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CENTER FOR MIDDLE EAST PEACE

Israel and the Middle East News Update

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News Excerpts

March 1, 2018

Ha'aretz

White House: Nobody Knows What Peace Plan Is

The White House on Wednesday dismissed a report claiming its Middle East peace plan might recognize a Palestinian State with its capital in East Jerusalem, saying the proposal had yet to take shape. "As we have not finished our plan, nobody knows what it is," a senior administration official told The Times of Israel. "There is constant speculation and guessing about what we are working on and this report is more of the same." London-based Saudi newspaper Asharq al-Awsat reported Wednesday that US President Donald Trump's diplomatic team tasked with brokering an accord was formulating a plan that might include US and international recognition of a Palestinian state.

Ynet

Palestinians, Europe Pressure Trump on 1967 Lines

European countries have held talks with the Trump administration—at the PA's behest—in an attempt to change the American peace plan, reported the pan-Arab Al-Hayat newspaper Thursday morning. Palestinians are reportedly demanding the Trump peace plan be based on the two-state solution predicated on the 1967 borders and east Jerusalem as the capital. Western diplomatic sources confirmed talks between the U.S. and European countries were indeed taking place, but said chances were low of the Americans taking into account all of the Europeans' demands.

Ha'aretz

Will Kushner's Loss of Clearance Affect His Peace Plan?

Former peace negotiators are divided on whether Jared Kushner's loss of access to top secret intelligence will hurt his attempts to promote a peace plan, after it was reported Tuesday that his security clearance had been "downgraded." "While losing access to top secret intelligence will limit some of the information that Mr. Kushner will have access to, it will not fundamentally alter his ability to negotiate successfully between Israelis and Palestinians," said Robert Danin, a former National Security Council official. He added that the downgrade "could prove to be a limitation down the line, should serious and ongoing Israeli-Palestinian negotiations ever get going in earnest."

Axios

Israel Concerned by Lack of US Action in Syria

Israel is concerned by what it sees as a policy difference with the U.S. on countering Iranian military entrenchment in Syria, officials say. The issue is going to be discussed again in the White House meeting between Trump and Prime Minister Netanyahu and on Monday. One official said there is a big gap between the American rhetoric against Iran and the action. "It is comfortable for the Americans to let us be their sub-contractor against Iran in Syria. We are very worried", the official said.

What is AIPAC's Role in the Age of Trump?

When Trump spoke at AIPAC's Policy Conference in 2016 and said Barack Obama may be the worst thing that ever happened to Israel, many cheered, many choked and the organization apologized. The fallout from that event will haunt the proceedings when 18,000 activists, including 3,500 students, attend the American Israel Public Affairs Committee conference this weekend. Navigating an increasingly polarized political landscape is the new reality for the lobby, which remains pre-eminent among pro-Israel groups and has long banked on bipartisanship. Trump, on the one hand, has delivered on much of AIPAC's agenda. At the same time, much of the Jewish community reviles Trump for his perceived bigotries and postures on a range of issues.

Washington Post

Israeli Military to Probe Raid that Killed Palestinian

Israel's army says military police have opened an investigation into a raid in which a Palestinian was killed. It made the announcement Wednesday after new footage emerged showing the 33-year-old running down an alley with a long object on his shoulder. A soldier opens fire and he falls, and then other soldiers can be seen beating and kicking him, and dragging his body. The raid took place Thursday in the West Bank town of Jericho. On Friday, the military said the man had died from tear gas exposure. Media reports citing autopsy results said he died from gunfire. Israel's Channel 10 TV quoted the soldier who opened fire as saying he was not sure if he hit the man. The soldier said he felt his life was in danger.

Reuters

EI Al Seeks International Help to Access Saudi Airspace

Israel's flag carrier El Al has asked an airline industry lobby group to help it access Saudi Arabian airspace, so it can compete with Air India's planned route between India and Israel. The request came in a letter on Wednesday from El Al's chief executive to the International Air Transport Association (IATA), in which he said he has also approached Israel's prime minister. Saudi Arabia does not recognize Israel though there has been a thawing of the relationship between the U.S. allies, with a shared concern over Iranian influence in the region. Granting an Israeli airline access to its air space by lifting a 70-year-old ban, however, would mark a dramatic diplomatic shift.

