

Heard on the Hill

House panel passes Iran sanctions bill. The House Foreign Affairs Committee approved by a vote of 37-1 the Iran Counter-Proliferation Act of 2007, which closes loopholes in existing sanctions law against Iran, strengthens U.S. tools to cut off funds to Iran's nuclear program and prohibits U.S. nuclear cooperation with those aiding Iran's atomic efforts. It also calls for Iranian President Mahmoud Ahmadinejad to be brought before the International Court of Justice for violating the Genocide Convention through his repeated calls for the destruction of Israel. The bill was sponsored by Reps. TOM LANTOS (D-CA) and ILEANA ROS-LEHTINEN (R-FL).

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Senators call on Rice to press Egypt to stop Gaza weapons smuggling. Thirty-two senators signed a letter calling on Secretary of State Condoleezza Rice to urge Egypt to stop the weapons smuggling across its border with Gaza and to insist that Hamas stop firing rockets at Israel. "With the escalation of violence and the increasingly untenable arms buildup in Gaza, this is a critical moment for all of our allies to curb the proliferation of weapons and the launching of rockets in the region," the letter states. The letter was authored by Sens. MARY LANDRIEU (D-LA) and NORM COLEMAN (R-MN).

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House members urge State Department to help stop Hizballah arms shipments. A total of 104 House members signed a letter calling on Secretary of State Condoleezza Rice to work with the U.N. Security Council to expand the mandate of the United Nations Interim Forces in Lebanon (UNIFIL) to stop arms shipments to Hizballah across the Syrian border. Under its current mandate, UNIFIL cannot engage Hizballah forces transferring arms from Syria without a specific request from the Lebanese government, which has yet to issue one. The letter was authored by Reps. STEVE ISRAEL (D-NY) and MARK KIRK (R-IL). •NER•

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NEAR EAST

Report

JULY 1-15, 2007

**AIPAC'S BIWEEKLY ON AMERICAN
MIDDLE EAST POLICY**

EDITOR'S COMMENTS

Words and Deeds

Hamas is a band of "murderous terrorists," the embattled leader told his deputies. There will be "no dialogue" with them.

This statement did not come from the Prime Minister of Israel, or even the President of the United States. The words were those of Palestinian Prime Minister Mahmoud Abbas, who was speaking in the wake of Hamas' recent bloody takeover of the Gaza Strip. The fact that Abbas' newly expressed views on Hamas resemble those of Western leaders is cause for encouragement among those who hope for progress toward Israeli-Palestinian peace.

For too long, Abbas pursued a political accommodation with Hamas without requiring the organization to renounce terrorism, accept Israel's right to exist and embrace previous agreements concluded between Israel and the Palestinian Authority (PA). He seemed blind to the impossibility of seeking peace with Israel while heading a government devoted to its destruction.

Now, the Palestinian president has kicked Hamas out of the Palestinian government and formed a new leadership that accepts those three conditions. ...see *Editor's Comments cont'd on pg. 50*

Crucial Support

**THE HOUSE OF REPRESENTATIVES HAS
APPROVED ISRAEL'S ANNUAL AID PACKAGE**

The House of Representatives approved \$2.4 billion in military assistance for Israel as part of the fiscal year 2008 foreign aid bill shepherded through the chamber by Rep. Nita Lowey (D-NY), the chairwoman of the House Appropriations Foreign Operations Subcommittee.

Aid to Israel "preserves our nation's interests, reflects the values and priorities of the American people and, most importantly, helps to protect the security of Americans at home and abroad," Lowey said during debate on the bill, which passed 241-178.

The bill, which also includes an additional \$40 million to help Israel absorb



Photo by the Associated Press

Foreign aid is the most important annual demonstration of Congress' support for the Jewish state.

refugees, contains provisions allowing Israel to maximize its military aid by receiving the aid in a lump sum early in the fiscal year and spending about 26 percent of the money within its own borders. In addition to monetary aid, the bill contains a number of key policy provisions affecting Israel and its neighbors.

