Israel and Hamas: Conflict in Gaza (2008-2009)

Jim Zanotti, Coordinator
Analyst in Middle Eastern Affairs

Jeremy M. Sharp
Acting Section Research Manager

Carol Migdalovitz
Specialist in Middle Eastern Affairs

Casey L. Addis
Analyst in Middle Eastern Affairs

Christopher M. Blanchard
Analyst in Middle Eastern Affairs

January 15, 2009

Congressional Research Service
7-5700
www.crs.gov
R40101

CRS Report for Congress
Prepared for Members and Committees of Congress

Summary

On December 27, 2008, Israel launched a major military campaign dubbed "Operation Cast Lead" against the Palestinian Islamist militant group Hamas in the Gaza Strip in order to counter Palestinian rocket fire and, more broadly, to significantly weaken all aspects of Hamas rule in Gaza. On January 3, 2009, Israel began a ground offensive into Gaza intended to eliminate Hamas's willingness or capability to launch rockets at Israeli towns and cities. As of January 14, Israeli bombings and ground forces had reportedly killed over 1,000 Palestinians, while 13 Israelis had been killed by Palestinian rockets and attempts to counter the ground invasion.

Some Israeli observers have suggested that neither toppling the Hamas regime nor permanently ending all rocket attacks is a realistic goal. Nevertheless, by temporarily disabling Hamas's military capacity and slowing its rearmament, Israel could ease the frequency and intensity of Hamas attacks in the months ahead as it prepares to deploy new, more sophisticated anti-rocket defense systems. One complicating factor for Israel is time: the longer Operation Cast Lead runs without a definitive outcome in Israel's favor, the more pressure will grow for a cessation of hostilities.

The unraveling of the six-month *tahdiya* or temporary cease-fire between Israel and Hamas that led to the December 2008 outbreak of violence in and around the Gaza Strip can be linked to several factors—some tactical, some more deeply-rooted. Some commentators have said that giving up on the cease-fire was in both sides' interests.

The world response to the Gaza crisis has been characterized by consistent calls for an end to the violence and by concern over the humanitarian situation in Gaza. Both houses of Congress have passed resolutions supporting Israel's right to defend itself. The crisis has exacerbated tensions between countries in the region with a relatively pro-Western orientation—like Egypt, Jordan, and Saudi Arabia—and other countries and non-state actors—like Iran, Syria, and Hezbollah. Egyptian-facilitated talks aimed at halting the fighting continue after a United Nations Security Council resolution calling for an "immediate, durable and fully respected ceasefire" was passed unanimously on January 8, with the United States abstaining.

U.S. President-elect Barack Obama will likely be compelled to address the Gaza situation directly at the outset of his administration. The incoming 111th Congress may be called upon to increase various forms of assistance to Israel, to the Palestinian Authority headed by President Mahmoud Abbas, and to Palestinian civilians in order to support a sustainable post-conflict order that guarantees Israel's security and attends to the needs of the Palestinian humanitarian situation.

The Gaza crisis constitutes a conundrum for all involved. Israel would like to avoid a drawn-out invasion and occupation of Gaza, but at the same time does not want to abandon the military operation without assurance that the end result will leave Israelis more secure from rocket attacks. Although the ground attack might endanger its rule in Gaza, Hamas may welcome it in the hopes of miring Israeli forces in close-quarters combat to strip away their advantages in technology and firepower and in hopes of heightening perceptions that Palestinians are being victimized. Linking the cessation of violence in and around Gaza with international enforcement of a truce or a broader regional security initiative may be possible, but, at present, no proposed solution appears straightforward. This report will be updated as necessary to reflect further developments.

Contents

Introduction: Israel's 2008-2009 Gaza Campaign 2
Overview of the Conflict 2
Major Developments—Military, Diplomatic, and Humanitarian 4
The Conflict's Origins 6
Can Israel Achieve Its Goals? 9
The Unraveling of the Israel-Hamas Cease-Fire 9
Background of Hamas in the Gaza Strip 10
The Cease-Fire and Its End 10
Impact on Civilians 11
Impact on Palestinian Civilians 12
Impact on Israeli Civilians 13
International Response 14
International Community 14
United Nations 14
United States 16
Middle East 16
Possible Consequences of the Gaza Campaign 17
Effect on the Arab-Israeli Peace Process 17
Prospects for an Israeli-Palestinian Two-State Solution 18
A Syria-Israel Peace Deal: Still in the Cards? 19
Mounting Pressure on Egypt 19
Impact of Conflict on Israeli Election 20
The General Palestinian Response 22
Implications for U.S. Policy and the 111th Congress 22
The Incoming Obama Administration 22
From Proactive to Reactive? 22
Public Diplomacy Challenges 23
Possible Options for the Incoming 111th Congress 24
Defense Budget Appropriations for U.S.-Israeli Missile Defense Programs 24
Oversight of U.S. Arms Sales to Israel 25
Humanitarian Aid (Including to UNRWA) and Other Economic Assistance to Palestinians 28
U.S. Security Assistance to the Palestinian Authority 29
Conclusion: Strategizing an Exit and a Future 30
Conundrums 30
Ways of Reaching and Sustaining a Truce 31

Figures

Figure 1. Map of the Gaza Strip in the 2008-2009 Conflict 1
Figure 2. Range of Selected Rockets and Mortars Fired from the Gaza Strip 8

Tables

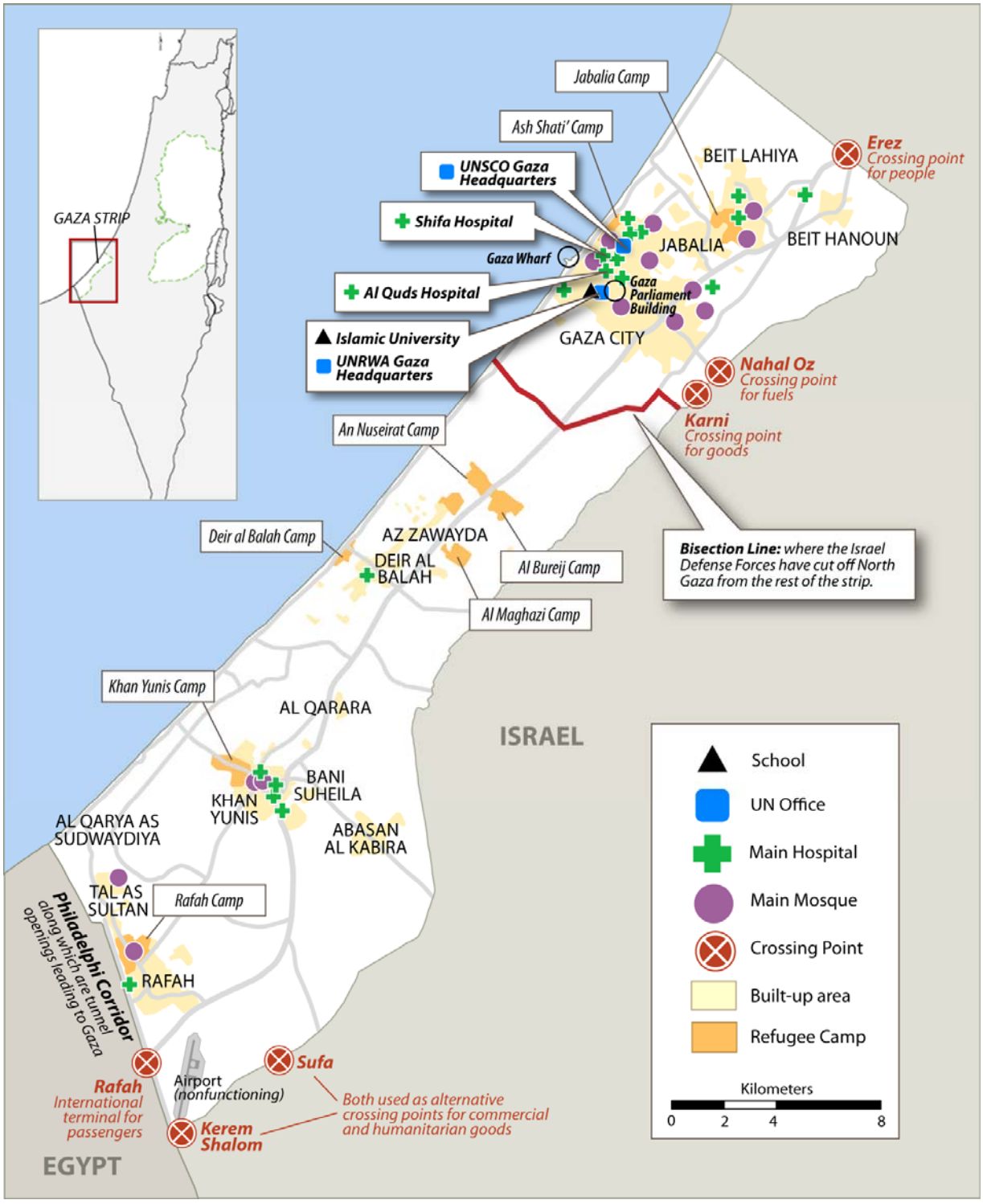
Table 1. Defense Budget Appropriations for U.S.-Israeli Short-Range Missile Defense: FY2006-FY2009 25

Table 2. U.S. Appropriated Funds Directed to Palestinians (June 2007-December 2008)..... 28

Contacts

Author Contact Information 33

Figure 1. Map of the Gaza Strip in the 2008-2009 Conflict



Sources: U.N. Office for the Coordination of Humanitarian Affairs (including for the Bisection Line) and UNOSAT, with additional data from UNRWA; adapted by CRS.

Note: All locations are approximate.

Introduction: Israel's 2008-2009 Gaza Campaign[1]

Overview of the Conflict

On December 27, 2008, Israel launched an extensive military campaign dubbed "Operation Cast Lead" against the Palestinian Islamist militant group Hamas in the Gaza Strip in order to counter Palestinian rocket fire into southern Israel and, more broadly, to significantly weaken all aspects of Hamas rule in Gaza. Initially, coordinated Israeli air strikes against pre-selected targets took Hamas by surprise, as the operation commenced in full daylight (Hamas expected any attack to come at night) and was timed to coincide with a meeting of Hamas's leadership as well as a graduation ceremony of hundreds of new Gazan police cadets. In addition to Hamas weapons caches and military facilities, Israel has targeted other elements of Gaza's infrastructure that it believes support Hamas's military objectives, including mosques, the Islamic University of Gaza, Hamas's Al Aqsa television station, the homes of Hamas militants and government officials, a wide range of government buildings, and a network of smugglers' tunnels along the border with Egypt. Israeli air strikes have reportedly killed senior Hamas officials and militants, including Hamas interior minister Said Siam (who was responsible for various security apparatuses in Gaza, was a key security liaison between Hamas's political and military wings, and was known as an extremist among Hamas's top leadership ranks in Gaza), Salah Abu Shrakh (head of Hamas's general security service), and Mahmoud Watfah and Shaykh Nizar Rayyan (influential figures within Hamas's military wing (the Izz al Din al Qassam Brigades)).[2]

On January 3, 2009, Israel expanded its operations by beginning a ground offensive—sending thousands of troops over Gaza's northern border, along with tanks, armored personnel carriers, and artillery divisions. Observers presume that the ground operation began in the north largely to disable Palestinian rocket launch sites that took advantage of the area's relative proximity to targets in southern Israel. Palestinian rocket attacks on southern Israel have continued (see the inset section "Palestinian Rocket Attacks from Gaza: Threat Assessment and Israeli Responses" below), although their frequency appears to have gradually diminished as the fighting has endured. Hamas and other allied Palestinian militant groups have reportedly moved more rocket-launching operations into densely-populated sectors of Gaza City and to areas further south that are less endangered by Israeli forces.

As of January 14, Israeli air and naval strikes and ground forces had reportedly killed over 1,000 Palestinians, including hundreds of Hamas gunmen but also hundreds of Palestinian civilians (civilians represent at least half of the total deaths, according to reports), while 13 Israelis had been killed—four from Palestinian rocket fire and nine from other fighting. For a more detailed

[1] This section was written by Jeremy M. Sharp, Specialist in Middle Eastern Affairs and Acting Research Manager, Middle East and Africa Section; and by Jim Zanotti, Analyst in Middle Eastern Affairs; except where otherwise specified.

[2] Yaakov Katz, "Hamas Interior Minister Said Siam Dies in IAF Air Strike," *jpost.com*, January 15, 2009.

breakdown of casualties and internal displacement, see "Impact on Civilians" below. Israeli officials also have said that several Hamas fighters have been taken into Israeli custody.

Having captured military targets in the northern sector of Gaza (e.g., weapons caches, rocket launch sites, bunkers), the Israeli forces positioned themselves around Gaza City during the week of January 5 after taking control of Gaza's main north-south highway, and there has been close-quarters fighting between Israeli forces and Hamas gunmen in various Gaza City neighborhoods and in towns in the immediate vicinity such as Jabalia. By cutting off northward access and effectively stopping all tunneling from Egypt, Israeli forces are seeking to prevent Hamas from supplying their fighters with weapons from the south of Gaza.

