6 miles for every 3.6 miles Israel demilitarizes. Rabin said that Israeli troops must man early-warning stations on the Golan after its return to Syria. Syria said that this would infringe on its sovereignty, but a government-controlled media commentary accepted international or friendly forces in the stations. Syria said that military talks could not continue until the early-warning issue was settled. Israel refused to continue without military talks. Talks resumed at the Wye Plantation in Maryland in December 1995, but were suspended when Israeli negotiators went home after terrorist attacks in February/March 1996.

The new Israeli government called for negotiations, but said that the Golan is essential to Israel's security and water needs and that retaining sovereignty would be the basis for an

arrangement with Syria. Netanyahu suggested a Lebanon-first approach. Asad refused, and would not agree to talks unless Israel honored prior understandings, claiming that Rabin had promised total withdrawal to the June 4, 1967 border (as opposed to the international border of 1923). Israeli negotiators contend that Rabin had suggested full withdrawal was possible only if Syria met Israel's security and normalization needs and those needs were not met. On January 26, 1999, the Israeli Knesset passed a law requiring a 61-member majority and a national referendum to approve the return of any part of the Golan Heights to Syria.

In June, Prime Minister-elect Barak and Asad exchanged compliments through a British writer. In July, Syrian Vice President Khaddam told radical Palestinian groups to end their armed struggle against Israel and Syria prevented Hizballah from firing rockets into Israel, although it still targeted Israeli forces in south Lebanon. Israel and Syria agreed to restart talks from "the point where they left off," with each side defining the point to its satisfaction. Barak and Syrian Foreign Minister Shar'a led delegations which met in Washington on December 15-16, 1999, and in Shepherdstown, WV from January 3-10, 2000. President Clinton intervened. Trilateral committees dealt with borders, security arrangements, normal peaceful relations, and water. On January 7, the United States presented a summary of points of accord and discord. As published by an Israeli newspaper, it revealed Israel's apparent success in delaying discussion of borders and winning concessions on normal relations and an early-warning station. Reportedly because of Syrian anger over the leak of the document, talks scheduled to resume on January 19, 2000, were "postponed indefinitely."

On March 26, President Clinton met Asad in Geneva. A White House spokesman reported "significant differences remain" and said that it would not be productive for talks to resume. Barak indicated that disagreements centered on Israel's reluctance to withdraw to the June 1967 border and cede access to the Sea of Galilee, on security arrangements, and on the early-warning station. Shar'a agreed that the border/Sea issue had been the main obstacle. Asad died on June 10; his son, Bashar, succeeded him. Ariel Sharon became Prime Minister of Israel in February 2001 and vowed to retain the Golan Heights.

Former U.S. Ambassador Edward Djerejian met Bashar in January 2002 and later reportedly told Israel that Syria is willing to resume negotiations from the point at they ended. Israel's Foreign and Defense Ministers have declared that Israel is prepared to negotiate without preconditions. Defense Minister Ben-Eliezer added that Syria had to end its support for Hizballah before talks can resume.

Israel-Lebanon. As called for by Security Council Resolution 425, Lebanon sought unconditional Israeli military withdrawal from the 9-mile "security zone" in southern Lebanon and the end of Israel's support for militias in the south and of shelling of villages that Israel claimed were sites of Hizballah guerrilla activity. Israel claimed no Lebanese territory but sought security and said that it would withdraw when the Lebanese army controlled the south and prevented Hizballah attacks on northern Israel. Lebanon repeatedly sought a withdrawal schedule in exchange for addressing Israel's security concerns. The two sides never agreed. Syria, which dominates Lebanon, said that Israel-Syria progress should come first. In July 1993, Israel conducted a large assault to stop Hizballah attacks; 250,000 people fled south Lebanon. U.S. Secretary of State Christopher arranged a cease-fire. In March/April 1996, Israel again attacked presumed Hizballah targets, and Hizballah fired rockets into northern Israel. An April 26 cease-fire accord barred Hizballah attacks into Israel and Israeli attacks on civilian targets in Lebanon and all attacks on civilians or civilian areas. Each side retained

the right of self-defense. U.S., French, Syrian, Lebanese, and Israeli representatives monitored the cease-fire.

