

Heard on the Hill

Congress passes U.S.-Israel energy cooperation act. Both the House and the Senate moved to promote U.S.-Israel alternative energy cooperation by establishing a grant program to fund joint American-Israeli projects. The measures, which are part of a larger energy bill, focus on renewables such as solar and wind power as well as advanced battery technology. The provisions were advanced in the House by Reps. BRAD SHERMAN (D-CA), JOHN SHADEGG (R-AZ) and ELIOT ENGEL (D-NY) and in the Senate by Sens. GORDON SMITH (R-OR), JEFF BINGAMAN (D-NM) and MARY LANDRIEU (D-LA). The president said he will sign the bill.

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House Foreign Affairs Committee Reviews Annapolis. The chairman of the House Foreign Affairs Committee said during a hearing about the Annapolis gathering that only decisions reached in talks between the two sides can form the basis of an agreement. "The only viable agreement will be one the parties will have achieved themselves, not one forced upon them by outsiders," said Rep. TOM LANTOS (D-CA), who also called on the Palestinian Authority to end continuing incitement against Israel. Rep. MIKE PENCE (R-IN) said Arab states need to acknowledge positive steps taken by Israel and recognize the Jewish state.

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Legislation Backing Rights of Terror Victims Moves Ahead. Key provisions of a bill that will allow American victims of terrorism to pursue the assets of terrorist states were included in the 2008 Department of Defense Authorization bill, which is awaiting final approval before being sent to the president. The provisions, known as the Justice for Victims of State-Sponsored Terrorism Act, were championed by Sens. FRANK LAUTENBERG (D-NJ) and ARLEN SPECTER (R-PA). The legislation reaffirms the rights of plaintiffs to sue terror states, allows the seizure of hidden state assets and limits offending state appeals in U.S. courts. •NER•

INSIDE

**NER Year in Review:
2007 Congressional Accomplishments**

**NER Interview:
AIPAC Executive Director Howard Kohr**

NEAR EAST

Report

DECEMBER 16-31, 2007

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

EDITOR'S COMMENTS

Open Defiance

Despite some headlines to the contrary, the new National Intelligence Estimate (NIE) on Iran only reinforces our understanding of the danger posed by Tehran's ongoing pursuit of a nuclear weapons capability.

The NIE's dramatic revelation that the Islamic Republic had a clandestine nuclear weapons program is perhaps the clearest official confirmation to date that Iran's nuclear efforts—which the regime illegally concealed for more than 18 years—are ultimately intended to produce an atomic bomb.

If Iran is trying to suggest otherwise, the regime's actions are unconvincing. Iranian leaders boast, and the NIE confirms, that Tehran is pressing ahead with its efforts to enrich uranium—the most important and difficult step in developing a nuclear weapon. Thus, Iran could restart its weapons program any time the regime chooses to do so.

Without a focused international effort to stop Iran, Tehran will likely achieve a nuclear weapons capability soon. Fortunately, not only the United States but many other key global players as well agree that now is no time to back down from efforts to isolate the Islamic ...see *Editor's Comments cont'd on pg. 92*

Mecca Mishap

**ABBAS SIDELINED AS EGYPT AND
SAUDI ARABIA DEAL WITH HAMAS**

In advance of the Hajj—the annual Muslim pilgrimage to Mecca—Egypt and Saudi Arabia have angered the Abbas-led Palestinian Authority (PA) by brokering a deal with the terrorist group Hamas.

"The Egyptians stabbed us in the back," a senior PA official said.

The friction centered on which group of Palestinians would be able to leave Gaza for the Hajj. The PA had arranged with Israel to allow 2,000 Palestinians from Gaza to cross into Israel and travel to Mecca via Jordan. The PA had been preparing a list for weeks to fill the Saudi quota for Gaza pilgrims.

However, two days before the pilgrims' departure, Hamas coordinated with Saudi



Photo by the Associated Press

Egyptian police looked on as thousands of Palestinians crossed from Gaza into Egypt.

Arabia and Egypt to fill the quota with its own members, stunning the PA and leaving those on Abbas' list stranded.