Israeli officials allege that Hamas's guerrilla warfare tactics of deception (fighting in civilian clothes, using tunnels and bunkers, and using civilian buildings for military purposes) are based on Iranian training and on methods used by Hezbollah (the Lebanese Shia militant group whose summer 2006 war with Israel is regularly compared by observers to the conflict in Gaza).[3] According to Yuval Diskin, the head of Israel's Shin Bet (internal security service), senior Hamas leaders have even used Gaza's main medical center, Shifa Hospital (see location on **Figure 1**), as a hideout (see "Impact on Palestinian Civilians" below). Despite Hamas's use of these tactics, Israeli ground forces do not appear to have met lasting formidable resistance from Hamas fighters or prepared positions. Israel has reportedly gained valuable intelligence from Gazans it has detained, from captured maps and plans, and from subterfuge. Israel's decision to have its troops go in "heavy," using armored vehicles and firepower even in urban environments and warning civilians to leave ahead of time, is also thought to have kept Israeli casualties low, perhaps at the price of greater threats posed to Gazan civilians.

According to Israeli Defense Minister Ehud Barak, Israel's attacks were intended to deal Hamas a "severe blow," ending its willingness and capability to launch rockets at Israeli towns and cities. As the third week of fighting began, Prime Minister Ehud Olmert said that Israel was "getting close to achieving the goals it set for itself" but that "more patience, determination and effort are still demanded." There are reports that Israel believes that the Gaza-based leadership of Hamas is inclined to accept a cease-fire, given the setbacks it has suffered in the fighting and its seemingly weakened military capacity. The Gaza leadership's views may be at odds with the proclaimed stance of Damascus-based Hamas political chief Khaled Meshaal, who reportedly has been conferring with Iranian and Syrian leaders throughout the conflict and has demanded that Israel end its assault and open all border crossings before agreeing to a cease-fire. As the week of January 12 began, Israeli Defense Ministry official Amos Gilad and representatives from Hamas were talking separately with Egyptian facilitators regarding a possible end to the fighting.

U.S. and Israeli media sources report an ongoing debate among Olmert, Barak and Israeli Foreign Minister Tzipi Livni over how the war should end and whether Israel should seek a cease-fire with Hamas or unilaterally declare victory at some point.[4] Thus far, significant domestic public approval has accompanied Israel's military operations. An Israeli announcement on January 11 that its reservists have entered the fighting alongside its regular army divisions could signal the beginning of a "third phase" to the conflict, in which Israel may engage more directly in urban

[3] Steven Erlanger, "A Gaza War Full of Traps and Trickery," *New York Times*, January 10, 2009.

[4] Griff Witte, "Israelis Push to Edge of Gaza City," *Washington Post*, January 12, 2009.

warfare in an attempt to further weaken and pressure Hamas militants and leaders, may seek to seize the strip of Gazan land immediately bordering Egypt to gain control of the smuggling routes, and may even try to end Hamas rule in Gaza.[5]

As of January 15, Israeli forces were reportedly thrusting further into Gaza City. The Gaza headquarters of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and Al Quds Hospital have both sustained damage (see the locations of both sites on **Figure 1**; also see "Impact on Palestinian Civilians" below). After U.N. Secretary-General Ban Ki-Moon (who had just arrived in Israel to try to facilitate an end to the fighting—see "United Nations" below) said that Barak had apologized to him for the damage inflicted on the UNRWA building (which has injured three UNRWA staff members and may have involved incendiary white phosphorus shells) and had called the incident a "grave mistake,"[6] Olmert—while expressing regret—told Ban that Israel fired in response to Hamas attacks from the UNRWA compound.[7]

Major Developments—Military, Diplomatic, and Humanitarian[8]

The intensification of Israeli military operations has led to heightened international pressure for an end to hostilities. As the second week of fighting neared its end, the United Nations Security Council passed Resolution 1860 on January 8, which called for an "immediate, durable and fully respected ceasefire leading to the withdrawal of Israeli forces from Gaza." Diplomatic attention centered around a joint Egyptian-French proposal to end hostilities and establish a sustainable post-conflict order, but both Israel and Hamas have thus far refused to halt the conflict. Resistance by Egypt to allowing greater international authority over smuggling prevention efforts from its side of the border, along with disagreements over which parties might be assigned responsibility for the crossings from the Gaza side of the border, may have made a compromise elusive.

Getting updates on developments in the Gaza Strip has been made more difficult due to Israel's barring of the international media from entering the territory independently (only a small group has been permitted into Gaza, accompanied by Israeli troops), even though the Israeli Supreme Court issued an order during the first week of the conflict requiring that some journalists be admitted. Asked to explain the continuing embargo, Daniel Seaman of Israel's Government Press

[5] On January 2, Vice Premier Haim Ramon said on Israeli television: "What I think we need to do is to reach a situation in which we do not allow Hamas to govern." Ethan Bronner, "Is the Real Target Hamas Rule?" *New York Times*, January 3, 2009.

[6] "Israel Apologizes to Ban for Hitting U.N. Compound," *Reuters*, January 15, 2009. An Israeli security source has denied that Barak called the incident a "grave mistake." "Gaza Pounded Amid Push for Truce," *BBC News Online*, January 15, 2009.

[7] Olmert reportedly said, "We do not want such incidents to take place and I am sorry for it but I don't know if you know, but Hamas fired from the UNRWA site. This is a sad incident and I apologise for it." Sheera Frenkel and Philippe Naughton, "UN Headquarters in Gaza Hit by 'White Phosphourus' Shells," *The Times Online* (UK), January 15, 2009.

[8] This section was written by Jim Zanotti, Analyst in Middle Eastern Affairs.

Office said, "Any journalist who enters Gaza becomes a fig leaf and front for the Hamas terror organization, and I see no reason why we should help that."[9]

Many have called attention to what they characterize as a humanitarian crisis for the people of Gaza, although Israel insists that it is not targeting Gaza's population at large—only Hamas. Starting on January 7, Israel instituted (and Hamas has generally reciprocally observed) what it calls a "humanitarian corridor"—a lull in violence for three hours every day—in order to allow medical assistance in conflict areas and to allow trucks to bring needed goods and supplies to Gazan civilians. Some, however, insist that this measure does not sufficiently address the situation. There is also evidence that Israeli forces may have accidentally shelled a residential site in the Zeitoun neighborhood south of Gaza City to which some Israeli troops had previously gathered about 110 civilians, killing about 30 and injuring dozens more, and that the Israelis kept the site and a broader area of the neighborhood off-limits to international rescue and health care providers for up to four days. For more information on the humanitarian situation in Gaza, see "Impact on Civilians" below.

One of the most controversial events of the ground offensive to date has been the January 6 shelling by Israeli forces of a school in Jabalia (just north of Gaza City) operated by UNRWA. When the school was hit—killing approximately 40 Palestinians and wounding dozens more—it was being used as a civilian shelter. Israeli officials have vacillated in their public statements regarding whether Palestinian militants were firing from the U.N. school grounds or from an adjacent area, while U.N. officials have maintained that no firing came from the school grounds and have called for an independent investigation. Reported Israeli strikes on two other U.N. schools (one in Jabalia, one in Gaza City) and on two U.N. humanitarian aid convoys (which killed one U.N. worker and injured two others), despite the United Nations' insistence that its buildings and vehicles were clearly marked and their locations provided to Israeli officials, have led to condemnation by U.N. Secretary-General Ban Ki-Moon of Israel's actions vis-à-vis the convoys and to a one-day suspension of U.N. food delivery operations (see "Impact on Palestinian Civilians" below). An Israeli military spokesman claimed that Hamas was attacking humanitarian convoys and blaming the attacks on Israel.[10]

Another notable occurrence was the firing of at least two Katyusha rockets on January 8 from southern Lebanon into northern Israel (near the town of Nahariya). The rockets did not cause fatalities, but did lead to two injuries at a senior care facility that was hit. Israel fired back at the location from which the rockets came, but did not retaliate further. The timing of the firing initially led Israel and many observers to wonder whether Hezbollah was attempting to open a second front in the conflict, but subsequent indications are that Hezbollah was not directly responsible, and the Israeli government has expressed its belief that the rocket fire was an isolated incident. Nonetheless, some analysts believe that Hezbollah and/or Iran may have orchestrated or at least consented to the firing to cause confusion in Israel and to portray themselves as defenders of the Palestinian cause, and that the indirect, low-level nature of the attack may have been intentionally calibrated to avoid a major Israel reprisal. These suspicions grew on January 14

[9] Lisa Goldman, "Eyeless in Israel," *Jewish Daily Forward*, January 8, 2009. According to the same source, Israeli media have not been allowed in the Gaza Strip for more than two years.

[10] See Griff Witte and Colum Lynch, "As U.S. Abstains, U.N. Security Council Calls for Cease-Fire," *Washington Post*, January 9, 2009.

when another volley of three or four Katyusha rockets was fired into northern Israel from southern Lebanon (and shortly thereafter, three more Grad-style rockets that were set to be fired were reportedly discovered and dismantled by Lebanese troops), once again triggering return fire from Israel aimed at the source.

The Conflict's Origins

Prior to the start of Israel's campaign, experts warned that a full-scale resumption of Israeli-Palestinian violence was imminent, as Egyptian mediation failed to extend the six-month cease-fire (*tahdiya* or calm) that expired on December 19, 2008. Each party felt as though the other was violating the terms of the original cease-fire. Hamas demanded—unsuccessfully—that Israel lift its economic blockade of Gaza, while Israel demanded—also unsuccessfully—a full end to rocket fire and progress on the release of Gilad Shalit, an Israeli corporal who has been in Hamas's captivity for more than two years.

Violence had already resumed in the waning days of the cease-fire. After an Israeli raid on November 4 (ostensibly aimed at preventing Hamas's use of tunnels to abduct Israeli soldiers), rocket fire on Israel from Hamas and other Palestinian militant groups in Gaza resumed with greater intensity (see the inset section "Palestinian Rocket Attacks from Gaza: Threat Assessment and Israeli Responses" below). Some analysts speculated that the cross-border skirmishes and rocket fire that continued into December represented jockeying by both parties for more favorable renegotiating positions as the cease-fire's December 19 expiration approached.[11] On the 19th, Hamas issued a statement on its website that "The cease-fire is over and there will not be a renewal because the Zionist enemy has not respected its conditions." On December 24, approximately 88 rockets were fired into southern Israel from Gaza, followed by another 44 on December 25.[12] The magnitude of this violation of Israeli airspace and territory—although it did not cause casualties—apparently prompted the Israeli leadership's decision to launch the December 27 air strike and larger offensive.

Although it appears that the timing of the conflict's outbreak was driven primarily by the end of the cease-fire, the fact that it occurred during the U.S. presidential transition and on the eve of Israeli elections scheduled for February 2009 (not to mention just two weeks before the possible, although disputed, expiration of Abbas's PA presidential term on January 9, 2009[13]) has led some observers to speculate that these political factors had at least partial influence on Israel's and Hamas's actions. In any event, it now appears likely that the fighting in and around Gaza could impact near-term political developments.[14]

---

[11] See Karin Laub, "Analysis: Hamas, Israel Trying to Rewrite Truce," *Associated Press*, November 17, 2008.
[12] International Crisis Group, *Ending the War in Gaza*, Middle East Briefing No. 26, January 5, 2009.

[13] See "Middle East Politics: Prolonging Abu Mazen," *Economist Intelligence Unit*, November 28, 2008.

[14] The *New York Times* has written: "Many Middle East experts say Israel timed its move against Hamas, which began with airstrikes on Dec. 27, 24 days before Mr. Bush leaves office, with the expectation of [the Bush Administration's] backing in Washington. Israeli officials could not be certain that President-elect Barack Obama, despite past statements of sympathy for Israel's right of self-defense, would match the Bush administration's unconditional endorsement." Scott Shane, "Israel Strikes Before an Ally Departs," *New York Times*, December 29, 2008.

Palestinian Rocket Attacks from Gaza: Threat Assessment and Israeli Responses[18]

Since 2001, several Palestinian terrorist groups based in the Gaza Strip have attacked communities in southern and coastal areas of Israel with thousands of indiscriminately fired rockets and mortars. During the second Palestinian *intifada* or uprising in 2001, Hamas militia members and others fired homemade mortars at Israeli settlements in the Gaza Strip and launched the first locally produced "Qassam" rockets, named after the early 20th century militant leader Shaykh Izz al Din al Qassam. Widely-available household ingredients, such as fertilizer, sugar, alcohol, and fuel oil, serve as propellants for the low-cost Qassam rockets, which are fabricated locally from scrap metal and pipes and armed with smuggled explosives. Teams of engineers, chemists, and machinists have improved the range and payload of the Qassam series rockets over time, and several individuals and facilities associated with rocket research and production operations have been targeted in Israeli military raids.