On January 5, 1998, Defense Minister Mordechai said that Israel was ready to withdraw from southern Lebanon if the second part of Resolution 425, calling for the restoration of peace and security in the region, were implemented. He and Netanyahu then proposed that Israel withdraw in exchange for security, not peace and normalization. On April 1, the Israeli cabinet accepted 425 and called on Lebanon to negotiate. Lebanon and Syria called for an unconditional Israeli withdrawal. Violence in northern Israel and southern Lebanon increased in November and December, prompting the Israeli cabinet to reaffirm its opposition to a unilateral withdrawal twice. In April 1999, Israel “downsized” its force in Lebanon. In June, the Israeli-allied South Lebanese Army withdrew from Jazzin, north of the security zone. New Prime Minister Barak promised to withdraw from southern Lebanon in one year, or by July 7, 2000, while maintaining security for northern Israel.

On September 4, 1999, Lebanese Prime Minister Al-Hoss confirmed his country’s commitment to 425 and support for the “resistance” against the occupation, i.e., Hizballah. He argued that Palestinian refugees residing in Lebanon have the right to return to their homeland, and rejected their implantation in Lebanon. Al-Hoss did not accept Secretary of State Albright’s statement that Palestinian refugees in Lebanon will be a subject of Israeli-Palestinian final status talks, insisting that Lebanon should be a party to such talks.

On March 5, 2000, the Israeli cabinet voted to withdraw from southern Lebanon by July. Lebanese President Lahoud warned that Lebanon would not guarantee security for northern Israel unless Israel also withdrew from the Golan and worked to resolve the refugee issue. On April 17, Israel informed the U.N. of its plan. On May 12, Lebanon informed the U.N. that Israel’s withdrawal would not be complete unless it included Sheba’a farms near the Golan. On May 23, the U.N. Secretary General noted that almost all of Sheba’a is within the area of operations of the U.N. Disengagement Observer Force (UNDOF) overseeing the 1974 Israeli-Syrian disengagement, and recommended proceeding without prejudice to later border agreements. On May 23, the SLA collapsed, and on May 24 Israel completed its withdrawal. Hizballah took over the former security zone. On June 18, the U.N. Security Council agreed that Israel had withdrawn. The U.N. Interim Force in Lebanon (UNIFIL) began to redeploy to the border region in July. About 1,000 Lebanese soldiers and policemen moved into the area but not to positions on the border, where Hizballah and UNIFIL coexist. Only about 400 U.N. troops deployed by December because the Lebanese army had failed to back them against Hizballah. (See CRS Report RL31078, *The Shi’ba Farms Dispute and Its Implications*.)

On October 7, Hizballah shelled northern Israel and captured three Israeli soldiers. (Israel has since declared them to be dead.) On October 16, Hizballah announced that it had captured an Israeli colonel. On November 13, U.N. Security Council members said that Lebanon was obliged to “take effective control of the whole area vacated by Israel” On April 16 and July 2, 2001, Israel, claiming Syria controls Hizballah, bombed Syrian radar sites in Lebanon after Hizballah attacked its soldiers in Sheba’a. In April, the U.N. warned Lebanon that unless it deployed to the border, UNIFIL would be diminished or phased out. On January 28, 2002, the Security Council voted to cut UNIFIL to 2,000 by the end of 2002.

Israel-Jordan. Of Jordan's 3.4 million people, 55 to 70% are Palestinian; government figures acknowledge 40%. An estimated 300,000 Palestinians displaced by the Gulf War fled to Jordan. Jordan hoped an Israel-Palestinian accord would ease its economic problems by producing international aid. Jordan would not ratify a June 1993 agenda on water, energy, environment, and economic matters before other Arab parties reached accords. It was initialed on September 14, 1993, after the Israeli-Palestinian DOP was signed.

