



The Saban Forum 2009

פורום סבן

A U.S.-Israel Dialogue

The U.S.-Israel Partnership:
Can New Governments Overcome
Old Challenges?

Jerusalem, Israel
November 14-16, 2009



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A Letter from the Chairman



EACH FALL, THE SABAN FORUM brings together leading government officials, journalists, and members of the think tank community to discuss the most pressing challenges facing the United States and Israel. This annual dialogue has become an integral gathering for the American and Israeli policy-making community because it affords an unparalleled opportunity to conduct in-depth discussion and debate. The Forum combines keynote remarks with off-the-record dialogue sessions so that participants can engage openly and honestly in examining the issues that matter most to the United States and Israel.

Saban Forum 2009 came at an important moment, not only in terms of events in the Middle East, but in terms of the U.S.-Israel relationship itself. As both countries welcomed new leadership, many of the longstanding challenges in the Middle East—from Iran’s continued defiance of the international community to a stalled Arab-Israeli peace process—have remained and have grown more urgent. Yet, despite the need for a strong partnership between Washington and Jerusalem to address these issues, some have questioned whether the Obama administration and Netanyahu government see eye-to-eye on the solutions.

The theme of our Forum was therefore “The U.S.-Israel Partnership: Can New Governments Overcome Old Challenges?” We examined several critical questions that require cooperation between both governments: Should sanctions or military action be employed if the current negotiations with Tehran fail? Should the United States continue to encourage Israel and the Palestinian Authority to conduct negotiations, or present its own framework for a final agreement? How can the international community work together to address pressing issues such as global warming? In answering these questions, we were surprised to see that while differences of opinion existed, there was broad agreement on many of the policy options presented.

Our participants made our discussions rich. We were honored to have several leading officials join us at the Forum, including Prime Minister Benjamin Netanyahu, President William J. Clinton, Governor Arnold Schwarzenegger, Defense Minister Ehud Barak, Foreign Minister Avigdor Liberman, Deputy Secretary of State James Steinberg, and a large congressional delegation. We also had the privilege of meeting with Palestinian Prime Minister Salam Fayyad in Ramallah to hear his vision of strengthening Palestinian political and economic institutions.

While the purpose of the Saban Forum is to foster real dialogue and debate among our participants, we also feel it is vital to share many of the key conclusions of the gathering. For this reason, we hold the Forum under the “Chatham House Rule,” meaning that participants are free to use the information discussed, but neither the identity nor the affiliation of the speakers may be revealed. What follows is our summary of the discussion, as well as transcripts of those sessions that were held on the record.

I am indebted to the staff at the Saban Center at Brookings and at Debby Communications in Israel for arranging this unique gathering.

HAIM SABAN
Chairman, The Saban Forum



Participants

American and International Participants



ALAN R. BATKIN
Vice Chairman, Eton Park
Capital Management; former Vice
Chairman, Kissinger Associates,
Inc.; Trustee, The Brookings
Institution.



SIR RONALD COHEN
(UNITED KINGDOM)
Chairman, The Portland Trust,
Portland Capital LLP, and Bridges
Ventures; Founding Partner and
former Chairman, Apax Partners.



SAMUEL R. BERGER
Chair, Albright Stonebridge Group.



JAMES B. CUNNINGHAM
Ambassador to Israel.



HOWARD BERMAN
United States House of
Representatives (CA-28);
Chairman, House Committee on
Foreign Affairs.



SUSAN DAVIS
United States House of
Representatives (CA-53);
Chairwoman, Subcommittee on
Military Personnel.



DANIEL L. BYMAN
Senior Fellow, Saban Center for
Middle East Policy at Brookings;
Director, Center for Peace and
Security Studies, Georgetown
University.



BETH DOZORETZ
Vice Chair of the Board,
ValueOptions; member,
International Advisory Board,
Saban Center for Middle East
Policy at Brookings.



PAUL L. CEJAS
Chief Executive Officer, PLC
Investments Inc.



MICHAEL D. EISNER
Former Chairman and CEO, The
Walt Disney Company; Founder,
The Tornante Company, LLC.



WILLIAM J. CLINTON
42nd President of the United
States; Founder, William J. Clinton
Foundation.



ALFRED B. ENGELBERG
Trustee, The Engelberg Foundation;
Trustee, The Brookings Institution.



ELIOT COHEN
Robert E. Osgood Professor
of Strategic Studies, Founding
Director of Philip Merrill Center
for Strategic Studies, Paul H. Nitze
School of Advanced International
Studies, Johns Hopkins University.