Since 2006, longer-range 122mm Grad rockets and 122mm Grad-style copies, often referred to as Katyushas, have expanded the range of Hamas and its allies beyond relatively small Israeli communities near the Gaza border, such as the town of Sderot (population est. 24,000), to the larger coastal cities of Ashqelon (population est.120,000) and Ashdod (population est. 200,000) and to the Negev city of Beersheva (population est. 185,000). Similar mid-range rockets have been fired by Palestinian Islamic Jihad (Al Quds series) and the Popular Resistance Committees (Nasser series). A map showing the approximate range of various Gaza-based rockets and mortars appears as **Figure 2** on the next page.

Press reports allege that some 122mm rockets fired against Israel have been Grad-style copies made in Iran, while others have been Eastern-bloc editions modified to expand their range and lethality. The longer range Grad rockets are believed to be smuggled into the Gaza Strip via tunnels from Egypt. The approximately 7,000 rockets and mortars fired by Palestinians since 2001 have killed at least 18 Israelis and wounded dozens, while the persistent threat of rocket fire has had a broader negative psychological effect on Israelis living in targeted communities.[15] Some observers estimate that Palestinian militants in Gaza may have had as many as 10,000 rockets at their disposal at the outset of the conflict, up to a third of which may have been Grad-style rockets.

In response to ongoing rocket attacks, Israel has invested millions of dollars in both passive and active defense measures, including an advance warning alert system known as 'Color Red', safe room construction programs in residential areas near Gaza, and the deployment of a new counter-rocket defense system known as 'Iron Dome'. In December 2008, the Israeli cabinet issued final approval for a three-stage plan to build reinforced security rooms in all 8,500 housing units within 2.8 miles of the Gaza Strip. The cost of the program is estimated to be over $200 million.[16] Reports suggest that Israel has budgeted $230 million for the development and procurement of the Iron Dome system; its rocket interceptor costs are estimated at $45,000 each, with a total annual system deployment cost in areas around Gaza estimated at $25 million. Some Israeli military officials and public figures reportedly favor the deployment of a less mobile, but potentially more cost effective directed laser system, based on the work of the joint Israeli-U.S. Tactical High Energy Laser (THEL) research program that was terminated in 2004.[17] For more detailed information on Israeli rocket defense measures, see "Defense Budget Appropriations for U.S.-Israeli Missile Defense Programs" below.

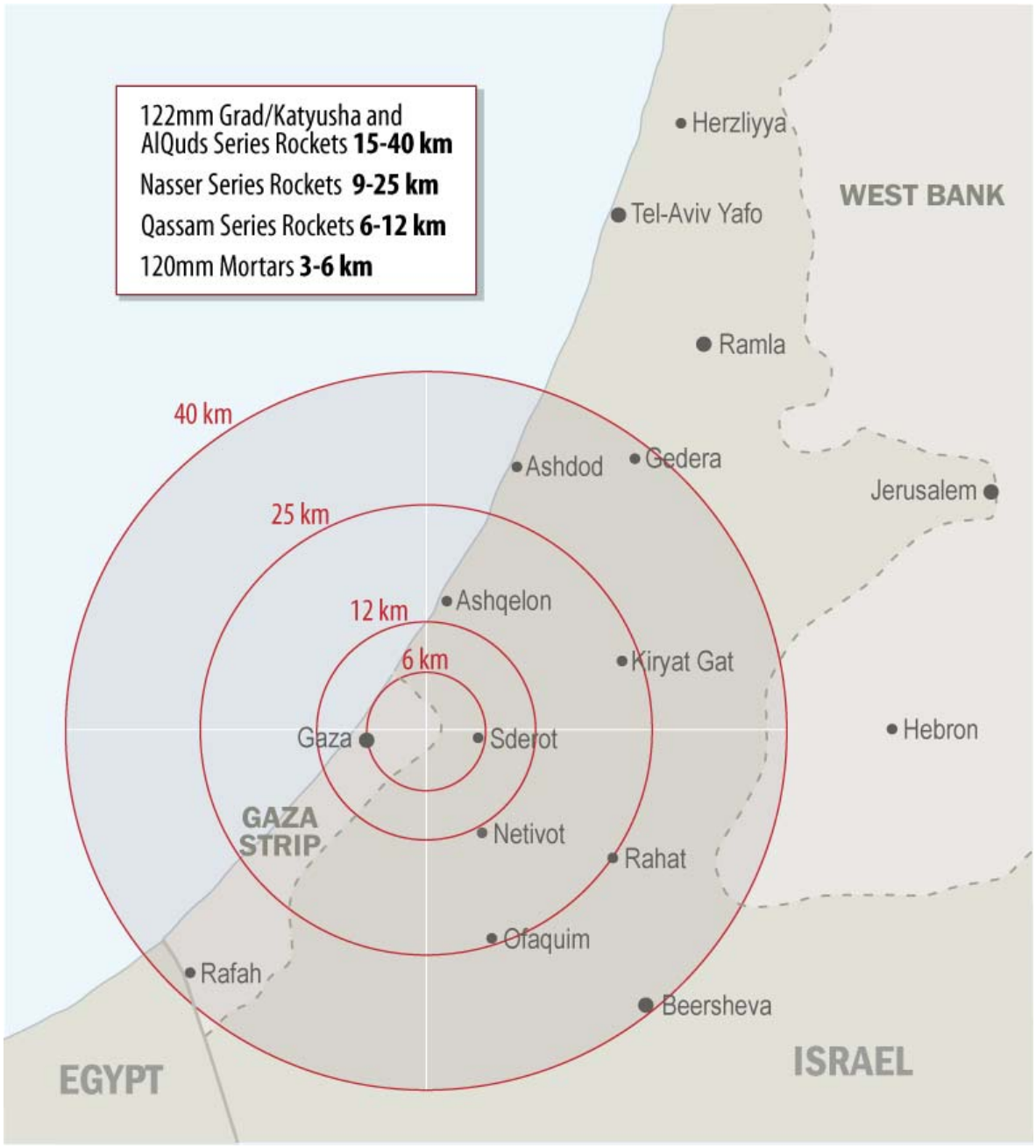
[15] Toni O'Loughlin and Hazem Balousha, "News: Air Strikes on Gaza," *The Observer* (UK), December 28, 2008; David Isby, "Effective anti-Qassam defence could be more than six years away," *Jane's Missiles and Rockets*, January 01, 2007.

[16] Herb Keinon and Yaakov Katz, "Cabinet okays rocket-protection for communities within range," *Jerusalem Post*, December 8, 2008; Yaakov Lappin and Dan Izenberg, "Barak wants government's okay to hit Gaza residential areas," *Jerusalem Post*, November 10, 2008.

[17] See Alon Ben-David, "Iron Dome advances to meet Qassam threat," *Jane's Defence Weekly*, March 17, 2008.

[18] This inset section was written by Christopher M. Blanchard, Analyst in Middle Eastern Affairs.

Figure 2. Range of Selected Rockets and Mortars Fired from the Gaza Strip



Source: Map Resources, adapted by CRS. Data based on reporting by *Jane's Missiles and Rockets* and Israeli government statements to international media outlets.

Note: All ranges listed for weapons are approximate and may vary based on launch sites and the characteristics of individual rockets, most of which are locally produced and some of which are modified from their original foreign designs.

Can Israel Achieve Its Goals?[19]

Operation Cast Lead appears to have been planned well in advance. Some Israeli observers have suggested that although the military has unleashed a devastating series of bombings, neither toppling the Hamas regime nor permanently ending all rocket attacks is a realistic goal—even with the ground forces that have been inserted. Instead, observers suggest that Operation Cast Lead seeks to severely cripple all aspects of Hamas's presence in Gaza—military, economic, and cultural—so that it would take several years of rebuilding for Hamas to return to its pre-December 2008 strength. By temporarily disabling Hamas's military capacity, Israel could substantially ease the frequency and intensity of Hamas attacks in the months ahead as it prepares to deploy new, more sophisticated anti-rocket defense systems. With Gaza blockaded by land and sea, Israel has calculated that it would take Hamas significantly longer to rearm and rebuild than it took for Hezbollah after its war with Israel in 2006 (see the inset section "Palestinian Rocket Attacks from Gaza: Threat Assessment and Israeli Responses" above).

Some military experts have suggested that survival is Hamas's main goal, as the organization may try to retain some rocket capability until the fighting wanes. One complicating factor for Israel is time: the longer Operation Cast Lead runs without a definitive outcome in Israel's favor, the more pressure, both internal and external, will grow for a cessation of hostilities. Furthermore, the risk of unintended regional escalation, though it remains low, is always a possibility.

A weakened Hamas may be more susceptible to accepting terms of reconciliation offered by its Palestinian rival Fatah (the political movement currently headed by Mahmoud Abbas, who is both President of the Palestinian Authority (PA) and Chairman of the Executive Committee of the Palestine Liberation Organization (PLO)), which has been bolstered by international assistance and Israeli engagement over the past year. The prospects for reconciliation between Hamas and Fatah, which many believe to be integral to effective Israeli-Palestinian peace negotiations, may be undermined by the selective targeting of Hamas and the passive acceptance of the Israeli offensive by Fatah, the PA, and the PLO that many observers claim is apparent despite statements of opposition.[20]

The Unraveling of the Israel-Hamas Cease-Fire[21]

The unraveling of the *tahdiya* or temporary cease-fire between Israel and Hamas that led to the December 2008 outbreak of violence in and around the Gaza Strip was not only a result of short-term tactical considerations by Israel and Hamas (see "The Conflict's Origins" above), but

[19] This section was written by Jeremy M. Sharp, Specialist in Middle Eastern Affairs and Acting Research Manager, Middle East and Africa Section.

[20] A *Washington Post* column has asserted that Abbas's adviser Nimr Hammad told the Lebanese daily *Al-Akhbar*: "The one responsible for the massacres is Hamas, and not the Zionist entity, which in its own view reacted to the firing of Palestinian missiles." Robert J. Lieber, "Hard Truths About the Conflict," *Washington Post*, January 1, 2009. Abbas has, however, assertively call for an end to fighting since the week of January 5. In one statement, he said that if a cease-fire was rejected, that all parties would be to blame, but singled Israel out as being potentially responsible for "perpetuating a waterfall of blood."

[21] This section was written by Jim Zanotti, Analyst in Middle Eastern Affairs.

reflective of the deeply-rooted dilemma posed by Hamas's steady rise in influence over Israeli-Palestinian relations during the last 20 years and more recently in Gaza proper. Because of its militant, anti-Israel ideology and its acts of terrorism, Hamas has been politically and financially isolated by Israel, the United States, and other international actors—making any engagement with the organization, even through third parties, extremely difficult. Israel has repeatedly asserted that Hamas will remain in isolation until it renounces violence and, more importantly, recognizes Israel's right to exist as a nation-state.

Background of Hamas in the Gaza Strip

Since Hamas's inception, it has maintained its primary base of support and particularly strong influence in the Gaza Strip, even though its current political headquarters is in Damascus, Syria. Hamas's politicization and militarization can be traced to the *intifada* ("uprising") that began in the Gaza Strip in 1987 in resistance to the Israeli occupation. Hamas refuses to recognize the right of Israel to exist, refuses to renounce the use of violence, and refuses to consider itself bound by previous agreements reached by the PLO with Israel. For these reasons, the United States designated it as a Foreign Terrorist Organization in 1997, and U.S. aid to Palestinians has been tailored to bypass Hamas and Hamas-controlled entities.

Hamas's victory in January 2006 Palestinian legislative elections set in motion a chain of events that has led to the current crisis. The refusal of the United States, the European Union, and much of the rest of the world to have direct dealings with or to give financial assistance to a Hamas-dominated PA cabinet led to a tense standoff that was only temporarily averted by a February 2007 Hamas-Fatah "unity agreement" brokered by Saudi Arabia. These tensions contributed to the factional fighting between Hamas and Fatah that led to Hamas's forcible takeover of the Gaza Strip in June 2007. In response to the Hamas takeover, PA President Abbas dissolved the Hamas-led cabinet and appointed a "caretaker" technocratic PA government in the West Bank, leading to renewed U.S. and international assistance for the PA in the West Bank that prompted Hamas to tighten its grip on Gaza even further.

The Cease-Fire and Its End

As the vulnerability of Israeli cities and towns near the Gaza border to mortar and rocket fire from an Hamas-controlled Gaza became clearer, Israel and Hamas indirectly agreed (via Egyptian mediation) to the six-month cease-fire in June 2008. In return for a moratorium on attacks, Hamas understood that Israel would open the Gaza border crossings to allow a flow of workers and goods. One ostensible aim of the cease-fire was to facilitate a prisoner exchange agreement—Israel's release of a number of Palestinian prisoners in exchange for Hamas's release of Israeli corporal Gilad Shalit. Yet, as discussed earlier in this report (see "The Conflict's Origins" above), no such agreement was achieved.

For the first five months, the cease-fire held relatively well. Some rockets were fired into Israel, but most were attributed to non-Hamas militant groups, and, progressively, Hamas appeared increasingly able and willing to suppress even these attacks. No casualties were reported (only minor property damage was incurred), and Israel refrained from retaliation.