Rabin reportedly met King Hussein secretly on September 26, 1993. On October 1, Crown Prince Hassan, Foreign Minister Peres, and President Clinton agreed to set up a Trilateral Economic Committee. In June 1994, Israel and Jordan held talks on boundaries, water, energy, moving talks to the region, and trade and economic relations. Rabin and King Hussein opened a border crossing for third country tourists on August 8. A peace treaty was signed on October 26 (see **Agreements** below). The border was demarcated and Israel withdrew from Jordanian land on February 9, 1995. More agreements followed.

On March 9, 1997, King Hussein charged that Netanyahu was "bent on destroying the peace process...." On September 25, 1997, Israeli agents failed in an attempt to assassinate a Hamas official in Jordan. King Hussein demanded that Israel release Hamas founder Shaykh Yasmin, which it did on October 1, with 70 Jordanian and Palestinian prisoners in exchange for the detained agents. On December 5, 1998, the King again lambasted Netanyahu. He called for Jordan-Palestinian coordination, observing that final status issues such as refugees, borders, settlements, water, security, and Palestinian sovereignty are Jordanian national interests. King Hussein died on February 7, 1999.

On February 28, 1999, Netanyahu and King Abdullah II reaffirmed their dedication to peace. King Abdullah has said that the Palestinians should administer the Muslim holy sites in Jerusalem, a traditional responsibility of the Jordanian royal family, but rejected a Jordanian-Palestinian confederation. He indicated that warmer relations with Israel depend upon progress toward peace with the Palestinians and Syria, and proposed that Jerusalem be an Israeli and a Palestinian capital. On November 21, Jordan stopped accreditation of its new ambassador to Israel because of Israel's "aggression" against the Palestinians. In a rare raid on December 25, 2001, two gunmen infiltrated from Jordan, killed an Israeli soldier, and wounded four others before being killed by Israeli helicopter gunships.

Multilateral Talks

A January 1992 meeting organized groups on economic development, arms control and regional security, environment, refugees, and water issues to meet twice yearly and to create a context for peace. Syria and Lebanon would not attend until Israel withdrew from Arab territory, and Egypt stopped attending arms control meetings when Israel refused to allow its nuclear weapons to be discussed. Scheduling of multilateral talks has depended on progress in bilateral talks, and talks have not been held for several years. (See CRS Report RL30311, *Middle East: The Multilateral Peace Talks.*)

Significant Agreements

Israel-PLO Mutual Recognition. On September 9, 1993, Arafat recognized Israel's right to exist, accepted U.N. Security Council Resolutions 242 and 338, the Middle East

peace process, and the peaceful resolution of conflicts. He renounced terrorism and violence and undertook to prevent them, stated that articles of the Palestinian Charter that contradict his commitments are invalid, undertook to submit Charter changes to the Palestine National Council, and called upon his people to reject violence. Rabin recognized the PLO as the representative of the Palestinian people and agreed to negotiate with it.

Declaration of Principles. On August 29, 1993, Israel and the Palestinians announced that they had agreed on a Declaration of Principles on interim self-government for the West Bank and Gaza on August 19, after secret negotiations in Oslo, Norway, since January 1993. Effective October 13, it called for Palestinian self-rule in Gaza and Jericho; transfer of authority over education, culture, health, social welfare, direct taxation, and tourism in the West Bank and Gaza to Palestinians; election in 9 months of a Palestinian Council with jurisdiction over the West Bank and Gaza; Palestinian residents of East Jerusalem will vote; Israeli troops to redeploy from Palestinian population centers before the election and further as Palestinian police assume responsibility for public order; joint Israeli-Palestinian committees for issues such as economic cooperation and dispute resolution; the parties to invite Jordan and Egypt to establish cooperative arrangements that will decide modalities of admission of persons displaced in 1967, etc. During the interim period, Israel responsible for external security, settlements, Israelis, and foreign relations. Permanent status negotiations will begin in the third year of interim rule and may include Jerusalem.