For the first time since Hamas' violent June takeover of Gaza, Egypt opened the border without consulting Israel and allowed nearly 2,000 Palestinians to enter Sinai. Israel fears that some of these Palestinians are terrorists who will travel to Iran for training.

Meanwhile, Saudi Arabia and Egypt are pushing for reconciliation between Fatah and Hamas, a move Abbas rejects and the U.S. opposes. Saudi Arabia also recently hosted Hamas leader Khaled Meshaal, which a PA official called a "severe blow" to Abbas' authority. After Annapolis, the United States and Israel are attempting to bolster Abbas. Recent events suggest that they will face considerable challenges doing so. •NER•

Alliance Affirmed

FROM THE GATHERING THREAT OF A NUCLEAR IRAN TO ESSENTIAL FOREIGN ASSISTANCE, LAWMAKERS ACTED IN 2007 ON KEY ISSUES TO STRENGTHEN THE VITAL RELATIONSHIP BETWEEN THE UNITED STATES AND ISRAEL

Congress reaffirmed its commitment to a strong U.S.-Israel bond in 2007. Lawmakers led efforts to contain Iran's nuclear ambitions and called for a constructive Arab role in Israeli-Palestinian talks. Aided by Congress, the U.S. and Israel advanced cooperation on military and homeland security projects. The two allies also inked a new 10-year agreement on U.S. security assistance to the Jewish state.

Congress Acted to Prevent a Nuclear Iran

Lawmakers took steps in 2007 to address the threat of Iran's illicit nuclear program and its ongoing sponsorship of terrorism. Through a series of measures, Congress increased economic and political pressure on Tehran.

The House approved comprehensive legislation by a 397-16 vote that closes loopholes in existing sanctions law, strengthens tools to cut off funds to Iran's nuclear program and prohibits cooperation with those aiding Iran's atomic efforts.

The Iran Counter-Proliferation Act was introduced in the House by Foreign Affairs Chairman Tom Lantos (D-CA) and Ranking Member Ileana Ros-Lehtinen (R-FL) and in the Senate by Sens. Gordon Smith (R-OR) and Richard Durbin (D-IL). The Senate version of the bill currently has 69 cosponsors.

The bill also urged the Bush administration to designate Iran's Islamic Revolutionary Guard Corps (IRGC) as a terrorist organiza-



Photo by the Associated Press

Congress moved to thwart Iran's atomic progress at sites such as the Bushehr nuclear power plant, 750 miles south of Tehran.

tion. The IRGC, Iran's 125,000-member elite military force, is not only a chief sponsor of terrorism but is also deeply involved in Tehran's illicit nuclear program. In addition, the IRGC and its affiliate companies control nearly 40 percent of Iran's economy.

The Senate joined the House in acting against the IRGC by calling on the White House to sanction the organization in order to sever the group and its vast network of companies from the global economy. Sens. Jon Kyl (R-AZ) and Joseph Lieberman (I-CT) introduced the measure, which passed by a 76-22 vote, as an amendment to the 2008 Defense Authorization Bill.

The administration responded by

labeling the IRGC as a weapons proliferator and its Quds Force as a foreign terrorist group. The Quds Force has given weapons, money and training to Hizballah and Hamas, according to the State Department. In addition, the designation cripples some of Iran's largest banks—labeling them “terrorist financiers.” The administration also championed sanctions at the U.N., and in 2007 the Security Council passed two resolutions requiring Iran to stop enriching uranium.

The House also approved a divestment measure paving the way for state and local governments to sell pension fund holdings in companies investing in Iran. The bill protects fund managers who divest against lawsuits, empowering states to sell holdings of companies involved in Iran's energy, military or nuclear sectors. The Iran Sanctions Enabling Act, introduced by Reps. Barney Frank (D-MA) and Christopher Shays (R-CT), passed by 408-6. A similar version, introduced by Sens. Barack Obama (D-IL) and Sam Brownback (R-KS), is pending in the Senate.