Nevertheless, Israel cited the sporadic rocket fire as justification for keeping the border crossings and Gaza's seaport closed to nearly everything but basic humanitarian supplies. Hamas, other Arab leaders, and international organizations involved in aiding Gazan civilians complained that

Israel was reneging on its promises under the agreement. Some in Israel believed that the pressure applied through a blockade on Gaza could squeeze Hamas from power by turning Gazans against the Islamist group, while other observers asserted the exact opposite—that confining economically desperate people in Gaza would likely increase their dependence on Hamas. The nearly complete shutdown of the highly export-dependent Gazan economy[22] left Israel and its supporters open to charges that they were knowingly worsening the already-precarious situation of Gaza's population—one of the most densely concentrated (Gaza's 1.5 million people live within the territory's 146 square miles) and poorest in the world. The United Nations estimates that at least 80% of Gazans live below the poverty line.

Many believe that, all along, both sides considered the temporary cease-fire to be merely an opportunity to prepare more fully for eventual conflict. Accounts of Hamas's military buildup and its use of tunnels from Egypt's Sinai Peninsula for smuggling weapons, and reports describing how Israel devised plans for the Gaza offensive, support this argument. Some commentators have said that giving up on the cease-fire was in both sides' interests—asserting that Hamas wanted to reclaim the mantle of "heroic resister" in order to reverse recent erosions in its popularity among Palestinians since its takeover of Gaza, while Israeli leaders wanted to prove their ability to defend Israeli citizens on the eve of national elections.[23]

Impact on Civilians[24]

The fighting in Gaza and southern Israel during this conflict has affected both Palestinian and Israeli civilians. Questions have been raised over who is a legitimate target. Rockets from Palestinian militants in Gaza are almost exclusively fired with the aim of killing and terrorizing Israeli civilians. Israel's bombing campaign and ground offensive has targeted Hamas, but some have charged that Israel's targeting of cultural, residential, and governmental sites has disproportionately impacted Gaza's civilian population despite Israel's insistence that these sites are inextricably linked with Hamas's military operations.[25] Israeli officials and media have alleged that Hamas has virtually or actually used Gaza civilians as "human shields," citing Hamas's use of homes, mosques, schools, and hospitals for military purposes and its militants' immersion in densely-populated areas. The toll exacted goes beyond civilians' immediate well-being to possible implications for regional politics (see "International Response," "The General Palestinian Response," and "Conclusion: Strategizing an Exit and a Future" below) and post-conflict reconstruction (see "Humanitarian Aid (Including to UNRWA) and Other Economic Assistance to Palestinians" below), including concerns over further radicalization on either or both sides.

---

[22] The Palestinian Federation of Industries estimates that 98% of Gaza's industrial operations are now inactive. See The World Bank, *Palestinian Economic Prospects: Aid, Access and Reform: Economic Monitoring Report to the Ad Hoc Liaison Committee*, September 22, 2008.

[23] Daoud Kuttab, "Has Israel Revived Hamas?" *Washington Post*, December 30, 2008.

[24] This section was written by Casey L. Addis, Analyst in Middle Eastern Affairs.

[25] Israel has dropped leaflets, made phone calls and sent SMS (text) messages to warn thousands of civilians of impending attacks in their vicinity, but the damage done to a broad array of potential shelters (including mosques and U.N. buildings) have led some to question whether safe havens from the fighting exist.

Impact on Palestinian Civilians

In spite of periodic humanitarian relief shipments allowed by Israel, ongoing fighting has further deteriorated the already dire humanitarian situation in the Gaza Strip. While casualty and injury figures are difficult to verify, the U.N. Office for the Coordination of Humanitarian Affairs (OCHA) estimates that, as of January 14, 1,013 Palestinians have been killed, including 322 children and 76 women, and 4,560 have been injured in the fighting (but OCHA estimated the number of critical injuries to be slightly more than 10% of total injuries as of January 11). The number of displaced persons is estimated between 80,000 and 90,000, including up to 50,000 children. The United Nations Relief and Works Agency (UNRWA) is operating 41 shelters housing 37,937 people in the Gaza Strip. Shelters are overcrowded and it is problematic to open new shelters due to security concerns.[26]

Access to food, potable water, and services such as electricity and sanitation also are extremely limited. The January 11 OCHA report states that approximately 500,000 of Gaza's 1.5 million residents have no access to running water and that infrastructure damage has raised concerns about contamination of existing water supplies. On January 10, the Gaza City Wastewater treatment plant was reportedly hit by Israeli fire and the extent of the damage is yet unknown. According to U.N. reports, shortages of fuel and food have compounded humanitarian concerns and the functions of relief agencies have been limited because of security concerns. Hospitals are reportedly running on backup generators and, due to shelling, only an estimated 35 of 58 primary health care clinics are open. Health care supplies and staff are also in short supply.

The United Nations temporarily suspended deliveries into Gaza on January 8 due to personnel casualties, which U.N. representatives claim occurred despite the scheduled lulls in the fighting intended to facilitate the flow of relief aid and despite coordination with Israeli officials and the IDF.[27] The International Committee of the Red Cross (ICRC) also suspended deliveries into Gaza for a limited time on January 8 out of concerns for its workers' safety. At the same time, the ICRC issued an unusually direct statement claiming that the Israeli military had not met its obligations under international humanitarian law in allowing for the care and evacuation of the wounded in connection with shelling damage mentioned above in the Zeitoun neighborhood of Gaza City (see "Major Developments—Military, Diplomatic, and Humanitarian"). The January 15 reports of damage sustained by UNRWA's Gaza headquarters and Al Quds Hospital in Gaza City (see "Overview of the Conflict" above) are likely to intensify concerns that the Israeli military is not distinguishing between military targets and civilian areas with sufficient precision.[28]

---

[26] United Nations Office for the Coordination of Humanitarian Affairs Field Updates on Gaza, January 10-11, 2009 and January 14, 2009. Available online at http://www.ochaopt.org/gazacrisis/admin/output/files/ocha_opt_gaza_situation_report_2009_01_11_english.pdf and http://www.ochaopt.org/gazacrisis/admin/output/files/ocha_opt_gaza_humanitarian_situation_report_2009_01_14_english.pdf.

[27] United Nations Office for the Coordination of Humanitarian Affairs Field Update on Gaza, January 10-11, 2009. Available online at http://www.ochaopt.org/gazacrisis/admin/output/files/ocha_opt_gaza_situation_report_2009_01_11_english.pdf..

[28] See International Committee of the Red Cross News Release, "Gaza: ICRC Demands Urgent Access to Wounded as Israeli Army Fails to Assist Wounded Palestinians," January 8, 2009.

As mentioned above (see "Overview of the Conflict"), a recent Israeli report alleges that senior Hamas leaders in Gaza are "hiding" in the basement of Shifa Hospital, Gaza's flagship medical facility (see location on **Figure 1**). This further fuels allegations that Hamas leaders are willing to endanger civilians to protect themselves, while also raising concerns about a military strike against the facility, which could potentially cause large numbers of civilian casualties and damage or destroy the hospital—further exacerbating the humanitarian crisis.[29]

Impact on Israeli Civilians

As of January 14, an estimated 13 Israelis have been killed (four from rocket fire), including four civilians, and approximately 58 civilians have been injured (not counting those treated for shock).[30] Over 600 rocket attacks have been launched by Hamas into southern Israel since the official expiration of the cease-fire on December 19, 2008—according to Israel's Shin Bet, some 565 (plus some 200 mortars) since the beginning of the Israeli offensive on December 27.[31] Hamas and other Palestinian militant groups firing rockets and mortars target Israeli civilians specifically, and some observers argue that the arbitrary nature of these attacks compound the physical danger they represent with severe psychological repercussions that cannot be quantified.[32] The siren alert system used to warn civilians of incoming attacks provides only momentary warning time for Israelis to head to shelters, and because the rockets are fired indiscriminately, virtually no place can be safely ruled out as a target—further contributing to Israeli anxieties.

Since Operation Cast Lead started on December 27, 2008, Hamas rockets have hit a school, open markets, homes, and other sites in Sderot, Gedera, Ashdod, Ashqelon, Beersheva, and elsewhere in southern Israel. As mentioned above (see "Major Developments—Military, Diplomatic, and Humanitarian"), northern Israel has also been hit by rockets originating from Lebanon on January 8 and January 14, prompting concerns among Israelis in the north that they might have to be on indefinite alert. The government of Israel has stated that it is the right of its people to feel safe in their homes, and other analysts have alluded to the "expectation of normal life."[33]

[29] Amos Harel, "Sources: Hamas Leaders Hiding in Basement of Israeli-Built Hospital in Gaza," *Ha'aretz*, January 12, 2009.

[30] United Nations Office for the Coordination of Humanitarian Affairs Field Update on Gaza, January 14, 2009. Available online at http://www.ochaopt.org/gazacrisis/admin/output/files/ocha_opt_gaza_humanitarian_situation_report_2009_01_14_english.pdf.

[31] Yanir Yagna, "Gaza Militants Fire at Least 14 Rockets into Southern Israel," *Ha'aretz*, January 14, 2009.

[32] Israeli Embassy Press Release, January 10, 2009. Available online at http://israelemb.org/Operation%20Cast%20Lead/Website4.htm.

[33] Richard Cohen, "A Conflict Hamas Caused," *Washington Post*, January 6, 2009.

International Response[34]

The worldwide response to the Gaza crisis has been characterized by consistent calls for an end to the violence and by concern over the humanitarian situation in Gaza. Protests broke out in numerous Middle Eastern and other international capitals, and the Arab media have continuously aired footage of casualties in Gaza. The crisis also has exacerbated existing tensions between countries in the region with a relatively pro-Western orientation—like Egypt, Jordan, and Saudi Arabia—and other countries and non-state actors—like Iran, Syria, and Hezbollah. European and other Western countries have generally faulted Hamas for starting the crisis but some, including France, also have criticized the Israeli response as disproportionate.

International Community

Much of the international community outside the Middle East has expressed concerns about the humanitarian situation in Gaza but has generally placed the blame for the current violence squarely with Hamas. Nevertheless, all parties have called for an end to or, at the very least, a de-escalation of the violence.

On January 6, Egyptian President Hosni Mubarak, with support from France and Turkey, put forth a proposed initiative to address the situation in Gaza. While some specifics of the proposal are still ambiguous, the initiative included a call for an immediate cease-fire to facilitate the delivery of humanitarian supplies and an "urgent meeting" between Israelis and Palestinians to agree on specific arrangements to ensure a durable cease-fire, secure Gaza's borders from arms shipments, and reopen all crossing points into Gaza. Delegations from both Hamas and Israel were scheduled to meet separately with Egyptian officials in Cairo during the week of January 12 to discuss the proposal.

United Nations

Libya, a United Nations Security Council (UNSC) member, called for a special session of the UNSC after the Israeli air strikes began. The UNSC met on December 28 and issued a statement expressing "serious concern" over the situation in Gaza and calling for an "immediate halt to all violence." The statement also included a call for expanded humanitarian assistance to the people in Gaza. According to the *Washington Post*, a stronger UNSC statement urging an immediate cease-fire was blocked on January 4 by the United States.[35]

As the fighting wore on for a second week, the UNSC convened on January 8 and adopted Resolution 1860 by a vote of 14-0 with one abstention (the United States). Resolution 1860 calls for an "immediate, durable and fully respected ceasefire, leading to the full withdrawal of Israeli forces from Gaza" and:

[34] This section was written by Casey L. Addis, Analyst in Middle Eastern Affairs.

[35] Sudarsan Raghavan, "Israeli Forces Push Deeper Into Gaza Strip," *Washington Post*, January 5, 2009.

> calls upon Member States to intensify efforts to provide arrangements and guarantees in Gaza in order to sustain a durable ceasefire and calm, including to prevent illicit trafficking in arms and ammunition and to ensure the sustained re-opening of the crossing points on the basis of the 2005 Agreement on Movement and Access between the Palestinian Authority and Israel; and in this regard, welcomes the Egyptian initiative, and other regional and international efforts that are under way.[36]

In a January 12 speech in Ashqelon, Israeli Prime Minister Olmert claimed that his personal intervention with President Bush was responsible for changing the U.S. vote on Resolution 1860 from a "yes" to an abstention:

> In the night between Thursday and Friday, when the secretary of state [Condoleezza Rice] wanted to lead the vote on a ceasefire at the Security Council, we did not want her to vote in favour. I said 'get me President Bush on the phone.' They said he was in the middle of giving a speech in Philadelphia. I said I didn't care. 'I need to talk to him now.' He got off the podium and spoke to me. I told him the United States could not vote in favour. It cannot vote in favour of such a resolution. He immediately called the secretary of state and told her not to vote in favour.... [Secretary Rice] was left shamed. A resolution that she prepared and arranged, and in the end she did not vote in favour.[37]

A State Department official has denied Olmert's claim, stating that the abstention was planned and that "The government of Israel does not make US policy."[38] After the vote, Secretary Rice explained the U.S. abstention by stating that the United States thought it important to see the outcomes of the Egyptian mediation efforts in order to "see what this resolution might have been supporting."[39]

Both Israel and Hamas rejected the call for an immediate ceasefire; Israel responded by calling Resolution 1860 "unworkable" and fighting continued. Both sides also expressed concerns about the Egyptian proposal. As Israel intensified its ground operation on January 10-11, reports circulated that Israel was planning to use the Egyptian-facilitated talks during the week of January 12 to demand an end to smuggling along the Philadelphi Corridor at the Gaza-Egypt border.[40]

---

[36] UNSC Resolution 1860, adopted January 8, 2009.

