

ISRAEL

ERAN ETZION

ISSUES

- The longstanding strategic relationship between the U.S. and Israel includes deep intelligence and operational cooperation on core national security issues, such as Iran, ISIS, Syria, Lebanon, etc.
- Israel is the largest recipient of U.S. foreign military aid, totaling \$3.8 billion annually, under a 10-year MOU signed in 2016. Beyond procurement of major combat platforms such as the F-35, defense cooperation extends into joint R&D on missile defense, counter-terrorism, and more.
- Israel's thriving high-tech industry, known as "Silicon Wadi," is practically on par with Silicon Valley in certain areas of cutting-edge civilian and quasi-military technologies. There are growing concerns, however, over Israeli exports of cyber weapons and surveillance technologies, including to nondemocratic and semi-democratic regimes.
- Under the Trump and Netanyahu administrations, the level of policy coordination and cooperation rose, notably on the two core issues of bilateral interest: Iran-nuclear (and overall Iran policy) and the Israeli-Palestinian/Israeli-Arab conflict.
- Controversial actions by the Trump administration, such as the December 2017 decision to recognize Jerusalem as Israel's capital and the November 2019 declaration that settlements are not illegal, both of which overturned decades of U.S. policy and defied longstanding international consensus, endeared the administration to the Netanyahu government while alienating the Palestinians, parts of the Arab world, and most of the international community. The release of the Trump plan in January 2020 deepened some of these rifts. Nevertheless, the Abraham Accords created some new and more positive momentum in the region toward the end of 2020.
- While previous U.S. administrations had identified the establishment of an independent and viable Palestinian state

living alongside the state of Israel — or a two-state solution — as a "vital national security interest," the Trump administration moved away from that vision. The Trump plan paid lip service to the concept, but effectively ruled it out, offering the Palestinians a quasi-autonomy on 70% of the West Bank, and conditioning "statehood" on multiple unrealistic tests. The administration went so far as to convene a joint U.S.-Israeli mapping committee to identify parts of the West Bank for possible annexation by Israel. The Palestinians, who were not involved in its development, rejected the plan in its entirety. On the multilateral level organizations like the Arab League, Organization of Islamic Cooperation, and the European Union also rejected the notion that the plan could serve as a basis for future negotiations. Bilateral reactions, however, were more nuanced and some were positive.

- Most notably, the UAE moved to negotiate a normalization agreement with Israel and upgrade its strategic partnership with the U.S., including through a previously vetoed multibillion-dollar strategic arms deal (F-35s and top-of-the-line armed drones). Other Arab League members Sudan, Bahrain, and later Morocco signed similar normalization agreements, breaking with the age-old U.N. Security Council and Arab Peace Initiative sequence of "territories first, normalization after." Significantly, Israel was forced by the U.S. to shelve its unilateral annexation plan as part of the trilateral UAE deal. However, if this decoupling of Israeli-Arab normalization from Israeli-Palestinian negotiations continues, it will further erode the Palestinians' negotiating position and empower hardliners on all sides.
- Closer Israel-China and to a lesser extent Israel-Russia relations have become an issue of concern for the U.S.

US INTERESTS

- Continuing strategic, intelligence, and defense cooperation, focusing on two issues:
 1. Iran: Constraining its nuclear program and long-range

missile projects and countering its regional hegemony strategy in Syria, Iraq, Lebanon, and Yemen.

2. Counter-terrorism: Countering ISIS, al-Qaeda, Hezbollah, and other terrorist organizations throughout the region and the globe.

- Leveraging Israeli-Arab normalization — in the Gulf and beyond — toward these two goals, as well as toward renewed, realistic Israeli-Palestinian negotiations.
- Supporting a feasible Israeli-Palestinian long-term agreement, including both the West Bank and Gaza, under a wide regional and international umbrella that is consistent with U.N. resolutions and results in an end to Israel's 53-year-old occupation.
- Upholding international law, especially the principle of the inadmissibility of the acquisition of territory by war, a central pillar of the post-World War II international order.
- Preventing Israel-China relations from becoming strategic and leveraging Israel-Russia relations where advantageous.

POLICY RECOMMENDATIONS

- Lessen the identification of the U.S. government with Netanyahu and the Israeli right wing. Netanyahu is already the longest-serving Israeli prime minister, faces lengthy criminal proceedings, and has become a highly controversial figure in Israel and beyond. The tumultuous Israeli political scene — with its fourth (March 23rd) consecutive round of general elections within two years, a world record — is an opportunity for the U.S. to engage broader parts of the Israeli political spectrum and advance its various long-term interests, as was already demonstrated by the cancellation of the unilateral annexation plan.
- On the U.S. side, bipartisanship must be restored as the solid, longstanding basis for U.S.-Israel relations. On the Israeli side,

where the political map is much more volatile and fluid, the widest possible multi-party consensus should be the ongoing goal.

- As Israel's democracy is being rapidly eroded by right-wing populist forces led by PM Netanyahu, and given the similarities between the two countries' internal threats in that domain, the U.S. can offer Israeli democratic forces new avenues of cooperation, knowledge sharing, etc. As part of the new administration's global democratic strategy, Israel can no longer be simply treated as "a vibrant democracy." Rather, it is a flawed democracy by most international standards. The U.S. strategy should therefore aim at strengthening Israeli democracy and clearly differentiating between the democratic and anti-democratic elements in the country, not shying away from using various instruments of U.S. policy.
- A U.S.-Israel defense pact should only be considered within the context of a broader quid pro quo on the Palestinian issue and/or on Iran, and linked to a renewed specific commitment to democratic values and norms.
- Press Israel to exercise caution when permitting private companies to export cyber tools that can be used maliciously by authoritarian regimes for surveillance or cyber attacks.
- Develop new avenues for economic cooperation on infrastructure projects, including regional cross-border ones.
- Push for broader opening of the Israeli market to U.S. goods and services.
- Examine new avenues for bilateral cooperation on COVID-19-related issues, e.g. medical R&D.
- On Iran, U.S. and Israeli interest are more aligned than not. However, the legacy of toxic relations between Netanyahu and the Obama administration will not allow for the necessary level of trust in the context of the Iran nuclear negotiations and other policies. There should be a separation between politics

and policies on this sensitive issue as much as possible. The U.S. should renew its commitment to the Joint Comprehensive Plan of Action (JCPOA) as soon as possible and negotiate further agreements and amendments down the road. A Netanyahu government must not be allowed to foil this strategy.

- Communication with opposition, non-governmental actors and the Israeli media and public opinion will be important in that context.
- The intricate relations between the Gulf countries, Israel, Iran, and the U.S. should be managed in order to build mini-coalitions on specific issues.

- On Israel-Palestine:
 - Continue to prevent any unilateral Israeli steps toward annexation in the West Bank designed to foreclose the prospect of a two-state option.
 - Cultivate new pro-democracy and pro-U.S. leaderships in both Israel and Palestine.