Divestment ultimately weakens Iran by depriving it of capital and increasing its economic isolation. California—with the nation's largest pension fund—joined Florida and Illinois in enacting divestment bills. Efforts are still underway in several states, including Ohio, Texas, New York and New Jersey.

2007 Year in Review

KEY LEGISLATIVE
DEVELOPMENTS
AFFECTING THE
U.S.-ISRAEL BOND



Congress passes landmark legislation to strengthen U.S.-Israel cooperation on **homeland security research and development.**



Senators send letter urging Secretary Rice to seek **Palestinian accountability** following the establishment of a unity government that included Hamas.



Congress demands the immediate and unconditional **release of Israeli soldiers kidnapped** by Hamas and Hizballah.

JANUARY

FEBRUARY

MARCH

APRIL

The United States Renews its Commitment to a Strong and Secure Israel

The administration and Israel agreed on a landmark Memorandum of Understanding that pledges U.S. support for increased security assistance, providing Jerusalem with \$30 billion over the next decade.

Meanwhile, legislators fulfilled the last year of the previous 10-year agreement by approving 2.4 billion in military assistance to Israel as part of the 2008 foreign aid bill. The legislation passed by 241-178 in the House and 81-12 in the Senate. Key provisions include mandated early disbursement of funds to allow Israel to maximize its aid and \$40 million in assistance for refugee resettlement.

Responding to the imminent threat posed by terrorists in Gaza, lawmakers also urged Egypt to prevent smuggling along its



A \$30 billion, 10-year deal will allow Israel to defend itself. Here, Israeli Defense Minister Ehud Barak presides over an IDF ceremony.

border with the Hamas-controlled territory. As a result of lax border control, Hamas has turned Gaza into a heavily armed encampment. Both the House and the Senate called on Cairo to use some of the U.S. aid it receives to prevent smuggling, with the House even threatening to withhold some of Egypt's aid unless it acted effectively. At press time, House and Senate negotiators were reconciling differences in the bills before final passage.

Legislators also questioned part of a proposed arms sale to Saudi Arabia. In November, 188 House members signed a letter to the president seeking assurances that "smart" weapons technology sold to the Saudis will not threaten American troops and allies. The weapons sparking concern were Joint Direct Attack Munitions, or JDAMs, which convert conventional unguided bombs into precision bombs with highly accurate targeting capabilities. Reps. Mark Kirk (R-IL) and Christopher Carney (D-PA) led the effort.

Lawmakers Boost U.S.-Israel Homeland Security and Defense Ties

Congress provided \$450 million in 2007 for joint military research and development, including \$155 million for U.S.-Israeli missile defense technologies. These systems include the Arrow, currently deployed to protect Israel against inbound long-range missiles, and David's Sling, which will target approaching shorter-range projectiles.

The spending provides for major U.S. purchases of jointly developed advanced systems, including \$39.6 million for the Litening, a targeting pod that



Photo by the Associated Press

Lawmakers advanced U.S.-Israel cooperation on a number of advanced security technologies including the Arrow anti-missile system.

improves the precision strike capabilities of U.S. combat aircraft, and \$36.5 million for the Hunter unmanned aerial vehicle. President Bush signed the bill into law in November.

This year also saw the expansion of a critical initiative designed to allow Jerusalem to respond rapidly in case of a defense emergency. Last year, Congress called for the repositioning of an additional \$200 million of U.S. military equipment and munitions in Israel. Implementation of that program proceeded this year, putting into place equipment that Israel can use with short notice.

Congress also passed the Promoting Antiterrorism Cooperation through Technology and Science Act, which creates a Department of Homeland Security office to encourage cooperation with key allies, including Israel. The center will encour-



The Senate calls for **Israel's inclusion in the Organization for Economic Cooperation and Development**, which came two weeks later.



The House approves the **2008 foreign aid bill**, which includes \$2.4 billion in vital security assistance to Israel.



The House passes the **Iran Sanctions Enabling Act**, allowing states to divest pension fund holdings from companies involved in Iran's energy sector.



The U.S. and Israel ink a **new 10-year aid agreement** that will provide \$30 billion in security assistance to the Jewish state.