Ha'aretz

US-Israel Tax Treaty to Be Revised

Staff from the chief economist's office and the Israel Tax Authority in the Finance Ministry have been in touch with the U.S. Treasury Department in recent weeks over possible amendments to the tax treaty between the two countries following changes to American taxation policy. The disparities between the tax deductions that the overhaul provides and what is allowable in Israel are expected to accentuate differences in the two countries' tax regimes. Israel is not the only country faced with amending its tax treaty with the United States.

Palestinians Plan Their Own Event to Mark Embassy Move

By Shlomi Eldar, Columnist, AI Monitor

- The US State Department announced Feb. 23 that the US Embassy in Israel would be moved from Tel Aviv to Jerusalem in mid-May, to coincide with Israel's 70th Independence Day. The Israeli Embassy in the United States cited Prime Minister Benjamin Netanyahu's reaction to the decision: "This is a great day for the people of Israel. ... This decision will turn Israel's 70th Independence Day into an even bigger celebration." Even as the temporary embassy site (until a permanent facility is built) is being inaugurated, the Palestinians will be marking the 70th anniversary of their annual Nakba Day commemorating the "catastrophe" that befell them when Israel was established in 1948. Just as Netanyahu noted the added importance of this day for Israel in light of the US Embassy move, so presumably will the Palestinians' sense of loss be intensified this year by great anger at the decision.
- Saeb Erekat, the secretary-general of the PLO Executive Committee and former chief Palestinian negotiator with Israel and the United States, claims the American decision to relocate the embassy during the very month that Palestinians will mark their 70th Nakba Day is "a flagrant violation of international law and agreements" with Israel. Indeed, Erekat's comment reflects the more militant line he has recently adopted compared with that of the Palestinian leadership — for instance telling US Ambassador to the United Nations Nikki Haley to "shut up." Nonetheless, other top officials in the Palestinian Authority (PA) are also expressing rage over what they view as repeated humiliation by the administration of President Donald Trump, which they accuse of lacking diplomatic integrity. A member of the Palestinian Committee for Interaction with Israeli Society, speaking on condition of anonymity, described to AI-Monitor the pervasive sentiment within the PA. "Not only have they spit in our face, but in order to complete our humiliation they are now moving the embassy on Nakba Day and sticking their finger deep into the eyes of the Palestinians and of Abu Mazen [PA President Mahmoud Abbas]."
- Abbas appointed the committee in 2012 to promote Palestinian dialogue with the Israeli public, but it hardly ever meets — not only because of obstacles placed in its way by Israeli Defense Minister Avigdor Liberman, who banned the panel's chairman Mohammed al-Madani from entering Israel in June 2016, but also because overall negotiations between the sides have died out. Members of the committee are careful not to say so publicly, but it seems that they sense their mission is over and that they will have to rethink their course, as will the PA as a whole. The Palestinian leadership no longer has any expectations of the US mediator who disappointed them. However, despite their realization that nothing good will come of Trump, they are having a hard time dealing with the blows the president and his administration repeatedly rain down on them.
- US Vice President Mike Pence said during his January visit to Israel that the embassy would only be moved at the end of 2019, but since the recent announcement that the date had been

moved up, the Palestinians have started devising ways to “stick it” to the Americans. The PLO Executive Committee is debating a proposal by Erekat and others to hold a parallel event that would divert attention away from the US Embassy inauguration to the Palestinian protest. Many Palestinians believe more “days of rage” of the kind they mount each year would be perceived as just another protest and would not serve their goals. According to the source, they would rather stage a “productive event” that would, on the one hand, express their opposition to what they term the “iniquities of the American administration,” and on the other highlight their determination to mobilize international backing for negotiations on the establishment of a Palestinian state with its capital in Jerusalem.