One provision conditions \$200 million of Egypt's military aid on whether the secretary of state can certify that the Egyptian government has taken steps to maintain an independent judiciary, curb police abuse and destroy smuggling tunnels between Gaza and Egypt. The House also approved an amendment offered by Rep. Mike Pence (R-IN) that reiterated provisions in the bill conditioning aid to the Palestinians on their ...see *Crucial Support cont'd on pg. 50*

Common Ground

AT A SUMMIT IN SHARM EL-SHEIKH, EGYPT, ISRAELI PRIME MINISTER EHUD OLMERT AND PALESTINIAN PRESIDENT MAHMOUD ABBAS EXPRESS THEIR DESIRE FOR A DURABLE PEACE BETWEEN ISRAEL AND THE PALESTINIANS

In the wake of Hamas' violent takeover of Gaza, Israeli Prime Minister Ehud Olmert met in Sharm el-Sheikh, Egypt, with Palestinian President Mahmoud Abbas, whose new West Bank-based emergency government is being supported by the United States and Israel. Following are excerpts from both leaders' summit addresses.

Israeli Prime Minister Ehud Olmert

An opportunity has been created to advance seriously the political process in the region, and I do not intend to let this opportunity pass.



Photo by the Associated Press

Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas meet in Egypt.

The new government in the Palestinian Authority, which recognizes Israel's right to exist and a solution of two states for two peoples, which is ready to implement the agreements signed, one which eschews terror and violence as a means and a goal, and a government which has no members of terrorist organizations, is a government which we recognize.

As Prime Minister of Israel, I tell [the Palestinian people] that we have no desire to rule over you, we do not presume to run your lives, we have no intention of deciding for you. I believe that the day is coming when you can live in your own state, alongside the State of Israel.

We will continuously pass on the tax monies which we collect; we will renew the security and economic cooperation between us; we will improve the freedom of movement of the Palestinian population in Judea and Samaria in a significant manner; we will renew and expand trade relations between us in Judea and Samaria, which will lead to eco-



ISRAELI PRIME MINISTER OLMERT AND PALESTINIAN PRESIDENT ABBAS

• EXCERPTS FROM SPEECHES AT
SUMMIT IN SHARM EL-SHEIKH •
JUNE 25, 2007

nomic well-being.

I acceded to the request of Mahmoud Abbas to continue humanitarian assistance for the Palestinian population living in the Gaza Strip. I decided today to present to the Israeli Government at its upcoming meeting a proposal to release approximately 250 prisoners.

I appeal directly to those leaders of the Arab states with whom we do not have official relations and hope they listen and take our words to heart: Your peace initiative, the Arab initiative, is important to us. This is the time for you to join the movement towards peace and not to oppose it, not say, "Later."

We have similar goals. The common denominator between us is greater than it perhaps seems.

At the funeral for the late Prime Minister, Yitzhak Rabin, the late King Hussein [of Jordan] said: "Let us raise our voices and not be silent. We will speak of our commitment to peace forever. And let us say to those who live in darkness, to the enemies of the light and faith and religion: here we stand, this is our camp, the peace camp."

Together, we can transform this piece of land, which is so precious to us and so precious to you, from a focus of fighting and division into one of peace and neighborliness, for the generations to come.

Palestinian Authority President Mahmoud Abbas

The region is standing at a historic crossroads: either the path of peace, progress and stability or the path of violence, extremism and terror. The key for the first path is in our hands.

I address my partner, the Israeli Prime Minister Ehud Olmert, to start serious political negotiations according to an agreed-upon timetable for the purpose of establishing an independent Palestinian state with East Jerusalem as its capital, living in security and peace side by side its neighbor, Israel.

We have great responsibility before our peoples, who elected us to fulfill the aspiration of their majority and to moor the foundations of a just, sustainable and comprehensive peace and end the Arab-Israeli conflict.

No one denies the depth of the tragedy that has happened to our people due to the military coup in Gaza and its ramifications. Despite this, I say that I did not come here to talk about the past and the conflict, but about the future and hope.

In this context I would like to stress the peace process and the signed agreements with the Israeli side, renouncing violence and terror, the principle of two states, an independent state of Palestine side-by-side the state of Israel that we have recognized when we exchanged the reciprocal recognition letters in 1993.