MAY

JUNE

JULY

AUGUST

age research into advanced defense and intelligence techniques, capitalizing on Israel's hard-earned experience to protect Americans.

House Homeland Security Committee Chair Rep. Bennie Thompson (D-MS) and Ranking Member Rep. Peter King (R-NY) spearheaded the effort in the House, while Senate Homeland Security and Governmental Affairs Committee Chair Joseph Lieberman (I-CT) and Ranking Member Susan Collins (R-ME) led the Senate drive.



Photo by the Associated Press

Congress moved to isolate Hamas, which along with other Gaza terrorist groups fired more than 2,000 Qassam rockets into Israel in 2007.

Legislators Worked to Confine Hamas and Encourage the Peace Process

Congress played a crucial role during the past year in isolating the terrorist group Hamas. After the group's violent overthrow of Gaza in June, Palestinian

Authority (PA) President Mahmoud Abbas fired all Hamas ministers and created a new, more moderate government—setting the stage for fresh talks and an autumn Israeli-Palestinian meeting in Annapolis, Maryland. As events unfolded, Congress repeatedly called on Palestinians and Arab states to meet their obligations.

In response to the March establishment of a Palestinian unity government that included Fatah and Hamas, 79 Senators sent a letter to Secretary of State Condoleezza Rice urging her to withhold aid and recognition from the new government unless it renounced violence, recognized Israel and accepted previous agreements. The letter was drafted by Sens. Bill Nelson (D-FL) and John Ensign (R-NV).

House members authored a similar letter to the EU's foreign policy chief Javier Solana. Reps. Robert Wexler (D-FL), Elton Gallegly (R-CA), Gary Ackerman (D-NY) and Mike Pence (R-IN) led that effort, which garnered signatures from 259 lawmakers.

After Hamas violently seized control of Gaza, Abbas dismissed the group from the PA and formed a new government. Shortly thereafter, President Bush reiterated the fundamental choice facing Palestinians: violence or negotiations. He called for a fall meeting to promote Palestinian reform and the resumption of a political process aimed at restarting substantive Israeli-Palestinian talks.

In advance of Annapolis, 79 Senators urged Arab states to play a positive role by giving financial assistance and political backing to the Abbas government, which would



Photo by the Associated Press

In the run-up to Annapolis, legislators called on Arab states to support Mahmoud Abbas, thereby giving him the backing he needs to negotiate.

give the PA the support it needs to negotiate with Israel. They also called on Arab states to end incitement against the Jewish state and move toward normalizing relations with Israel. Sens. Charles Schumer (D-NY) and Lindsey Graham (R-SC) sponsored the letter, which was sent to Secretary Rice.

In November, the president welcomed Israeli Prime Minister Ehud Olmert and Abbas to Annapolis, where Israel reaffirmed its commitment to peace and its willingness to engage in serious discussions with the PA on all key issues. Arab delegations from across the Middle East, including Saudi Arabia and Syria, attended the event. If Palestinians and Arab states match Israel's desire for peace and take concrete steps toward coexistence, analysts said, Annapolis may represent the start of a renewed bilateral negotiations process. •NER•



The House passes the **Iran Counter-Proliferation Act**, which aims to impose additional economic sanctions against Iran. The bill is pending in the Senate.

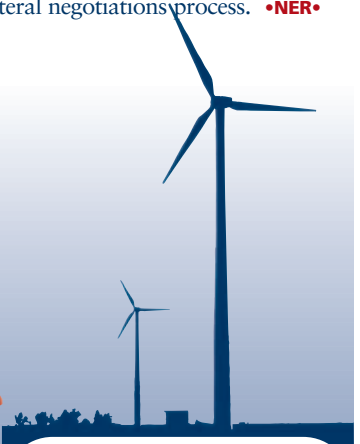
The White House imposes **sanctions on Iran's Islamic Revolutionary Guard Corps**, its elite al-Quds Force and two banks in response to Congressional calls.



Seventy-nine Senators **call on Arab states to actively support Israeli-Palestinian reconciliation** in a letter to Secretary Rice.