FRANKLIN FOER
Editor, *The New Republic*.



RICHARD FONTAINE
Senior Fellow, Center for a New American Security.



BENJAMIN JACOBS
Managing Partner and Founder, JBG Companies; Trustee, The Brookings Institution.



LINDSEY GRAHAM
United States Senate (SC).



TED KAUFMAN
United States Senate (DE).



JANE HARMAN
U.S. House of Representatives (CA-36); Chairwoman, House Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment.



ZALMAY KHALILZAD
President and CEO, Khalilzad Associates LLC; Counselor, CSIS; and former Ambassador to the United Nations, Iraq, and Afghanistan.



SIDNEY HARMAN
Founder and Chairman Emeritus, Harman International; Judge Robert Widney Professor, U.S.C.; and former U.S. Deputy Secretary of Commerce.



JOSEPH I. LIEBERMAN
United States Senate (CT); Chairman, Senate Committee on Homeland Security and Governmental Affairs.



FREDERIC C. HOF
Special Coordinator for Regional Affairs, Office of the Special Envoy for Middle East Peace, U.S. Department of State.



NITA LOWEY
United States House of Representatives (NY-18); Chairwoman, House Appropriations Subcommittee on State and Foreign Operations.



DAVID IGNATIUS
Columnist, *The Washington Post*.



KENNETH M. POLLACK
Director, Saban Center for Middle East Policy at Brookings; former Director of Persian Gulf Affairs and Near East and South Asian Affairs, National Security Council.



MARTIN INDYK
Vice President and Director of Foreign Policy, Brookings; Founding Director, Saban Center; and former U.S. Ambassador to Israel and Assistant Secretary of State for Near Eastern Affairs.



BRUCE RIEDEL
Senior Fellow, Saban Center for Middle East Policy at Brookings; former Senior Director for Near East and South Asia, National Security Council.



CARLA ANNE ROBBINS
Deputy Editorial Page Editor, *The New York Times*.



STROBE TALBOTT
President, The Brookings Institution; former Deputy Secretary of State.



HAIM SABAN
Chairman of the Saban Forum; Chairman and Chief Executive Officer, Saban Capital Group; and Chairman, International Advisory Board, Saban Center for Middle East Policy at Brookings.



SHIBLEY TELHAMI
Nonresident Senior Fellow, Saban Center for Middle East Policy at Brookings; Anwar Sadat Professor for Peace and Development, University of Maryland.



ARNOLD SCHWARZENEGGER
Governor, State of California.



ALEJANDRO TOLEDO (PERU)
Former President of Peru; President, Global Center for Development and Democracy.



DANIEL SHAPIRO
Senior Director of Middle East and North Africa, National Security Council.



HENRY WAXMAN
United States House of Representatives (CA-30); Chairman, House Committee on Energy and Commerce.



JAY SNYDER
Principal, HBJ Investments; member, International Advisory Board, Saban Center for Middle East Policy at Brookings.



LEON WIESELTIER
Literary Editor, *The New Republic*.



JAMES B. STEINBERG
Deputy Secretary of State.

Israeli Participants



SHAI AGASSI
Founder and Chief Executive Officer, Better Place.



YUVAL DISKIN
Director, Israel Security Agency (Shabak).



UZI ARAD
National Security Advisor to Prime Minister Benjamin Netanyahu; Head of the National Security Council in the Office of the Prime Minister.



GIORA EILAND
Chairman, SDS; Senior Researcher, Institute for National Security Studies; former National Security Advisor.



EHUD BARAK
Minister of Defense; former Prime Minister of the State of Israel.



ODED ERAN
Director, The Institute for National Security Studies; former Ambassador to the European Union and Jordan.



NAHUM BARNEA
Political Columnist, *Yedioth Ahronoth*.



MICHAEL FEDERMANN
Chairman and Chief Executive Officer, Federmann Enterprises, Ltd.



YOSSI BEILIN
President and Founder, Beilink, Business Foreign Affairs.



STANLEY FISCHER
Governor, Bank of Israel; former First Deputy Managing Director, the International Monetary Fund; former Professor of Economics, MIT.



BEN CASPIT
Senior Columnist, *Ma'ariv*.



AVI GIL
Senior Strategic Advisor, Center for Middle East Peace & Economic Cooperation; Senior Fellow, The Jewish People Policy Planning Institute.