I am totally convinced that we can reach a historic solution that could be the basis for a new era in the region.

It is not only my hands that are extended to the Israeli people; the Arab summit that was recently held in Riyadh reasserted the Arab initiative that was also adopted by the Islamic Convention Organization representing 57 states. This means that an opportunity for mooring the foundations of a comprehensive and just peace in our region and uprooting the reasons for violence, conflict and terror is possible.

The Arab Peace Initiative represents a possible opportunity that we must seize to end the suffering of the peoples of the region and to achieve peace and stability for these peoples that guarantees the uprooting of the roots of extremism, violence and terror and mooring the just peace. •NER•

Opportunity in Crisis

AFTER HAMAS' TAKEOVER OF GAZA, ISRAEL HAS TAKEN STEPS TO SHORE UP THE NEW EMERGENCY GOVERNMENT OF PALESTINIAN PRESIDENT MAHMOUD ABBAS, WHO HAS TAKEN ENCOURAGING STEPS AGAINST TERRORISM

Hamas terrorists in the Gaza Strip have violently wrested control of the coastal territory away from President Mahmoud Abbas' Palestinian Authority (PA), leaving Israel with a heavily armed, Iran-backed terrorist outpost on its doorstep.

In response to the overthrow in Gaza, Palestinian President Mahmoud Abbas dissolved the Palestinian unity government and installed a new emergency administration in its place. Israel moved quickly to empower Abbas and demonstrate its good will toward the new government, which currently controls the West Bank.

The international community continues to demand that the Palestinian government recognize Israel, work actively to prevent terrorism and uphold existing PA agreements with Israel.

Iran-Backed Hamas Staged a Brutal Coup in Gaza

The situation in Gaza represents a new and unprecedented danger for Israel.

Tawfik Tirawi, head of the PA General Intelligence Service, said that Hamas members had traveled to Iran for military training and were amassing a cache of weapons in the West Bank in preparation for a confrontation there with Fatah. Tirawi also asserted that Iran helped coordinate the Hamas takeover and was "informed of every step" in the Gaza coup.

Hamas moved quickly to impose Islamic law, stifle dissent and restrict civil freedoms in Gaza. The organization is unambiguous about its intentions: to destroy Israel and establish an Islamist state in its place.

Palestinian President Abbas Took Positive Steps in the Wake of the Gaza Violence

In the wake of Hamas' takeover of Gaza, Abbas has taken some measures deemed encouraging by members of the international community.

After expelling Hamas from the Palestinian leadership, Abbas formed a new government headed by new Prime Minister Salam Fayyad, who garnered widespread respect during a previous stint as Finance Minister for fighting for financial transparency in the Palestinian government.

Days after installing the government, Abbas delivered a landmark address to the PLO in which he denounced Hamas as "murderous terrorists." He subsequently joined Israeli Prime Minister Ehud Olmert and the leaders of Egypt and Jordan in the Egyptian resort town of Sharm el-Sheikh.

In an effort to bolster the new emergency government, the United States and its European allies have lifted restrictions on aid to the Palestinians imposed after Hamas took over the Palestinian parliament and refused to recognize Israel and reject terrorism.

Meanwhile, Israel announced its intention to turn over Palestinian tax revenues, ease checkpoints in the West Bank and release 250 Palestinian prisoners.

The Palestinians Have Obligations to Uphold

Washington and Jerusalem have resumed aid to and diplomatic ties with the new Palestinian government due to its compliance with the Quartet's three conditions—recognizing Israel, renouncing terrorism and honoring previously signed Israeli-Palestinian agreements.

Abbas has also been called to refrain from a rapprochement with Hamas until it meets the three conditions, and to take steps to establish accountability and financial transparency within the PA.

Abbas' success is important to the United States and Israel, which fear that eruption of violence in the West Bank could destabilize the entire region. For that reason, they are seeking to provide Abbas a chance to establish a responsible government in the West Bank. •NER•

PROMISING ACTIONS

STEPS AGAINST TERRORISM TAKEN BY PA PRESIDENT MAHMOUD ABBAS



EMPOWERING MODERATES

Abbas replaced the Hamas-led government with one headed by Salam Fayyad, an advocate of peace and financial transparency.