After Congressional passage, the president signs a **defense appropriations bill** to fund key cooperative defense programs including a joint U.S.-Israel missile defense system.

To protect Israel's qualitative military edge, nearly 200 House members ask the White House for **assurances on the sale of precision weapons to Saudi Arabia**.



To promote joint research into alternative energy, both houses of Congress pass the **U.S.-Israel Energy Cooperation Act**.

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

NER INTERVIEWS

HOWARD KOHR, AIPAC EXECUTIVE DIRECTOR

Near East Report: What were the most significant developments affecting the U.S.-Israel relationship in 2007?

Howard Kohr: Prime Minister Olmert made two visits to Washington to meet with President Bush—a sign of the strength of the U.S.-Israel relationship. During one of these visits, a memorandum



AIPAC Executive Director Howard Kohr

reaffirming and reinforcing the relationship was signed. The agreement pledged \$30 billion over ten years in security assistance—a 25 percent increase. Many in Congress have expressed their own sentiments of support, and obviously we hope our friends in Congress will reaffirm that support as part of the annual appropriations process.

This year, Congress reiterated its support for Israel through the annual appropriations process. It provided \$2.4 billion in military assistance, marking the end of the first ten-year agreement reached between the Clinton administration and then-Prime Minister Netanyahu.

The bilateral relationship was further strengthened when U.S.-Israel homeland security cooperation was institutionalized through legislation. Many bilateral meetings between homeland security officials took place, both at the national and the state levels.

The Annapolis conference launched a renewed Israeli-Palestinian political process with crucial U.S. assistance. The administration's success in bringing in so many Arab and Muslim states, most of which have no relations with Israel, was a very important statement. Of course, much more needs to be done in terms of the Arab

states' support for the process and normalizing relations with Israel, and the Palestinian Authority's responsibility to compromise and dismantle the terrorist infrastructure.

Following important votes in the House and Senate, the administration designated Iran's Revolutionary Guards as proliferators of weapons of mass destruction. A series of administration decisions also led to several Iranian banks being put on the terrorism list—another very important development that was encouraged by Congress as well.

Congress also reaffirmed its deep concern over the threat from Iran through legislation recognizing that sanctions are the most effective path to deter it from continuing to seek nuclear capabilities and through many hearings about Tehran's intentions. Congress deserves great credit—as does the administration—for moving forward in that direction.

At the state level, California, Florida and Illinois all passed Iran divestment legislation this year. New York and other states are following suit. These efforts will hopefully intensify the economic pressure on Iran and force it to choose between its nuclear program and getting the international support it needs to improve its economy and its people's lives.

NER: What are the top legislative priorities for the pro-Israel community in 2008?

HK: As in 2007, we hope the administration and Congress will continue to seek to pressure Iran in order to end its nuclear program and support for terrorists. We also hope there will be strong, bipartisan support for the increased security assistance to Israel requested by the administration, which is so important to keeping Israel secure.

On Iran, key legislation regarding further sanctions is proceeding through Congress. We will also continue to encourage additional state divestment efforts and support for those efforts at the Federal level.

As Israel enters into a process with the Palestinians, we must make sure that the Palestinians and the Arab states meet their obligations as well. The Palestinians need to combat terrorism. And, as the Schumer-Graham letter signed by an overwhelming majority of Senators this year stated, the Arab states need to help Mahmoud Abbas and to normalize relations with Israel.

Finally, 2008 marks Israel's sixtieth birthday, which for us is a celebration of 60 years of U.S.-Israel cooperation and friendship. We hope to find opportunities to engage various elected officials in this celebration.

WE MUST MAKE SURE THAT THE PALESTINIANS AND THE ARAB STATES MEET THEIR OBLIGATIONS AS WELL.

NER: What progress was made in 2007 on AIPAC's organizational initiatives?

We continue to increase our activist base and to expand our campus programs. We are also finding young people who want to be active, as well as people in the Hispanic, African-American and religiously motivated Christian communities willing to stand with Israel.

A record number of attendees came from all 50 states to our 2007 Policy Conference, serving as a reminder that this truly is a national effort and a national movement.