[37] "Rice Shame-Faced by Bush Over UN Gaza Vote: Olmert," *Agence France Presse*, January 12, 2009.

[38] Ibid. However, on January 9, a day after the U.N. vote and three days before Olmert publicly claimed to have personally influenced the U.S. vote, Palestinian Authority Foreign Minister Riad Malki voiced his surprise that the United States had not voted in favor of Resolution 1860. Malki said he had been told that the Americans would vote in favor, but that just prior to the vote, Secretary Rice came into the Security Council chamber and apologetically informed the Saudi foreign minister that she would abstain, but would clarify later that she supported the resolution nonetheless: "What happened in the last 10 or 15 minutes, what kind of pressure she received, from whom, this is really something that maybe we will know about later." Barak Ravid, "State Department: Olmert Never Told U.S. to Abstain from U.N. Vote on Gaza," *haaretz.com*, January 13, 2009.

[39] UNSC Document SC/9596, January 8, 2009. Andrew Whitley, director of UNRWA's New York office, said in a January 13 panel discussion in Washington that the United States and other members of the UNSC were responsible for removing provisions from Resolution 1860 that were in the original Arab League proposal, which would have called for an end to the blockade of Gaza and for all sides to pay more attention to the needs of civilians and to international humanitarian law. Remarks by Andrew Whitley, Americans for Peace Now panel discussion, "Prospects for Progress Toward Israeli-Palestinian Peace Under the Obama Administration and in the Wake of the Gaza War," Washington, DC, January 13, 2009.

[40] United States Open Source Center (OSC) Document GMP20090111754002, "IDF Reserves Poised; Egypt Waits for Hamas to Seek Deal; Davutoglu in Cairo," *Ma'ariv* Electronic Edition, Tel Aviv, January 9, 2009.

Hamas representatives complained that they were not initially consulted about the specifics of the Egyptian proposal, and Hamas spokesman Usamah Hamdan said that the initiative "contains points which do not meet the expectations of the Palestinian people," but did not reject it altogether.[41] U.N. Secretary-General Ban Ki-Moon is visiting the region during the week of January 12 in hopes that he can help facilitate an end to the fighting.

United States

The United States has joined the international community in calls for a cease-fire but maintains that Israel is justified in retaliating against Hamas's attacks. In a State Department press release, Secretary Condoleezza Rice said that the United States "strongly condemns" rocket attacks against Israel and "holds Hamas responsible" for breaking the truce and for the renewal of violence. The statement also called upon all concerned to address the humanitarian needs of the people in Gaza. President Bush has echoed this statement in his remarks since.

Members of Congress have expressed support for Israel's operations in Gaza. S.Res. 10, passed by unanimous consent in the Senate on January 8, recognizes the "right of Israel to defend itself against attacks from Gaza and reaffirm[s] the United States's strong support for Israel in its battle with Hamas, and support[s] the Israeli-Palestinian peace process." A similar resolution, H.Res. 34, passed the House on January 9 by a vote of 390-5, with 22 voting present.

Middle East

Regional responses to the conflict have consistently condemned the Israeli air campaign and ground invasion as "disproportionate" and tantamount to a "massacre" of Palestinians in Gaza. Governments as well as other regional leaders have issued statements criticizing the attack. For example, Grand Ayatollah Ali al Sistani, the prominent Iraqi Shia cleric, condemned the attacks as "barbaric." Iranian President Mahmoud Ahmadinejad and Syrian President Bashar al Asad called the Israeli campaign "outrageous aggression."[42] Near the end of the second week of fighting, Al Qaeda second-in-command Ayman al Zawahiri said that the Israeli offensive was a "Zionist-Crusader campaign" against Islam and Barack Obama's "gift" to the Palestinian people before he takes office. Zawahiri called on Muslims around the world to respond by hitting "Zionist and Crusader" targets around the world and by all available means.[43] Osama bin Laden followed Zawahiri's statement with an unauthenticated audiotaped message—bin Laden's first public statement since May 2008—that circulated on Islamist websites on January 14, exhorting Muslims to wage holy war on Israel and criticizing Israel's "Arab allies."[44]

There were more moderate reactions. In a joint press conference, the Egyptian and Turkish foreign ministers urged both parties to stop attacks and called for Palestinian reconciliation. They

---

[41] Ibid.

[42] U.S. Open Source Center (OSC) Document—GMP20081229950075—"World Leaders Call for Calm in Gaza Conflict," December 29, 2008.

[43] "Al-Qaida: Attack Western Targets to Avenge Gaza," *jpost.com*, January 7, 2009.

[44] Alan Cowell and Graham Bowley, "Bin Laden, on Tape, Urges Holy War Over Gaza," *New York Times*, January 14, 2009.

also focused attention on humanitarian needs in Gaza. Contrary to the views of its own citizenry and some of its parliament members, the Jordanian government also has taken a more tempered position, though King Abdullah II has condemned the attacks and called on Israel to halt all military actions in Gaza. As the conflict continues and the humanitarian toll grows on both sides, moderate responses have given way to outrage reflected both in leaders' statements and in public opinion.[45]

In addition to condemning Israel, some regional voices are criticizing certain Arab governments. These criticisms reflect existing intra-Arab and Sunni-Shia fault-lines. As protests have broken out across the region and as Arab media outlets have run footage from Gaza, Al Qaeda, Hezbollah, Syria, and Iran have charged moderate Arab governments of complicity in the attacks because of their inaction. In particular, the Egyptian government faces increasing criticism for its refusal to open the Rafah border crossing (which links Egypt with Gaza) for humanitarian aid. See "Mounting Pressure on Egypt" for a more detailed discussion of the criticism against Egypt.[46]

Possible Consequences of the Gaza Campaign[47]

Effect on the Arab-Israeli Peace Process

Some observers maintain that the impact of the fighting in and around Gaza and the resulting casualties, damage to infrastructure, loss of goodwill, and regional uncertainty could change the dynamics on which the Arab-Israeli peace process have been based, making progress at best unpredictable and at worst indefinitely unattainable.[48] Although the Israeli-PLO negotiations formally initiated by the U.S.-sponsored Annapolis Conference in November 2007 did not meet the conference's goal of a peace agreement by the end of 2008, prior to the outbreak of major violence in December many observers speculated that the incoming administration of Barack Obama might seek to capitalize on the momentum from Annapolis to encourage further Israeli peace negotiations with both the PLO and Syria. Among the determinants of the amenability of a post-conflict situation to a reprise of the peace process, the most important may be: how long the conflict lasts and how it ends, its intensity, the degree to which the respective parties are characterized as aggressors, and the positions of various regional and international actors during and after the conflict (including in relation to post-conflict reconstruction in Gaza).

[45] In citing the U.S. response to the conflict in Gaza as what he perceived to be another example of bias towards Israel, former Saudi ambassador to the United States Prince Turki al Faisal, at a forum on U.S.-Gulf state relations being held in Washington on January 6, openly challenged President-elect Obama to change U.S. policy in the Middle East. Prince Turki also said, "Enough is enough, today we are all Palestinians and we seek martyrdom for God and for Palestine, following those who died in Gaza."

[46] U.S. Open Source Center (OSC) Document—GMP20081229869001—"Saudi Clerics Urge Support for Gazans, Egypt to Keep Rafah Crossing Open," December 29, 2008.

[47] This section was written by Jim Zanotti, Analyst in Middle Eastern Affairs, except where otherwise specified.

[48] For more information on the Arab-Israeli conflict and peace process, see CRS Report RL33530, *Israeli-Arab Negotiations: Background, Conflicts, and U.S. Policy*, by Carol Migdalovitz; and CRS Report R40092, *Israel and the Palestinians: Prospects for a Two-State Solution*, by Jim Zanotti.

Prospects for an Israeli-Palestinian Two-State Solution

As anticipation built that no final-status peace agreement would be forthcoming in the months prior to the end of President Bush's tenure in office, there was widespread speculation among Israeli, Palestinian, and international actors over the possibility that the Oslo process concept of a two-state solution involving the establishment of a Palestinian state alongside Israel might not be tenable for much longer. Before the conflict in Gaza, several interested parties on both sides had advanced possible alternatives to a two-state endgame, but many observers believed that each of these parties' intentions was primarily tactical—aimed at improving its side's bargaining position in final-status negotiations.[49]

Now, however, it appears that some observers are genuinely pessimistic that an end to the violence in Gaza would allow for a resumption of the peace process. Some doubt that international efforts to broker a peace settlement can succeed given that many Israelis and Palestinians appear to believe that fighting is the better option. They point to changes in the regional environment from the Oslo period of the 1990s (immediately following the Cold War) to a more charged post-9/11 era featuring a U.S./Sunni Arab/Israeli rivalry with Iran. They also point to regional trends signaling the political ascendancy of nationalist movements featuring Islamist elements at the expense of those featuring secular and/or pan-Arab elements. This leads them to believe that the official PLO position of peaceful engagement with Israel may vanish with the decline of Abbas's secular Fatah movement and the continuing rise of Hamas and other Islamists, especially if Hamas's control of the Gaza Strip survives the conflict and the continued gulf between Gaza and West Bank Palestinians fuels further cultural and political separation.[50] Hamas's opportunity to broaden its appeal may rest on its success at convincing Palestinians that the Abbas strategy of peaceful engagement plays into the hands of an Israel that seeks to weaken the Palestinians by sowing division through the false hope of a future state.[51]

Others maintain that the conditions for peace have not fundamentally changed and that, although the conflict in Gaza may set back negotiations for a while, the parties are likely to resume talks at some point, just as they did following previous cycles of violence. Some might argue that the weakening of Hamas in Gaza as a result of the fighting may actually bolster Abbas, the PA, and the PLO—even possibly returning them to some form of control or joint control with Hamas in Gaza—and confer greater legitimacy on them to negotiate authoritatively with Israel on behalf of Palestinians. Some might assert that the post-conflict situation could lead to a heightened sense of urgency among the parties and the international community to resolve the conflict once and for all.

---

[49] See CRS Report R40092, *Israel and the Palestinians: Prospects for a Two-State Solution*, by Jim Zanotti.

[50] Israeli journalist Tom Segev has written: "I find myself among the new majority of Israelis who no longer believe in peace with the Palestinians. The positions are simply too far apart at this time.... Rather than design another fictitious 'road map' for peace, the Obama administration may be more useful and successful by trying merely to manage the conflict, aiming at a more limited yet urgently needed goal: to make life more livable for both Israelis and Palestinians." Tom Segev, "Peace Is No Longer in Sight," *Washington Post*, January 11, 2009.

[51] "Gaza Raids Boost Hamas, Undermine Abbas on Palestinian Street," *Agence France Presse* (with the *Daily Star* (Beirut)), January 1, 2009. A Hamas spokesman has even accused Abbas of "having formed a secret cell of Fatah supporters in Gaza to collect information on the whereabouts of Hamas leaders," with the intention of giving this information to the Israeli military. Griff Witte, "Israel's Attacks on Gaza Deepen Palestinian Rift," *Washington Post*, January 1, 2009.

A Syria-Israel Peace Deal: Still in the Cards?[52]

Over the past year, speculation has been widespread over the prospect of a renewed Syria-Israel peace track, though it would appear that the latest round of fighting has tempered expectations for the short term. Syria has said that Israel's December attack on Gaza "closed the door on the Syrian-Israeli indirect talks," which had been brokered by Turkey over the last several months.[53] With an incoming Obama Administration perceived as amenable to sponsoring Syria-Israel peace talks, some observers had hoped for a resumption in direct bilateral negotiations in 2009. Outgoing Prime Minister Ehud Olmert had recently traveled to Turkey to discuss the Syria track and, during Olmert's trip, Syrian President Bashar al Asad held a press conference where he stated that Syria and Israel are "now laying the foundations" for peace through their indirect talks. Nonetheless, most observers believe that, ultimately, the results of Israel's February elections will determine the direction of Syria-Israel peace talks. Should the more hawkish Likud party score a decisive victory in February, its rise to power and the tense climate over Gaza may combine to stall negotiations for the near term.

Mounting Pressure on Egypt[54]

Outside the immediate theater of war, the Gaza conflict has posed a challenge for Egypt's policy toward Hamas. Egypt's northern Rafah border crossing to Gaza remains mostly sealed, thereby directly reinforcing Israel's own closure of the Gaza Strip.[55] As mentioned briefly earlier in this report (see the "Middle East" subsection under "International Response" above), Palestinians, the wider Arab world, and Egyptian citizens themselves all have accused the Mubarak government of colluding with Israel to the detriment of Palestinian civilians. On December 28, Hezbollah chief Hassan Nasrallah said:

> We are facing a partnership [with Israel and the USA] by some Arab states, and complicity by some other Arab states concerning the events in our region.... go out to the streets...open this [Egypt-Gaza] crossing [at Rafah] with your bare chests.... I am for the generals and the officers to go to the political leadership, saying: the honor of our military uniform.... does not allow us to see our kinsfolk in Gaza being slain while we guard the borders with Israel."[56]

The Egyptian government has responded by asserting that Hamas itself is to blame for the failed cease-fire, as one pro-government editorial suggested that "If you can't kill the wolf, don't pull its tail."[57] Although Egypt has officially called on Israel to stop, not to widen, its military operations,

---

[52] This subsection was written by Jeremy M. Sharp, Specialist in Middle Eastern Affairs and Acting Research Manager, Middle East and Africa Section.

