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## **The Palestinian Statehood Bid and US Aid to the Palestinian Authority**

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When PA President Abbas formally submitted his bid for recognition of a Palestinian state within the 1967 borders and East Jerusalem as its capital, the PA thereby rejected the requests by the administration not to appeal to the United Nations. Indeed, Abu Mazen completely ignored the United States in his speech before the UN. Moreover, the statehood bid clearly rebuffed warnings by the US Congress, notwithstanding the critical importance of American assistance to the Palestinian.

Since the PA's establishment in the mid 1990s, the US has transferred aid totaling approximately \$4 billion to the Palestinians, and the PA is one of the largest per capita US aid recipients. Over the years, the administration has asked Congress to approve this aid to promote three critical American interests in the area:

- a. Preventing terrorist activity against Israel on the part of Hamas and other extremist Islamic organizations;
- b. Creating a framework for stability and growth in the West Bank that would prompt all Palestinians, including Gaza Strip residents, to uphold the notion of peaceful coexistence with Israel, and preparing the PA for independent governance;
- c. Addressing the PA's humanitarian needs and preventing the risk of regional destabilization, particularly in the Gaza Strip.

On December 15, 2010, the House of Representatives adopted a resolution that expressed support for direct negotiations between the sides to achieve a two-state solution – a democratic Jewish state and a viable democratic Palestinian state that would coexist peacefully with Israel – and expressed opposition to any Palestinian step seeking to gain recognition of a Palestinian state outside the setting of negotiations and a settlement with Israel.

Facing greater prospects of a unilateral Palestinian move at the United Nations, US House of Representatives passed a resolution on July 7, 2011 that warned the Palestinian Authority that its policies could damage its relations with the United States and jeopardize continued American funding for the PA. The resolution focuses in particular on: (a) the

PA's opposition to direct negotiations with Israel without any preconditions and its unilateral efforts to achieve recognition of Palestinian statehood in the UN, and (b) the PA's steps to forge a closer relationship with Hamas without Hamas modifying its position on the Palestinian-Israeli conflict and accepting the Quartet's terms. The resolution passed by a wide margin: 406 representatives from both parties voted in favor, 13 abstained, and 6 voted against.

Specifically, the July 2011 Congressional resolution recalls that since 2002 the US has been committed to the two-state solution, and believes that such a settlement "can only be achieved through direct negotiations between the parties and acceptance of each other's right to exist." Accordingly, the attempt to bypass direct negotiations with Israel and unilaterally declare a Palestinian state "violate[s] the underlying principles of the Oslo Accords and the Road Map," which require direct negotiations in order to resolve outstanding issues between the parties.

The resolution states that the Fatah-Hamas unification agreement signed on May 4, 2011 did not include a demand that Hamas, responsible for the deaths of over 500 innocent civilians, including 24 Americans, and defined by the United States as a terrorist organization, accept the terms of the Quartet. Hamas has held Gilad Shalit under conditions contrary to international law since June 25, 2006, and continues to oppose a peace agreement with Israel. Similarly, the resolution stresses the fact that American law precludes giving assistance to the PA should it be found to be working in cooperation with Hamas. According to the resolution, therefore, the fact that the PA is ignoring the terms of the Quartet and including Hamas in the Palestinian government jeopardizes the positive steps the PA has taken towards constructing an independent governing system and increased security in the West Bank.

In light of this situation, the resolution (a) supports a settlement that is achieved through negotiations and will lead to the establishment of a democratic Palestinian state that will coexist peacefully with a Jewish state; (b) demands that any Palestinian unity government publicly and formally accept the terms of the Quartet; (c) strongly opposes any attempt to achieve recognition of a Palestinian state outside the setting of Israeli-Palestinian negotiations; (d) calls on the Palestinians to renew direct negotiations with Israel immediately; (e) calls on the administration to veto any vote in the Security Council on recognition of a Palestinian state that is not the result of an agreement between Israel and the Palestinians; (f) calls on the administration to conduct a diplomatic campaign against a unilateral Palestinian move in the UN; (g) affirms that a unilateral Palestinian move in the UN "will harm" relations between the US and the PA and have "serious implications" for US assistance to the PA; (h) calls for the administration to consider suspending assistance to the PA until the unification agreement with Hamas is examined more closely.

At the formal level, the House of Representatives resolution has no binding significance for the administration. Nonetheless, there is no doubt that in the system of checks and balances of the American government this strong and unequivocal resolution, which was preceded on June 28, 2011 by a similar resolution in the Senate, significantly limits President Obama's room for maneuvering with regard to the PA.

Clearly the resolution did not deter the PA leadership, nor did a September 15 letter signed by 58 Democratic Congressmen and sent to 40 European leaders emphasizing that "the United States will reconsider its assistance program for the Palestinian Authority and other aspects of U.S.-Palestinian relations if they choose to pursue such a unilateral effort." The letter called on European leaders to vote against the Palestinian statehood bid.

This defiance by the PA thus signifies a high degree of self-confidence vis-à-vis the American administration. The PA leadership apparently believes that the administration will not suspend its assistance to the PA, understanding that such a step might mean the collapse of the PA and lead to a situation that would jeopardize American as well as Israeli interests.

On the other hand, the members of Congress are well aware of the risks inherent in ignoring the offensive, even disdainful, conduct of PA that sends a message of "business as usual." Such behavior is liable to damage the status of Congress in its relations with the administration on the internal American arena, as well as its international credibility. It is in this light that one may view reports of a move in Congress to freeze the transfer of \$200 million to the PA. A measured, cautious warning is clearly being issued to the PA, akin to a penalty card in sports, intended to underscore that should the PA continue its present course of action and ignore Congress altogether, Congress is likely to consider harsher steps against it.