- Deputy Fatah Chairman Mahmoud al-Aloul has been planning mass public Nakba Day protests that could lead to clashes with Israeli forces, and he is unlikely — it seems for the moment — to back down. Given that domestic political considerations are also behind Fatah’s planned days of rage, the leadership may decide to hold parallel events of a different nature. Whether the Palestinians declare “days of rage” or not, the PLO Executive Committee is drawing up plans to invite to Ramallah, the seat of the PA in the West Bank, representatives of countries that have recognized a Palestinian state and those that have yet to declare their recognition.
- The United Kingdom is one of the countries that could be invited; the British Parliament adopted a symbolic resolution in October 2014 recognizing a Palestinian state (though this decision does not commit the British government to change its policy). Although Abbas has since threatened to sue the United Kingdom over the 1917 Balfour Declaration recognizing the Jews’ right to a homeland in Palestine, claiming the decision led to the Palestinian Nakba, senior PA officials nonetheless believe they can count on the United Kingdom to support their bid for statehood at the UN. They cite, for example, the British objection to Trump’s recognition of Jerusalem as Israel’s capital, and suggest the British may also wish to make up for past wrongs toward the Palestinians. The Palestinians also expect the participation in the ceremony they are planning of countries that have officially recognized Palestine. Among them are Sweden, South Africa, nine South American states including Brazil, Uruguay and Paraguay, Turkey and possibly India following the Feb. 10 visit by Prime Minister Narendra Modi to the PA.
- The Palestinian source told Al-Monitor that the burgeoning initiative is designed, among other things, to show that Abbas has not spoken his final word on the subject and that despite the heavy blows he has sustained in recent months, he is waging a rearguard battle against the Americans. Nonetheless, it is hard to believe that a symbolic ceremony, which is in essence still a protest event, will change the prevailing impression among Abbas’ opponents and few remaining supporters. They believe that he has been vanquished in the international arena and that anything he does now is only designed to salvage his public image.

Netanyahu's Case 4000 Takes Center Stage

By Ben Caspit, Columnist, AI Monitor

- Two senior Cabinet ministers, Yisrael Katz of the Likud and Aryeh Deri of Shas, didn't notice that the Knesset Channel's cameras were focused on them as they joked around in hushed tones Feb. 26 during a Shas event in the legislature. The two were speaking about the recent revelations that the judge handling Case 4000 involving Prime Minister Benjamin "Bibi" Netanyahu had exchanged text messages with a state attorney to coordinate an extension of the custody of suspects in the affair. These disclosures were to Netanyahu's advantage, and Katz and Deri's conversation, recorded in full by the camera's microphone, reflected what many people in the Israeli political system have been saying: "How much luck does Bibi have?! How much luck? Tell me, how much luck?" Deri asked Katz. "Yep," Katz responded. "It's something else," Deri continued. "Unbelievable," Katz concurred. "Unbelievable," Deri shot back. "Yalla [Well then], we're in favor," Katz concluded.
- The conversation took place on the day that the political and legal drama surrounding Netanyahu made an Olympics-worthy acrobatic turn that stood to make it look as if the prime minister were being persecuted, rather than being investigated in an even-handed way. When the dust settled, however, normalcy had returned, and Netanyahu's legal situation seemingly looked more ominous than ever. Before that happened, however, the legal system and law enforcement suffered a devastating blow, seriously harming their public reputations. Any efforts at restoring the lost trust will be long and arduous. It all happened as a result of a Feb. 25 Channel 10 report that featured a picture of the cellphone screen of an Israel Securities Authority investigator involved in Case 4000. Netanyahu is scheduled to be interrogated March 2 for bribery in that case. The scandal, which AI-Monitor has covered, revolves around alleged bribery involving Shaul Elovitch, former majority stakeholder of the telecommunications giant Bezeq. Netanyahu is thought to have granted Bezeq regulatory benefits valued at hundreds of millions of shekels, paid from the pockets of Israeli taxpayers. In exchange, Elovitch is alleged to have rewarded Netanyahu by ensuring that the popular news site Walla would cover the Netanyahu family favorably.
- The screenshot broadcast on television showed correspondence between the securities investigator on the case and the judge slated to oversee it. The image indicated that the two of them had colluded by coordinating an extension of the two main suspects' detention in advance of their hearing. The suspects were Elovitch and Nir Hefetz, who serves as the Netanyahu family's media consultant and spokesman. It did not take long before a conspiracy theory began making the rounds, claiming that the police, the attorney general's office, the courts and the Israel Securities Authority were all working together to bring down Netanyahu, incriminate the people closest to him and thus engineer a political coup. The text messages left little room for doubt or the imagination. They exposed collusion between the judge and the investigator before