[53] Some experts note that those talks had already been suspended in anticipation of Israeli elections and a new U.S. administration.

[54] This subsection was written by Jeremy M. Sharp, Specialist in Middle Eastern Affairs and Acting Research Manager, Middle East and Africa Section.

[55] For more information on the history and politics of the Egypt-Gaza border, see CRS Report RL34346, *The Egypt-Gaza Border and its Effect on Israeli-Egyptian Relations*, by Jeremy M. Sharp.

[56] Caversham BBC Monitoring, "Egyptians Condemn Hezbollah Leader as 'Little Ayatollah' Over Gaza Remarks," *Open Source Center*, December 30, 2008, Document ID# GMP20081230950091.

[57] "Egyptian paper: Hamas leaders partially responsible for Gaza assault," *Ha'aretz*, December 29, 2008.

President Hosni Mubarak stated that the Rafah border will remain closed until Palestinian Authority forces loyal to PA President Mahmoud Abbas, not Hamas, can be deployed along the Egypt-Gaza border. Egypt's state-owned media have responded vigorously to the charges of collusion with Israel, simultaneously condemning Israel for its attacks and chastising Hamas for irrationality and for the death of an Egyptian border guard in armed clashes with Palestinians.[58]

Since Israel's withdrawal from Gaza in 2005, Egypt has been placed in a difficult position vis-à-vis Hamas. On the one hand, it has attempted to serve as an intermediary between Hamas and Israel and to broker Hamas-Fatah unity negotiations. On the other hand, the Mubarak government, unlike many of its own citizens, does not sympathize with Hamas and wants to keep it isolated but, because of domestic political considerations, is sensitive to accusations that Egyptian policy is tantamount to the collective punishment of Gazan civilians. In addition, the secular Mubarak regime is opposed to Islamists wielding real political power, and it fears that Hamas could serve as a model for Egyptian Muslim Brotherhood activists who may yearn for an Iranian-style revolution in Egypt.

Impact of Conflict on Israeli Election[59]

Israel is scheduled to hold a national election on February 10, 2009. Along with Prime Minister Ehud Olmert, Foreign Minister Tzipi Livni and Defense Minister Ehud Barak decided to launch Operation Cast Lead against Hamas. Livni and Barak also are heading the Kadima and Labor party lists, respectively, in the election and, therefore, are candidates to succeed Olmert as prime minister.

In the run-up to the election before the Gaza conflict, Likud—led by opposition leader, former Prime Minister, and peace process skeptic Benjamin Netanyahu—held a decisive lead in most public opinion polls. Kadima was a close second and Labor was trailing badly, with some polls suggesting that it could sink to fifth place in the multi-party field. Some analysts maintain that the decision to launch the Gaza offensive was motivated by Israeli officials' election calculus, while others say that the election merely provided the context for the decision. Those who contend that the election was determinative suggest that Livni needed to burnish her leadership and security credentials before the election because she is perceived as a security novice. A barrage of negative Likud campaign advertisements had emphasized her inexperience by describing Livni as "out of her league," and her supporters' only response was that Likud was "sexist." At the same time, in order to revive Labor as a viable contender, Barak, a former chief of staff of the Israel Defense Forces (IDF) and former prime minister, needed to overcome public antipathy to his personality and a widespread perception that he had failed as prime minister.[60]

After the first week of the Gaza campaign, some polls indicated that the electoral race may have changed, with Kadima in first place or tied with Likud, and Labor registering a sharp rise to third

---

[58] Nona el Hennawy, "Egypt: Under a torrent of Gaza anger, Cairo defends itself," Los Angeles Times Online, December 30, 2008. Available at: http://latimesblogs.latimes.com/babylonbeyond/2008/12/egypt-media-cam.html

[59] This subsection was written by Carol Migdalovitz, Specialist in Middle Eastern Affairs.

[60] Barak was prime minister from May 1999 to March 2001, a period including the 2000 Camp David summit which failed to achieve an Israeli-Palestinian peace agreement and led to the bloody five-year-long (second) Palestinian *intifada* or uprising against Israeli occupation.

place.[61] Other, perhaps less prominent polls continued to predict a large Likud victory and a major Labor loss.[62]

Even if the election were not the primary reason for the assault on Gaza, the Gaza situation will greatly influence the election outcome. There still is fluidity in the electorate's preferences. A successful military campaign could boost the election prospects of Livni and Barak. Both have been in the forefront of media attention and their conduct may affect voters. Livni has sought to appear strong and decisive, unyielding to international interlocutors seeking a rapid cease-fire and calling for the eventual toppling of Hamas. She has said that Israel cannot exist next to a "terrorist state." Livni also is known to have been skeptical of the previous cease-fire, arguing that it simply enabled Hamas to rearm. Meanwhile, Barak generally has seemed pragmatic, cautious, and strong, often limiting his stated goal to ensuring security for Israelis living in southern Israel. He will get much of the credit if Operation Cast Lead is successful because of his role in rebuilding the IDF, which had been shaken by the 2006 war against Hezbollah, and as the planner of a victorious military operation against Hamas.

Nonetheless, Netanyahu still may become prime minister. He is certainly set to revive Likud's political fortunes and the party undoubtedly will post major gains over its disappointing showing in the 2006 election. Netanyahu blames the government for the rising threat from Hamas since Israel's August 2005 withdrawal from Gaza, over which he had resigned from former Prime Minister Ariel Sharon's cabinet. After that withdrawal, he repeatedly called for action against Hamas and demanded its toppling. During the current crisis, Netanyahu has patriotically supported the government's action. Netanyahu, fluent in "American" English and a master of media, even has acted as a spokesman for the government and defended the Gaza operation to foreign news outlets at Olmert's request. Likud has shelved its negative campaign against Livni at least temporarily in favor of a patriotic, unifying theme: "Strong Together – the Likud with the IDF and the Residents of the South." In the end, Netanyahu may be able to withstand the electoral challenges from Livni and Barak if the government appears to be following his policy prescriptions. Moreover, some in Likud suggest that Labor's rise would be more at the expense of Kadima than of Likud.

There is a consensus that Likud, Kadima, and Labor have gained during the crisis from the prominence of their leaders in the public eye and the many smaller political parties have lost. The latter have been overshadowed and unable to gain attention. All parties have ceased campaigning until Israel's Gaza military operations end so as not to appear unpatriotic.

At this time, none of the polls or analyses may accurately predict the election results as the vote is likely to turn on the outcome of the conflict and on the Israeli voters' perception of Israel's success or failure. If Hamas continues to be a threat by retaining or regaining the ability to continue to launch rockets into southern Israel and/or if the terms of a cease-fire are not seen to favor Israel, then the public probably will conclude that Israel had been defeated and an overwhelming Likud victory is probable. That victory could be followed by the formation of a right-wing coalition government opposed to territorial concessions to both the Palestinians and

[61] Teleseqer poll, published in *Ma'ariv*, January 2, 2009, Open Source Center Document GMP20090103739004.

[62] Geocartographia poll, published in Globes Online, January 1, 2009, ibid.

Syria in a peace process.[63] If the Hamas threat is diminished or controlled, then Kadima and Labor may be able to withstand a right-wing tide and cobble together a centrist coalition. Such a government might proceed with a peace process on all tracks (Palestinian, Syrian, Lebanese) that could result in significant Israeli territorial concessions.

The election may take place as scheduled on February 10. Alternatively, it could be postponed, depending on how long the conflict continues and the extent to which it may impede voters in southern Israel from voting. As of the second week in January, only smaller parties were calling for a delay. The 1973 Israeli-Arab war provides a precedent for rescheduling. At that time, a previously scheduled national election was postponed from October to December.[64]

The General Palestinian Response

Questions remain over how Palestinians in Gaza and the West Bank will react to the Gaza conflict, both in the short term and in the long term. Although a third *intifada* has been called for by Damascus-based Hamas political chief Khaled Meshaal and endorsed by Lebanese Hezbollah leader Hassan Nasrallah, the response in Gaza (where the general population is mainly concerned with survival) and the West Bank has been relatively muted. Although anti-Israel demonstrations have taken place in the West Bank, some analysts believe that Palestinian confusion or hesitancy over whether to side with Hamas against the PA and other Arab countries and general weariness and/or despair over current circumstances may have lessened the demonstrations' potential to lead to violent uprisings. Although the possibility of an uprising—ranging from political demonstrations and civil disobedience to suicide and rocket attacks—may be minor, it remains as long as there is the potential for anti-Israel outrage at mounting civilian casualties and damage to cultural and civic institutions in Gaza.

Implications for U.S. Policy and the 111th Congress[65]

The Incoming Obama Administration

From Proactive to Reactive?

During his campaign and presidential transition, U.S. President-elect Barack Obama and his foreign policy advisors have indicated an interest in proactively engaging in the Arab-Israeli peace process as part of a strategy to advance U.S. interests and improve stability throughout the Middle East. The Israeli offensive in Gaza, however, could put Obama's incoming administration in a more reactive position.

Obama and his advisors will likely be compelled to address the Gaza situation directly, either in connection with efforts to bring an end to the violence or to provide a sustainable post-conflict

[63] Israeli governments invariably are coalitions because of the fractured multi-party nature of the political spectrum.

[64] Gil Hoffman, "Conducting a Military Campaign During a Political One," *Jerusalem Post*, January 2, 2009.

[65] This section was written by Jim Zanotti, Analyst in Middle Eastern Affairs, except where otherwise specified.

order that guarantees Israel's security, deals with Palestinian political realities (including the role of Hamas), and attends to the needs of the population in Gaza. Possible approaches to this situation are discussed below (see "Conclusion: Strategizing an Exit and a Future").

Public Diplomacy Challenges

Many have anticipated that Obama's skills at communicating could help improve the U.S.'s image abroad, particularly among Middle Eastern Muslims. One of Obama's much-noted plans is to give a speech in the Muslim world early in his presidency to help—in his words—"reboot" U.S. relations with the Arab and Muslim worlds by speaking of shared interests and values.[66]

The fighting in and around Gaza, however, may have preempted Obama's public diplomacy plans to some degree. Veteran U.S. Middle East peace negotiator Aaron David Miller has asserted that the violence would speak louder to many Muslims about the United States "than any words Obama could utter."[67] Moreover, the Israeli leadership has used Obama's own words to imply approval of Israel's actions. While describing the objectives of the Gaza offensive in a December 29 address before the Knesset, Israeli Defense Minister Ehud Barak reminded his listeners that during Obama's campaign trip to the southern Israeli city of Sderot—one of the prime targets for rockets from Gaza—he said that "if rockets were being fired at his home while his two daughters were sleeping, he would do everything he could to prevent it."

Obama has not spoken at length about the conflict. On January 7, he expressed "deep concern" at the loss of civilian lives on both sides and made the following statement:

> I am doing everything that we have to do to make sure that the day that I take office we are prepared to engage immediately in trying to deal with the situation there. Not only the short-term situation but building a process whereby we can achieve a more lasting peace in the region.[68]

In a January 11 interview with ABC's *This Week*, Obama added that seeing civilians harmed makes him "much more determined to try to break a deadlock that has gone on for decades now."

Despite possible difficulties posed for U.S. public diplomacy, the worldwide attention the Gaza conflict has attracted could present an opportunity for the new administration to rally support for its desired approach to Israeli-Palestinian issues. In his first weeks and months in office, Obama will probably deliver at least three speeches of potential worldwide import (his inaugural, his first State of the Union, and the Muslim world address) in which he may clarify U.S. intentions regarding the situation and frame his approach. Obama's challenge will be to enunciate his approach clearly and to make the larger case that the approach is in the best interests of the American public and of interested stakeholders in the Middle East and worldwide. Doing so might compel Obama to explain the interests he seeks to prioritize and the assumptions underlying his priorities. On the other hand, he might choose to downplay the peace process

---

[66] Howard LaFranchi, "Obama Plans Major Speech in Muslim World to 'Reboot' America's Image Abroad," *Christian Science Monitor*, December 11, 2008.

[67] Paul Richter, "What Now for Obama's Peace Plan?" *Chicago Tribune*, December 29, 2008.

[68] "Obama Vows to 'Engage Immediately' on Mideast Once Inaugurated," *Ha'aretz*, January 7, 2009.

entirely, calculating that the Israeli-Palestinian conflict is too intractable for his incoming administration to overcome.