Israel-Jordan Agenda. Initialed on September 14, 1993, with sections on security, water, refugees and displaced persons, borders and territorial matters, bilateral cooperation on natural and human resources, infrastructure, and economic areas. Reaffirms the 1967 international border; Israel to withdraw from two small strips of land seized in 1968.

Agreement on the Gaza Strip and the Jericho Area. Signed on May 4, 1994, provides for Israeli withdrawal from Gaza/Jericho to begin immediately and to be complete within three weeks. Israel to evacuate all military bases, hand them over to Palestinian police, and redeploy to settlements and military installations. Israelis may use roads within Gaza/Jericho and Palestinians may use public roads crossing settlements. Palestinian police to be responsible for public order and internal security. Authority to be transferred from the Israeli military government and civil administration to the PA. The PA will consist of 24 members with legislative and executive powers and established administrative units. The Authority's territorial jurisdiction includes land, subsoil, and territorial waters. Israel retains jurisdiction over foreign relations, external security, and security of settlements. The PLO may conclude economic, assistance, and regional development agreements with international organizations and foreign states. The PA may promulgate laws, regulations, and other legislative acts. The Palestinians may have a police force, but not other armed forces. Israel is to release 5,000 Palestinian prisoners within five weeks and negotiate release of others. The parties agree to a Temporary International Presence of 400 for 6 months. The accord began the 5-year period of interim self-rule.

The Washington Declaration. Signed on July 25, 1994. Terminates state of belligerency; King Hussein declared an end to the state of war at the signing ceremony. Israel respects the special role of Jordan in Muslim holy sites in Jerusalem and will give it high priority.

Israel-Jordan Peace Treaty. Signed on October 26, 1994. An international boundary will be delimited within 9 months with reference to that of the former British Mandate. Each party will refrain from threats or use of force against the other and from joining alliances hostile to the other and will remove restrictions from normal economic relations and terminate economic boycotts. Problems of displaced persons (from 1967) will be resolved in a committee with Egypt and the Palestinians and of refugees (from 1948) in the multilateral framework. Israel respects Jordan's role in the mosques in Jerusalem and will give it high priority in permanent status negotiations. Unrevealed annexes reportedly called for Jordan to lease one sq. mi. to Israelis for a renewable 25-year period and for Israel to provide Yarmuk River water and desalinized water to Jordan; dams will be built on the Yarmuk and Jordan Rivers to yield more water.

Israeli-Palestinian Interim Agreement, West Bank — Gaza Strip. (Also called the Taba Accords or Oslo II.) Signed on September 28, 1995. Annexes deal with security arrangements, elections, civil affairs, legal matters, economic relations, Israeli-Palestinian cooperation, and the release of Palestinian prisoners. Negotiations on permanent status and relations with neighboring countries will begin in May 1996. An 82-member Palestinian Council and Head of the Council's Executive Authority will be elected after Israeli redeployment from populated areas in the West Bank. Palestinian residents of Jerusalem will participate in the elections by mail and may stand for election if they have a second address in the West Bank or Gaza. The Israeli Defense Force will redeploy from Jenin, Nablus, Tulkarm, Qalqilyah, Ramallah, and Bethlehem, and 450 towns and villages. Israel will redeploy in Hebron, except where necessary for security of Israelis. Israel will be responsible for external security and the security of Israelis and settlements. In Area "A," the six cities, Palestinians will be responsible for internal security. In Area "B," Palestinian towns and villages, Israeli responsibility for overall security will have precedence over Palestinian responsibility for public order. In Area "C," unpopulated areas, Israel will retain full responsibility.