RECOGNIZING ISRAEL

Meeting Israeli Prime Minister Ehud Olmert, Abbas reiterated the Palestinian government's acceptance of Israel's right to exist.



DENOUNCING TERRORISTS

Palestinian President Mahmoud Abbas branded Hamas "murderous terrorists" following the group's violent takeover of Gaza.



BANNING ILLICIT ARMS

Abbas outlawed possession of weapons by non-government forces in the West Bank.

Abbas' action suggests that he finally recognizes Hamas for what it is—a terror group whose program threatens not only Israel, but also the Palestinian majority, which professes a desire to live in peace with the Jewish state.

History ultimately judges leaders by the actions they take and the sacrifices they make to realize their visions.

Israel's recent history is full of instances in which leaders made painful concessions for the sake of peace with the Arab world and the Palestinians.

Two years ago, Israel fully withdrew citizens and soldiers from Gaza and parts of the West Bank. Its current prime minister, Ehud Olmert, was elected on a platform that promised further territorial concessions.

Almost immediately after the formation of the new Palestinian government, Israel announced the release of hundreds of millions of dollars in withheld tax revenue to the PA and began planning to bolster the Hamas-free PA leadership by releasing hundreds of Palestinian prisoners and easing West Bank security measures.

Similarly bold steps are now required of Abbas. Initial decrees from his emergency government, such as its ban on carrying arms in the West Bank without a license, are promising.

Should Abbas follow through with a crackdown on the myriad terrorist organizations in the West Bank, he will have lived up to the expectations raised by his stirring and hopeful rhetoric. •NER•

Soaring High

FOR THREE DECADES, THE B.I.R.D. FOUNDATION HAS FACILITATED AND EXPANDED BUSINESS TIES BETWEEN THE UNITED STATES AND ISRAEL

The U.S.-Israel Binational Industrial Research and Development (BIRD) Foundation in June celebrated its 30th anniversary, marking three decades of close cooperation between American and Israeli entrepreneurs in strengthening the two allies' bilateral industrial ties.

Founded in 1977 to generate mutually beneficial cooperation between American and Israeli high-tech industries, BIRD has to date invested more than \$245 million in 740 projects, which have produced sales of more than \$8 billion.

To celebrate the Foundation's accomplishments, more than 200 people gathered this month for a special seminar featuring addresses by leading industrial and political figures from the United States and Israel.

Deputy Secretary of State John Negroponte, Israeli Ambassador to the United States Sallai Meridor and Undersecretary of Commerce for Technology Robert Cresanti joined industrial leaders such as Google Vice President Vinton G. Cerf,

Raysat CEO Yoel Gat and General Electric Global Research Senior Vice President Mark M. Little.

The BIRD Foundation traces its origins to July 1974, when the United States and Israel established a joint Committee for Investment and Trade to find ways to boost their economic ties.

To receive funding from the BIRD Foundation, which maintains offices in both the United States and Israel, a U.S. company and its Israeli partner file a joint application that seeks to demonstrate their ability to produce an innovative product or service of considerable technological substance and quality.

With the foundation's support, Optronics and Kollsman, Inc., produced technology enabling pilots to see in severe weather conditions. Similarly, the firms RaySat and iDirect Technologies have developed the StealthRay antenna, which can track satellites from speeding vehicles, providing a high-speed link for data, voice and video information. •NER•

Crucial Support....cont'd from pg. 47

ability to fulfill their peace commitments with Israel.

The House thwarted several attempts to cut foreign aid funding across the board.

A mainstay of American Middle East policy for decades, the assistance is the most tangible annual demonstration of Congress' support for the U.S.-Israel bond. The aid ensures that Israel will be able to maintain its

qualitative edge over potential adversaries in the Arab world, whose members' combined military spending dwarfs the Jewish state's defense budget.

The vote, which was closer than in recent years, was due to debate over provisions in the bill unrelated to aid to Israel. To view the results of the House vote on foreign aid, see the enclosed insert or visit www.aipac.org. •NER•

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