ILANA DAYAN-ORBACH
Anchorperson, *Uvda*, Channel 2 News.



DAN GILLERMAN
Former Ambassador to the United Nations.



GAD GOLDSTEIN
Kreiz Visiting Fellow, Saban Center for Middle East Policy at Brookings.



AVIGDOR LIBERMAN
Deputy Prime Minister; Minister of Foreign Affairs.



HIRSH GOODMAN
Director, Andrea and Charles Bronfman Program on Information Strategy, Institute for National Security Studies.



AMNON LIPKIN-SHAHAK
Chairman of the Board, Tahal Group; former Chief of the General Staff, Israel Defense Forces.



AYALA HASSON
Diplomatic Correspondent and Analyst, Channel 1; Anchor, *Yoman*, Channel 1; Anchor, Reshet Bet, Israel Broadcasting Authority Radio.



TALLIE LIPKIN-SHAHAK
Journalist, Galei Tzahal & IETV.



DALIA ITZIK
Member of the Knesset (Kadima); Chairperson, Kadima Parliamentary Group.



TZIPI LIVNI
Leader of the Opposition and Head of the Kadima Party.



MOSHE KAPLINSKY
Chief Executive Officer, Better Place Israel; former Deputy Chief of the General Staff, IDF.



DAN MERIDOR
Deputy Prime Minister and Minister of Intelligence and Atomic Energy.



YNON KREIZ
Chairman and Chief Executive Officer, Endemol; member, International Advisory Board, Saban Center for Middle East Policy at Brookings.



BENJAMIN NETANYAHU
Prime Minister of the State of Israel; Chairman of the Likud Party.



DOV LAUTMAN
Chairman, The Lautman Fund.



EHUD OLMERT
Former Prime Minister of the State of Israel.



ITAMAR RABINOVICH
Bronfman Distinguished Nonresident Senior Fellow, Saban Center; Ettinger Professor of Contemporary Middle Eastern History and former President, Tel Aviv University; former Ambassador to the United States.



YORAM TURBOWICZ
Former Chief of Staff, Prime Minister's Office.



URI SAGIE
Former Head of the Directorate of Military Intelligence, Israel Defense Forces.



EHUD YAARI
Middle East Commentator, *Channel 2 News*; Associate Editor, *The Jerusalem Report*.



CHEMI SHALEV
Deputy Editor and Political Analyst, *Yisrael Hayom*.



AMOS YADLIN
Head of the Directorate of Military Intelligence, Israel Defense Forces.



ARI SHAVIT
Senior Correspondent, *Ha'aretz*.



SHLOMO YANAI
President and Chief Executive Officer, Teva Pharmaceutical Industries Ltd; former Director, Strategic Planning Division, IDF.



YULI TAMIR
Member of the Knesset (Labor); former Minister of Immigrant Absorption and Education.





PROGRAM SCHEDULE

Saturday, November 14, 2009

King David Hotel

6:30 PM **Cocktails**
Ambassadors' Hall

7:15 PM **Dinner**
Presidents' Hall

8:00 PM **Opening Session: Israeli And American Worldviews**

WELCOMING REMARKS: Haim Saban, *Chairman, The Saban Forum*

Strobe Talbott, *President, The Brookings Institution*

MODERATOR: David Ignatius, *Columnist, The Washington Post*

Avigdor Liberman, *Deputy Prime Minister; Minister of Foreign Affairs*

James Steinberg, *Deputy Secretary of State, U.S. Department of State*

9:30 PM **Coffee and Cocktails**
Reading Room

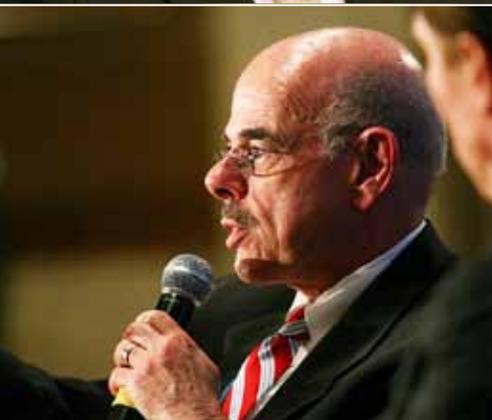
Sunday, November 15, 2009

8:00 AM **A Breakfast Conversation with Former Prime Minister Ehud Olmert: Peacemaking in Wartime**
Presidents' Hall