Possible Options for the Incoming 111th Congress

Defense Budget Appropriations for U.S.-Israeli Missile Defense Programs[69]

Although Israel's Operation Cast Lead is designed to thwart Palestinian rocket fire, over the long term, Israel has recognized that it will require new missile defense systems capable of knocking out short range projectiles. The Israeli government has sought U.S. assistance not only in countering long-range ballistic missile threats, but also in co-developing short-range missile defense systems to thwart rockets fired by non-state groups, such as Hamas and Hezbollah (see the inset section "Palestinian Rocket Attacks from Gaza: Threat Assessment and Israeli Responses" above).

Congress and successive administrations have shown strong support for joint U.S.-Israeli missile defense projects. U.S.-Israeli missile defense cooperation has perennially been authorized and appropriated in the defense authorization and appropriations bills. P.L. 110-329, the FY2009 Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, provides a total of $177.2 million for U.S.-Israeli missile defense programs, a $58 million increase over the President's FY2009 request.

Iron Dome

As mentioned earlier, Israel is currently developing a short-range system, dubbed "Iron Dome," to destroy crude, Palestinian-made rockets fired by Palestinian militants in the Gaza Strip.[70] Iron Dome, which is expected to be deployed in 2010 at a development cost of $215 million, is designed to intercept very short-range threats up to 40 kilometers in all-weather situations. It is being developed by Rafael Advanced Defense Systems.

Reportedly, the Israeli government may be seeking U.S. assistance in financing the Iron Dome system. According to one Israeli defense official, "We're not just looking for funding assistance, although that is extremely important for us. We've offered the Americans to join as full participants and to use the system to defend their troops and assets around the world.... We're

---

[69] This subsection was written by Jeremy M. Sharp, Specialist in Middle Eastern Affairs and Acting Research Manager, Middle East and Africa Section.

[70] Within the Israeli defense establishment, there is debate over how effective the Iron Dome system will be in protecting Israeli cities and towns from Qassam and Grad-style Katyusha rocket attacks fired from the Gaza Strip. Some Israeli defense experts assert that Iron Dome kinetic interceptors will take too long to destroy crude rockets fired from close range to Israeli towns such as Sderot. Reuven Pedazur, an Israeli expert in ballistic missiles, claims that each Tamir missile fired from the Iron Dome system will cost $100,000, while a system based on laser beam interception, would cost between $1,000 and $3,000 per strike. Nevertheless, Israeli officials argue that solid laser technology needs more time to develop. See, "Rocket, Missile Shields in Works; Iron Dome, David's Sling eye attacks from Gaza, Lebanon, Iran," *Washington Times*, August 8, 2008. According to one source, "Neither the missile interceptors nor the lasers will provide 100-percent coverage, which is why they will have to both be in use." See, "Defense Officials View Laser as Future of Anti-Missile Technology, *Ha'aretz*, March 24, 2008

hopeful that after careful examination of the data and the system's capabilities, that they'll decide to join the program."[71]

David's Sling

David's Sling (a.k.a. Magic Wand) is a short/medium-range system designed to counter long-range rockets and cruise missiles, such as those possessed by Hezbollah in Lebanon, fired at ranges from 40 km to 300 km. It is being jointly developed by Israel's Rafael Advanced Defense Systems and Raytheon. The system is expected to be operable by 2010. P.L. 110-329 provides $72.8 million for a short-range missile defense program.

In August 2008, Israel and the United States officially signed a "project agreement" to co-develop the David's Sling system. According to Lt. Gen. Henry Obering, director of the U.S. Missile Defense Agency, "We wanted a truly co-managed program because the United States will be very interested in this for our own purposes.... The agreement we just signed allows us to work through specific cost-sharing arrangements and other program parameters."[72]

Table 1. Defense Budget Appropriations for U.S.-Israeli Short-Range Missile Defense: FY2006-FY2009

$ in millions

Program	FY2006	FY2007	FY2008	FY2009	Total
David's Sling	$10.0	$20.4	$37.0	$72.895	$140.295

Oversight of U.S. Arms Sales to Israel[73]

Israel may have used weapons platforms and munitions purchased from the United States in its military operations in Gaza, reportedly including, among others, F-15 and F-16 aircraft, Apache helicopters, and, according to Israeli press reports, GBU-39 small diameter guided bombs approved for sale by the 110th Congress following notification in September 2008.[74]

The transfer by sale of U.S. defense articles or services to Israel and all other foreign countries is authorized subject to the provisions of the Arms Export Control Act (AECA) and the regulations promulgated to implement it. Sales are made through contracts outlining the terms and conditions

[71] "U.S. Eyes Joint Anti-Rocket Effort With Israel; Mulls $200M Investment To Speed Iron Dome," *Agence France Presse*, June 9, 2008.

[72] "U.S.-Israel To Develop David's Sling Missile Defense," *DefenseNews.com*, August 7, 2008.

[73] This subsection was written by Christopher M. Blanchard, Analyst in Middle Eastern Affairs. For more information about oversight of the use of U.S. defense articles and services by foreign purchasers, see CRS Report RL30982, *U.S. Defense Articles and Services Supplied to Foreign Recipients: Restrictions on Their Use*, by Richard F. Grimmett.

[74] Yaakov Katz, "IAF uses new US-supplied bunker-buster smart bomb," *Jerusalem Post*, December 29, 2008. See U.S. Defense Security Cooperation Agency Transmittal No. 08-82, September 9, 2008, available at: [http://www.dsca.mil/PressReleases/36-b/2008/Israel_08-82.pdf]. According to a memorandum accompanying the notification of the proposed sale to congressional defense committees, the GBU-39 "is designed to destroy a wide variety of targets from ranges of 40 nautical miles, such as fuel depots and bunkers, and penetrate over 1.2 meters of steel reinforced concrete while inflicting minimum collateral damage."

of the sale and the use and management of defense articles or services by the recipient country. Section 3 of the AECA stipulates that in order to remain eligible to purchase U.S. defense articles, training, and services, foreign governments must agree not to use purchased items and/or training for purposes other than those permitted by the act without the prior consent of the President. Section 4 of the AECA states that sales are authorized to friendly countries solely for specific purposes, including, but not limited to, "internal security" and "legitimate self-defense." These terms are not defined in the AECA, in its predecessors, or in subsequent amendments. To date, the President and Members of Congress have chosen to interpret the terms on a case-by-case basis.

The AECA requires the President to report to Congress promptly when the President has received information that a "substantial violation" of an agreement made pursuant to the AECA "may have occurred." Such a report is not required to reach a conclusion as to whether a substantial violation of an agreement has or has not occurred. If the President were to submit a written report to Congress stating that a substantial violation had occurred or in the event that Congress were to pass and have enacted a joint resolution containing such a finding, then the recipient country in question would become ineligible for purchases of U.S. defense articles or services. Such a joint resolution or any other legislation seeking to restrict or condition sales of defense articles and services to specific countries would be subject to presidential veto.

Sales of U.S. defense articles and services to Israel are made subject to the terms of the July 23, 1952 Mutual Defense Assistance Agreement between the United States and Israel (TIAS 2675). The 1952 agreement states:

> The Government of Israel assures the United States Government that such equipment, materials, or services as may be acquired from the United States ... are required for and will be used solely to maintain its internal security, its legitimate self-defense ... and that it will not undertake any act of aggression against any other state.

To date, Israeli leaders and officials have publicly described recent Israel Defense Forces (IDF) military operations in Gaza as defensive actions taken in response to rocket attacks on Israeli towns, cities, and civilians by Hamas, which is a U.S.-designated Foreign Terrorist Organization, and other Palestinians in Gaza. Some Palestinian groups and other Arab and international governments have characterized Israel's military operations in Gaza as acts of aggression. President Bush stated on January 5, 2009 that "the situation now taking place in Gaza was caused by Hamas," and added that "Israel has obviously decided to protect herself and her people."[75] As mentioned above (see the "United States" subsection within the "International Response" section), the Senate and the House overwhelmingly passed resolutions during the week of January 5 in connection with the Gaza conflict that supported Israel's right to defend itself.[76]

On January 6, 2009, Representative Dennis Kucinich submitted a letter to Secretary of State Condoleezza Rice requesting that the Administration submit a report examining "Israel's compliance with the provisions of the Arms Export Control Act" in relation to ongoing Israeli

[75] The White House, Office of the Press Secretary, "Transcript: President Bush Meets with First Vice President of the Government of National Unity of the Republic of Sudan and President of the Government of Southern Sudan Salva Kiir Mayardit," January 5, 2009.

[76] Another resolution, S.Res. 6, which expressed "solidarity with Israel in Israel's defense against terrorism in the Gaza Strip," was introduced and referred to the Committee on Foreign Relations on January 6 but not passed.

military operations in Gaza. The letter expresses support for "Israel's security and its right to exist in peace, without the fear of rocket attacks from Hamas," while arguing that "Israel's most recent attacks neither further internal security nor do they constitute 'legitimate' acts of self-defense."

As mentioned above, a report issued by the Administration in response to the question of whether or not a "substantial violation" of a sales agreement with Israel made pursuant to the AECA "may have occurred" may, but need not, definitively determine whether a violation has occurred. Any determination that a violation has occurred must be based on definitive proof that U.S.-sold equipment has been used in specific acts that violate a sales agreement with the United States pursuant to the AECA.

In the past, the Bush Administration and some of its predecessors have transmitted reports to Congress stating that "substantial violations" of agreements between the United States and Israel regarding arms sales "may have occurred." The most recent report of this type was transmitted in January 2007 in relation to concerns about Israel's use of U.S.-supplied cluster munitions during military operations in Lebanon during 2006.[77] Other examples include findings issued in 1978, 1979, and 1982 with regard to Israel's military operations in Lebanon and Israel's air strike on Iraq's nuclear reactor complex at Osirak in 1981. The Reagan Administration suspended the delivery of cluster munitions to Israel from 1982 to 1988 based on concerns about Israel's use of U.S. supplied cluster munitions in Lebanon. The Reagan Administration also briefly delayed a scheduled shipment of F-15 and F-16 aircraft to Israel following Israel's 1981 strike on Iraq.

While it appears unlikely that the Bush Administration or President-elect Obama are presently inclined to characterize Israel's military operations in Gaza as anything but defensive measures, heightened congressional or public concern could lead the current or incoming Administration to seek renewed assurances from Israel about the nature of its use of defense articles and services purchased from the United States.

[77] Sean McCormack, U.S. Department of State Spokesman, Daily Press Briefing, Washington, DC, January 29, 2007.

Humanitarian Aid (Including to UNRWA) and Other Economic Assistance to Palestinians[78]

The United States is the largest single-state donor to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which provides food, shelter, medical care, and education for many of the original refugees from the 1947-1949 Arab-Israeli war and their families—now comprising approximately one million Palestinians in the Gaza Strip (two thirds of the total Gaza population) and three million other Palestinians in the West Bank, Jordan, Syria, and Lebanon. On December 30, the State Department announced an initial 2009 contribution of $85 million to UNRWA—$5 million to a special Gaza "flash appeal" fund related to the conflict, $20 million to the emergency appeal fund for the West Bank and Gaza, and $60 million to the general fund. The United States contributed $185 million to UNRWA in 2008.

Table 2. U.S. Appropriated Funds Directed to Palestinians (June 2007-December 2008)

$ in millions

Budgetary Aid to Palestinian Authority	**$300.0**
Other Economic & Development Assistance	**$267.5**
Security Assistance to PA Forces	**$161.3**
TOTAL	**$728.8**

Source: U.S. Department of State.

Notes: Amounts used for security assistance were appropriated or reprogrammed to the International Narcotics Control and Law Enforcement account; all other amounts were appropriated to the Economic Support Fund account; contributions to UNRWA (which come from the Migration and Refugee Assistance and Emergency Refugee and Migration Assistance accounts) are not included; all amounts are approximate.

Depending on the damage incurred from the fighting in Gaza, Congress could face additional requests for FY2009 appropriations to the State Department accounts from which UNRWA contributions are made to accommodate the humanitarian needs of the refugee-heavy Gaza population. A proposal for continued or increased aid to UNRWA could meet with increased scrutiny if there is a perception that resources from UNRWA or other international organizations were used (with or without organizational complicity) to strengthen Hamas or to repel Israeli military operations in Gaza.[79]

Independent from its UNRWA contributions, the United States has provided substantial economic and development assistance to the West Bank and Gaza (approximately $239.5 million in

[78] For more information on all U.S. assistance figures listed in this subsection (including in **Table 2**) and the next subsection, see CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti. See also "PA Receives $150 Million from US," *jpost.com*, October 22, 2008.

[79] See H.R. 2712 (United Nations Transparency, Accountability, and Reform Act of 2007) from the 110th Congress, Sec. 309 ("Limitations on United States Contributions to UNRWA"), as an example of legislation that has been proposed to limit contributions to UNRWA (Referred to House Committee on Foreign Affairs, June 14, 2007). See also H.Con.Res. 428: "Expressing the sense of Congress that the United Nations should take immediate steps to improve the transparency and accountability of the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA) in the Near East to ensure that it is not providing funding, employment, or other support to terrorists" (Referred to House Committee on Foreign Affairs, September 24, 2008); and H.Res. 939: "Condemning the glorification of terrorism and the continuing anti-Israel and anti-Semitic rhetoric at the United Nations" (Referred to House Committee on Foreign Affairs, January 23, 2008).