NER: What can pro-Israel activists do to promote strong U.S.-Israel ties?

HK: The most important thing is to become politically active. In 2008—a year of crucial presidential and congressional elections—the number-one priority is to get involved in a political campaign, building relationships with candidates in your state or at the national level. It also means students volunteering their time on a political campaign. There is much at stake in the 2008 elections, and important issues will be debated. We want people from the pro-Israel movement to help us convey our message to our elected leaders.

NER: How will AIPAC be involved in the coming year's election cycle?

HK: It remains a perilous time, requiring American leadership to get us through this period. We will try to make sure that whoever the nominees are, people from the pro-Israel movement will be working with them to ensure that their statements reflect the history of a strong, bipartisan U.S. relationship with Israel and a commitment to Israel's safety and well-being. •NER•

Republic for its illicit atomic work.

"I don't see why we should renounce sanctions," French President Nicolas Sarkozy said. "What made Iran budge so far has been sanctions and firmness." Standing beside Sarkozy, German Chancellor Angela Merkel added that "Iran continues to pose a danger."

British Foreign Secretary David Miliband penned an op-ed in the *Financial Times*, noting that Iran is still pursuing "an enrichment program that has no apparent civilian application, but which could produce fissile material for a nuclear weapon." He called for the "resolve and unity of the international community" in confronting Iran.

The U.N.'s nuclear watchdog is also concerned about Iranian intentions. "We are still worried about certain aspects of Iran's nuclear program, and we need answers, particularly about so-called military aspects of the program," a senior International Atomic Energy Agency (IAEA) official has said.

Tough sanctions offer the best hope to dissuade Iran from pursuing a nuclear weapons program. Iran has already rebuffed two binding U.N. Security Council resolutions demanding that it verifiably suspend its efforts to enrich uranium. Now is the time for stringent diplomatic and financial sanctions against Tehran. Until Iran suspends enrichment and reveals the scope of its past and present nuclear activities, the rest of the world cannot afford to back down. •NER•

Students Make Their Mark

AIPAC CAMPUS ACTIVISTS MOBILIZED ON CAMPUS AND BEYOND IN 2007 TO ADDRESS CRITICAL ISSUES, INCLUDING THE IRAN THREAT

Over the past year, AIPAC student activists sharpened their advocacy skills and broke new ground in their efforts to raise campus awareness about the dangers posed by a nuclear Iran.

Pro-Israel students led educational forums, advanced Iran-related student government resolutions and initiated petitions urging their elected officials to take diplomatic and economic actions to isolate the Tehran regime.

One of the year's most dramatic examples of student mobilization took place during the fall semester at Columbia University in New York City.

As the school community prepared to host Iranian President Mahmoud Ahmadinejad, AIPAC campus activists helped organize a rally that brought together more than 1,000 students and campus leaders from across the political spectrum to speak out against the dangerous and repressive conduct of the Islamic Republic.

At schools across the country, pro-Israel activists brought members of Congress from both sides of the aisle to their campuses to discuss the importance of the U.S.-Israel relationship and the need to prevent a nuclear-armed Iran.

Elected officials spoke to large public forums and intimate dinners hosted by

leaders from diverse student groups—including College Republicans and College Democrats—as well as several pro-Israel organizations.

In addition to hosting their elected representatives on campus, AIPAC student activists brought their advocacy skills directly to Capitol Hill. Hundreds of college and high school students came to Washington, D.C., to lobby their members of Congress as part of AIPAC's Schusterman Advocacy Institute Saban Leadership Training Seminar and the High School Summit.

Students were able to take a proactive role in the political process and discuss their support for the U.S.-Israel alliance as well as legislation strengthening sanctions against the Islamic Republic.

As the year comes to a close, AIPAC's Leadership Development program is set to host its main winter training opportunities—the Advanced Advocacy Mission to Israel and the Saban conference.


Both events offer students an opportunity to turn their passion for the U.S.-Israel relationship into proactive campus action and learn the skills necessary to build community-wide support for the issues they care so much about. •NER•



Students came to Washington from across the United States.

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