Further redeployments will take place in 6-month intervals following the Council's inauguration, with Palestinians gaining territorial jurisdiction over more of Area C, subject to land rights of Israelis and provision of services to settlements. Palestinian Charter articles calling for the destruction of Israel will be revoked within two months of the Council's inauguration. Israel and the Palestinians will cooperate against terrorism. Palestinians will have a police force of 12,000, issue arms' permits, and confiscate illegal arms. Israelis may not be arrested by Palestinian police. Responsibility for religious sites will be transferred to the Palestinians, with freedom of access and of worship guaranteed. Israel will increase water allocated to Palestinians. Further increases to be based on increases in resources developed through international funding and channels, including the U.S.-Palestinian-Israeli forum. Israel will release Palestinian prisoners in three stages: upon signing of the agreement, on the eve of elections, and according to other principles to be established. Economic Annex of the Gaza-Jericho Agreement, with minor changes, is incorporated.

Protocol Concerning the Redeployment in Hebron. Initialed by Israel and the PA on January 15, 1997. Details security arrangements. In Notes for the Record, Israel agreed to prisoner release in accordance with the Interim Agreement (above) and to resume negotiations on safe passage between Gaza and the West Bank, Gaza Airport and port, economic, and other issues. The Palestinians reaffirmed their commitment to revise their Charter, to fight terror, and to keep police force size in line with the Interim accord.

Permanent status negotiations were to resume within two months after implementation of the Protocol. Christopher wrote a letter to Netanyahu, stating that it remains U.S. policy to promote full implementation of the Interim Agreement and that he had advised Arafat that Israeli redeployments would be completed no later than mid-1998— defined by U.S. Special Envoy Ross as August 1998.

Wye River Memorandum. Signed on October 23, 1998. Delineates steps to be taken over a 12-week period to complete implementation of the Interim Agreement and of agreements specified in Notes for the Record that accompanied the Hebron Protocol. Israel will redeploy from territories in the West Bank in exchange for Palestinian security measures. The PA will have complete or shared responsibility for 40% of the West Bank, of which it will have complete control of 18.2%. Palestinians ensure systematic combat of terrorist organizations and their infrastructure. Their work plan will be shared with the United States. A U.S.-Palestinian committee will review steps to counter terrorism. The Palestinians will prohibit illegal weapons. The Palestinians will prohibit incitement to violence and terror and establish mechanisms to act against provocateurs.

A U.S.-Palestinian-Israeli committee will monitor incitement and recommend how to prevent it. Israeli-Palestinian security cooperation will be full, continuous, and comprehensive. A trilateral committee will meet not less than biweekly to assess threats and deal with impediments to cooperation. The Palestinians will provide a list of their policemen to the Israelis. The PLO Executive and Central Committees will reaffirm the January 22, 1998, letter from Arafat to President Clinton that specified articles of the Palestinian Charter that had been nullified in April 1996. The Palestine National Council will reaffirm these decisions. President Clinton will address this conclave. The two sides agreed on a Gaza industrial estate and on a protocol for opening the Gaza airport. They agreed to work to agree on safe passage between the Gaza Strip and West Bank and on a Gaza seaport. Permanent status talks will resume when the Memorandum takes effect. A time line is an “integral attachment” to the Memorandum. U.S. officials provided both sides with letters of assurance regarding U.S. policies. (See CRS Report 98-911, *Israeli-Palestinian Peace Process: The Wye River Memorandum*.)

Sharm al-Shaykh Memorandum. (Also called Wye II.) Signed on September 4, 1999. Agreed to resume permanent status negotiations in an accelerated manner by September 13, to make a determined effort to conclude a framework agreement on permanent status issues in five months, and to conclude a comprehensive agreement on permanent status within one year or by September 13, 2000. They also agreed on other Wye issues. (See CRS Report RS20341, *Israeli-Palestinian Peace Process: The Sharm el Sheikh Memorandum*.)