FY2008). Authorized under a continuing resolution to provide assistance at FY2008 levels through March 31, 2009, the State Department was in the process, as of January 9, of providing approximately $4 million in aid to meet humanitarian needs in Gaza. According to the U.S. Agency for International Development (USAID), $1.75 million of this aid is in the form of grants to approved local non-governmental organizations (CARE International, Mercy Corps, American Near East Refugee Aid, Cooperative Housing Foundation (CHF International), Relief International, and Catholic Relief Services), $1.6 million is in the form of food aid through the World Food Programme, and the remainder is in the form of direct deliveries of food items, medical supplies, blankets, and plastic sheeting. The United States might be asked to increase this assistance and to aid post-conflict reconstruction and development in Gaza—the projected scope of which has grown as the fighting has continued. Secretary of State Rice has anticipated the possibility of an international donors conference to this end, which raises questions over which Palestinian groups might be in a position to receive and to utilize aid for reconstruction. Currently, economic assistance to the West Bank and Gaza is subject to prohibitions on aid to Hamas or Hamas-affiliated organizations.

Additionally, the United States has transferred $300 million directly to the West Bank-based Palestinian Authority in the past calendar year in order to help the PA meet its budgetary obligations to pay employee salaries—the primary engine for an economy that boasts of little private sector activity or foreign investment. Current law forbids the PA to use U.S. budgetary transfers for the payment of PA salaries in Gaza. If the PA regains control over Gaza in the aftermath of the current conflict, however, there might be calls for Congress to lift this restriction and perhaps increase direct budgetary aid to the PA to accommodate the increased expenses the PA may incur as it reestablishes itself in Gaza. Conversely, if the PA's control slips in the West Bank or it is seen as participating in or endorsing violence from the West Bank against Israel as a result of popular discontent from the current fighting in and around Gaza, there could be calls for Congress to cut or cease aid to the PA and further limit economic assistance to the West Bank and Gaza.

U.S. Security Assistance to the Palestinian Authority

The outcome of the fighting in and around Gaza could be crucial in determining the future of current U.S.- and internationally-sponsored programs to help recruit, train, equip, house, manage, and reform PA security forces. Congress might ask whether the assumptions that justified security assistance to the PA in the West Bank before the conflict remain operative in its aftermath. How the PA security forces perform throughout the conflict (whether they handle their public order duties competently and refrain from aggravating factional conflict and from attacking Israelis) could be particularly relevant, as could the words and actions of Abbas and other PA leaders. A senior Western official in the region has told CRS that, thus far, the forces "have performed exceptionally. They have been tough while still allowing non-violent rallies and demonstrations."[80]

Another important factor could be whether the Israelis remain open to the concept of gradually increasing the PA forces' freedoms of movement and of action that appear to be pivotal to the

[80] CRS correspondence with senior Western official in the region, January 4, 2009.

forces' continued development and assumption of responsibility over Palestinian-administered areas. If the conflict leads to renewed Israeli distrust of the PA forces, expectations for what is achievable with the forces could diminish from the earlier levels that led to $161.3 million in U.S. appropriations since mid-2007.

On the other hand, if the PA forces acquit themselves well during the Gaza conflict and/or find themselves entrusted with establishing and/or improving security in Gaza as well as in the West Bank, support from Israel and the Obama Administration for significantly expanded appropriations for the U.S. security assistance program could be forthcoming. A concern in that case may be whether U.S. involvement in Palestinian affairs is enhancing the legitimacy of Abbas and the PA or detracting from it by allowing Hamas and others to argue that the PA is too beholden to the United States. This could lead to a discussion of ways to advance the U.S. interest in strengthening Palestinian moderates while at the same reducing the U.S. "footprint."

Conclusion: Strategizing an Exit and a Future[81]

Conundrums

Bringing an end to the conflict and constructing a sustainable order in its aftermath are major challenges with implications for the Gaza Strip's population and infrastructure, Israel's security, and the future Palestinian polity—including the role of Hamas.

The crisis presents a conundrum for all involved. The desperate economic circumstances and living conditions of Gaza's 1.5 million residents—exacerbated by the sealing of border crossings and the sea blockade—arguably have provided a fertile breeding ground for Hamas and its militant anti-Israel Islamist ideology. The Israeli government launched Operation Cast Lead to end or minimize the threat from Hamas to its southern residents. Even if it felt threatened, Hamas may have welcomed the Israeli ground offensive at first, hoping to entrap the Israel Defense Forces in built-up urban terrain in order to strip away their technological and firepower advantages and to heighten perceptions that Palestinians were being victimized. Moreover, the toll of civilian casualties might shield Hamas from blame for the plight of Gazans, deepen Palestinian and regional resentment of Israel, and ultimately strengthen Hamas.

Israeli officials may wish to avoid a "third phase" of the offensive or a broadening of the ground invasion. Yet, they do not want to abandon the military campaign without assurance that the end result will leave Israelis more secure from rocket attacks—mainly because it is seen as the first responsibility of any government to provide for the security of its people and partly because of the domestic political ramifications of a perceived "defeat" just prior to a scheduled national election. They are also reluctant to accept a cease-fire or truce that strengthens Hamas by giving it the "victory" of having border crossings opened. This is despite some observers' view that open border crossings would facilitate commercial opportunities for Gazans, decrease their dependence

[81] This section was written by Jim Zanotti, Analyst in Middle Eastern Affairs, and Carol Migdalovitz, Specialist in Middle Eastern Affairs.

on Hamas, weaken the group, and thereby contribute to the longer term potential for an end to violence. [82]

Many questions linger. Can Israel achieve deterrence by reducing or eliminating Hamas's ability and/or motivation to launch rockets and smuggle weapons? What might prompt Israel to go beyond its stated objective of ending the threat to residents of the south and seek to topple Hamas from its rule in Gaza? If Israel ousts Hamas, who would take over—Israel, the Palestinian Authority, some internationally-mandated authority, or might there be a chaotic power struggle? Assuming Israel does not oust Hamas, how do the two reach accommodation that allows each to save face given that they do not recognize each other's legitimacy? How can Gaza's economy be rebuilt without crediting and enabling Hamas?

The most problematic issue is how Israel, the Quartet, the PA, other Arab/Muslim states, and the wider international community might deal with Hamas without granting it state-like legitimacy and undermining the PA and President Mahmoud Abbas.[83] Thus far, U.S. and most European leaders have attempted to isolate Hamas, not to engage it. This has led them and Israel to seek third-party Arab/Muslim intermediaries, pre-eminently Egypt, to facilitate coexistence arrangements with Hamas. However, Hamas's relationship with Egypt has deteriorated because of the collapse of Hamas-Fatah unity talks in November 2008 and the Gaza conflict, and this level of mistrust might preclude or delay its acceding to a new arrangement under Egypt's aegis. Other Western-allied Arab states, such as Saudi Arabia and Jordan, appear wary of getting too involved because of their mistrust of both Israel and Hamas and fear of losing credibility with their own citizens. Egypt vehemently rejects the view of some that it might provide the solution to Israel's Gaza problem by assuming primary responsibility for Gaza, with international support, and insists that only the creation of an independent Palestinian state is the answer. The emergence of Turkey and Qatar as regional interlocutors may present additional options going forward. At present, Egypt (despite the deterioration of its relationship with Hamas) and France, with considerable U.S. backing, have taken the lead in the search for an end to the current crisis.

Ways of Reaching and Sustaining a Truce

The United States has proposed a three-point cease fire: (1) halting rocket fire into Israel, (2) reopening border crossings, and (3) ending the use of tunnels for arms smuggling. The keys to controlling Gaza's borders are monitoring and enforcement. From 2005 until Hamas took control of Gaza in June 2007, European Union (EU) monitors were stationed at the Rafah border crossing between Egypt and Gaza and Israel remotely observed PA-supervised border traffic there via off-

[82] See Griff Witte and Sudarsan Raghavan, "'All-Out War' Declared on Hamas," *Washington Post*, December 30, 2008.

[83] In a *Washington Post* interview, Israeli Foreign Minister Tzipi Livni, when asked if Israel has the backing of the Arab moderates, said, "I don't want to embarrass anybody, but I know I represent their interests as well. It is no longer the Israeli-Palestinian or the Jewish-Arab conflict, but it is a conflict between moderates and extremists. This is the way this region is now divided." Lally Weymouth, "'Israel Is Not Going to Show Restraint,'" *Washington Post*, January 10, 2009. Such statements could amplify charges within Arab/Muslim circles that Mahmoud Abbas, Hosni Mubarak, and certain other Arab leaders are inappropriately colluding with Israel. On the other hand, the statements could be a sign that productive cooperation between Israel and the Arab moderates to whom Livni alluded might be possible in the wake of the Gaza conflict.

site closed circuit television.[84] The EU reportedly is willing to resume monitoring at Rafah and to station additional monitors at crossings between Gaza and Israel.[85] Since it took control of Gaza, however, Hamas has uncompromisingly demanded a role at the crossing—which the other parties did not accept. It also has preemptively rejected the deployment of an international peacekeeping force in Gaza modeled on the United Nations Interim Force in Lebanon (UNIFIL), whose presence and duties in southern Lebanon increased after the 2006 war between Israel and Hezbollah. Hamas argues that such a force would only protect Israel and not the Palestinian people. For its part, Israel has been frustrated by UNIFIL's inability or unwillingness to prevent the smuggling of weapons to Hezbollah and is wary of giving the U.N. responsibility on another of its borders. It is unclear how Hamas and Israel could be made to accept international monitors and/or peacekeepers.[86]

Furthermore, Israel now wants more than what it perceives as "toothless" border monitors. It seeks a muscular force that could forcefully prevent the reconstruction of tunnels and arms smuggling from Egypt to Gaza and destroy any new tunnels that might be built. In particular, it seeks to have the entire Philadelphi Corridor (the border area between Gaza and Egypt), not just the Rafah crossing, effectively monitored. As of January 7, the United States, France, Britain, and Egypt reportedly were discussing the possible deployment of an international force of combat engineers and other troops to assist Egypt in fulfilling its responsibilities to prevent smuggling along the Philadelphi Corridor.[87] Egypt would retain the main responsibility for preventing smuggling and the others would assist, permitting Egypt to escape allegations that it is not competent to handle the task. Thus far, however, Egypt has been unwilling to have an international force deployed on its side or the crossing. As of this date, Egypt and Israel want an international force stationed on the Palestinian side; Hamas does not. This and other sensitive subjects regarding how such an international force would interact with Egyptian, PA, and possibly Hamas authorities and forces would need to be clarified in order to finalize any arrangement.

Some experts also have recommended the construction of a barrier all along the Philadelphi Corridor similar to the one the Israel is constructing in the West Bank, but deeper to impede tunnels. A barrier would require Egypt's cooperation as it would constitute a clear and physical infringement of its territorial sovereignty. Egypt has long sought to deploy additional military forces along the border, but Israel has rejected these augmentation proposals.[88] Even if an agreement on a barrier could be achieved, questions concerning funding for a barrier and the border patrols would remain.

In the end, only a final-status peace agreement between Israelis and Palestinians is likely to prevent the repeated relapse into violence. In the aftermath of the current crisis, it may be possible to organize yet another broad initiative to provide greater impetus for the Israeli-Palestinian peace process. A more vigorous effort (which probably would involve a U.S. special envoy) might

---

[84] See CRS Report RL34346, *The Egypt-Gaza Border and its Effect on Israeli-Egyptian Relations*, by Jeremy M. Sharp.

[85] Karin Laub, "Border Monitors Key Issue in Israel-Hamas Cease-Fire," Associated Press, June 6, 2009.

[86] Roula Khalaf, "Hamas Rejects Deployment of Peacekeepers," *Financial Times*, January 6, 2009.

[87] Barak Ravid, "Israel Defers Vote on Expanding Gaza Ground Op Amid Growing Truce Bids," *haaretz.com*, January 7, 2009.

[88] See Sharp, op. cit.

include shuttle diplomacy and/or a conference or dialogue among relevant actors. Parallel to this, the international community would need to address reconstruction of Gaza and related humanitarian issues. The participation of Hamas as a group, or of some of its leaders who might be considered by some to be moderate, is likely to be the subject of heated debate. Unless it is irreparably weakened in the aftermath of the current conflict, Hamas may embrace every opportunity to sabotage a revived peace process, particularly if it is excluded.

Author Contact Information

Jim Zanotti, Coordinator
Analyst in Middle Eastern Affairs
jzanotti@crs.loc.gov, 7-1441

Jeremy M. Sharp
Acting Section Research Manager
jsharp@crs.loc.gov, 7-8687

Carol Migdalovitz
Specialist in Middle Eastern Affairs
cmigdalovitz@crs.loc.gov, 7-2667

Casey L. Addis
Analyst in Middle Eastern Affairs
caddis@crs.loc.gov, 7-0846

Christopher M. Blanchard
Analyst in Middle Eastern Affairs
cblanchard@crs.loc.gov, 7-0428