the case was even brought before the court and regardless of any evidence that would be presented.

- The public response was dramatic, with almost everyone, left and right, expressing shock and disgust. Judge Ronit Poznanski-Katz was immediately removed from the case, and some of the suspects were released immediately. At the time, it looked like Case 4000 would get the kind of black eye from which it would be hard to recover, but it was precisely then that the Katz-Deri conversation was recorded and began making the rounds. This bit of footage was especially sensitive, as Katz's name pops up repeatedly as a potential Netanyahu successor, and because Deri is entangled in a criminal investigation of his own. By the next day, the system had recovered and returned to normal. The ombudsman of the judiciary determined that the judge's actions were not tainted with criminal behavior.
- While the full exchange of messages showed unacceptable and disreputable communications between the judge and the investigator, it became moot. The new judge appointed to replace Poznanski-Katz extended the arrest of Elovitch and Hefetz anyway. Things began to calm down, and the parties continued to prepare for "Big Friday," when Netanyahu was expected to be interrogated under warning in Case 4000 and perhaps also give testimony in Case 3000, the submarine scandal. Netanyahu's questioning in the latter case is being described by the police as "open testimony," although people close to the investigation say that it could also become an interrogation under warning. If Netanyahu becomes a suspect in Case 3000 as well, it would be a breaking point of sorts, that is, the kind of watershed moment that marks the beginning of the end. If not, the prime minister could continue fighting to hold on to his position, and his freedom, for the next few months.
- Case 4000 seems to be the most important case being brought against the Netanyahu for now, even though the police have already recommended that he be indicted for bribery in Cases 1000 (for allegedly receiving gifts from businessmen) and 2000 (for allegedly plotting with Yedioth Ahronoth's publisher to receive positive coverage). Case 4000 involves tangible evidence and an important state witness, Shlomo Filber, a Netanyahu confidant who also served as his director general of the Ministry of Communications. Then there are all the documents, correspondence and recordings that link Netanyahu directly to the benefits that Bezeq received from the state as well as to the enormous benefits and favorable coverage the Netanyahu family received from Walla. Investigators are now looking for additional benefits and maybe even money believed to have been transferred from one party to the other. If such cash payments are found, Netanyahu's situation will be much worse than it is now. So far, Netanyahu has been able to convince his supporters that while he may be quite the hedonist, he is not corrupt. It would be a resounding blow if it is discovered that huge amounts of money were also involved.
- At the time of writing, Netanyahu was trying to postpone the March 2 interrogation. The police are insisting that it take place as scheduled, but Netanyahu is supposed to travel to the United States after being questioned to participate in the annual AIPAC conference March 4 and to

meet with President Donald Trump. He is trying to maintain the impression that everything is business as usual while using the US administration to prove to Israelis that he is irreplaceable. Meanwhile, the police are trying to complete their interrogation. It is now up to Attorney General Avichai Mandelblit to set the pace and make decisions. He, too, is a former Netanyahu confidant and once served as Cabinet secretary. To further complicate matters, Mandelblit himself has recently come under intense scrutiny after it was discovered that Hefetz, the Netanyahu family adviser, had tapped him for attorney general. Mandelblit must thus navigate through the perfect storm facing Israel this year. It is a storm with no end in sight.