Role of Congress

Aid. (See also CRS Report RS20895, *Palestinians: U.S. Assistance*.) In 1993, President Clinton said that the United States would compensate Israel for risks involved in peace and would provide “seed money” for the PA. The Middle East Peace Facilitation Act (MEPFA) (P.L. 103-236, April 30, 1994, Title X) granted the President authority to suspend provisions of laws affecting the PLO in the national interest and if the PLO is abiding by commitments made in letters to Israel and Norway and under the DOP. The State

Department reported that the PLO honored its commitments, with shortcomings, and asserted that suspensions were in the U.S. national interest, enabling U.S. support for the peace process and interaction with all parties. MEPFA was extended with additional requirements, until August 12, 1997, then included in annual foreign operations appropriations legislation. P.L. 107-115, January 10, 2002, the Foreign Operations Appropriations Act for 2002, prohibits the provision of funds to the PA unless the President certifies that it is important to U.S. national security interests. On February 7, 2002, President Bush said that he had budgeted \$300 million for non-governmental organizations to improve the conditions of Palestinians who are not involved in terror.

The House passed H.R. 1646 on May 16, 2001; \$625,000 in international military education and training funds will not be provided to Lebanon unless its armed forces deploy to the border with Israel and Lebanon asserts its authority in the area. If Lebanon does not deploy within 6 months, then the President is to provide a plan to terminate \$35 million in economic support funds to Lebanon. The Senate has not passed the bill.

Jerusalem. Jerusalem is a subject for final status negotiations. Israel annexed the city in 1967 to be its eternal, undivided capital. Palestinians seek to have their capital in East Jerusalem. U.S. Administrations have maintained that it is up to the parties to determine its fate. H.Con.Res. 60, June 10, 1997, and S.Con.Res. 21, May 20, 1997, called on the Administration to affirm that Jerusalem must remain the undivided capital of Israel. Congress prohibits official U.S. government business with the PA in Jerusalem and the use of appropriated funds to create U.S. government offices in Israel to conduct business with the PA. (See, P.L. 107-115, January 10, 2002.)

A related issue is the relocation of the U.S. Embassy from Tel Aviv to Jerusalem. Proponents argue that Israel is the only country where a U.S. embassy is not in the capital, that Israel's claim to West Jerusalem, proposed site of an embassy, is unquestioned, and that Palestinians must be disabused of their hope for a capital in Jerusalem. Opponents say a move would undermine the peace process, U.S. credibility in the Islamic world and with Palestinians, and prejudice final status. P.L. 104-45, November 8, 1995, provided for the relocation of the embassy by May 31, 1999, but granted the President authority, in national security interest, to suspend limitations on State Department expenditures that would be imposed if the embassy did not open. President Clinton used the authority three times; President Bush twice. (See CRS Report RS20339, *Jerusalem: The U.S. Embassy and P.L. 104-45.*) H.Con.Res 30, introduced on February 13, 2001, urges the President to begin the relocation process, as does H.R. 1646, passed in the House on May 16.

Compliance/Sanctions. S.Con.Res. 88 and H.Con.Res. 280, both passed on December 5, 2001, demand that the PA act against terrorists and urge the President to suspend relations with Arafat and the PA if it does not. P.L. 107-115, January 10, 2002, left it to the President to assess PLO/PA compliance with its 1993 commitments and, if he determines that there has not been compliance, to impose sanctions for 6 months based on those assessments. H.R. 3624, introduced on January 24, 2002, would prohibit direct or indirect assistance to the PA or any instrumentality of the PA. H.R. 3743, introduced on February 13, would provide for restrictions on PLO diplomats while in the United States. In a letter sent on March 14, 130 House Members urged President Bush to label Al-Aqsa Martyrs Brigades, Tanzim, and Force 17 "foreign terrorist organizations" (FTO). On March 21, the Administration said that it was taking steps to designate Al Aqsa an FTO.