INTRODUCTION: Haim Saban

MODERATOR: Samuel Berger, *Chair, Albright Stonebridge Group*

9:30 AM Buses depart for Ramallah



PROGRAM SCHEDULE

11:00 AM Meeting with Prime Minister Salam Fayyad

Presentation of the Fayyad Plan: *Palestine: Ending the Occupation, Establishing the State*

DISCUSSANT: Stanley Fischer, *Governor, Bank of Israel*

12:30 PM Luncheon Hosted by Prime Minister Salam Fayyad

3:00 PM Participants return to Jerusalem

5:00 PM Cocktails
David Citadel Hotel

6:00 PM Saban Forum 2009 Gala Dinner

WELCOMING REMARKS AND INTRODUCTION OF PRESIDENT CLINTON: Haim Saban

A Conversation with President William J. Clinton

MODERATOR: Nahum Barnea, *Political Columnist, Yedioth Ahronoth*

7:00 PM Dinner is Served

8:00 PM Keynote Address

INTRODUCTION OF PRIME MINISTER NETANYAHU: Haim Saban

Prime Minister Benjamin Netanyahu

8:45 PM A Conversation with Governor Arnold Schwarzenegger: *The Fight for Alternative Energy Sources*

WITH: Congressman Henry Waxman (D-California), *Chairman, House Committee on Energy and Commerce*

MODERATOR: Shai Agassi, *CEO, Better Place*



PROGRAM SCHEDULE

Monday, November 16, 2009

King David Hotel

9:00 AM Dialogue Session One: Assessing Progress with Iran

Ambassadors' Hall

MODERATOR: Kenneth M. Pollack, *Director, Saban Center at Brookings*

Dan Meridor, *Deputy Prime Minister*

James Steinberg, *Deputy Secretary of State, U.S. Department of State*

Uzi Arad, *National Security Advisor to Prime Minister Netanyahu*

Senator Joseph Lieberman (I-Connecticut), *Chairman, Senate Homeland Security Committee*

11:00 AM Coffee Break

11:30 AM Dialogue Session Two: The Prospects for Israeli-Syrian Peace

Ambassadors' Hall

MODERATOR: Itamar Rabinovich, *Bronfman Distinguished Fellow, Saban Center at Brookings*

Frederic C. Hof, *Special Coordinator for Regional Affairs, Office of the Special Envoy for Middle East Peace*

Gen. Amos Yadlin, *Head of the Directorate of Military Intelligence, Israel Defense Forces*

1:00 PM Luncheon Session: Assessing the Israeli and American Roles in Peacemaking

Presidents' Hall

MODERATOR: Congresswoman Nita Lowey (D-New York), *Chairwoman, House Appropriations Subcommittee on Foreign Operations*

Tzipi Livni, *Leader of the Opposition and Head of the Kadima Party*

Congressman Howard Berman (D-California), *Chairman, House Foreign Affairs Committee*



3:00 PM Break

4:00 PM Dialogue Session Three: Strengthening Palestinian Security and Governance Capabilities
Ambassadors' Hall

MODERATOR: Bruce Riedel, *Senior Fellow, Saban Center at Brookings*

Yuval Diskin, *Director, Israel Security Agency (Shin Bet)*

Congresswoman Jane Harman (D-California), *Chairwoman, House Homeland Security Subcommittee on Intelligence Affairs*

Daniel Shapiro, *Senior Director of Middle East and North Africa, National Security Council*

5:30 PM Afternoon Tea
Ambassadors' Garden

6:00 PM Concluding Dialogue Session: Assessing the State of the U.S.-Israel Strategic Relationship
Ambassadors' Hall

Ehud Barak, *Minister of Defense*

INTERVIEWED BY: Eliot Cohen, *Professor of Strategic Studies, Johns Hopkins University School of Advanced International Studies*

7:00 PM The Saban Forum 2009 Concludes



OPENING SESSION

Israeli and American Worldviews

Moderator: David Ignatius, Columnist, *The Washington Post*

Avigdor Liberman, Deputy Prime Minister; Minister of Foreign Affairs

James Steinberg, Deputy Secretary of State, U.S. Department of State



In the opening session of the Saban Forum on Saturday evening, participants discussed the ongoing challenges the United States and Israel face—specifically, the stalled peace process and Iran’s pursuit of nuclear capabilities—and focused on the state of the United States-Israel relationship.

The session started with an assessment of how Israelis view the Obama administration. An Israeli participant asked why President Barack Obama had not yet visited Israel, saying that a presidential visit would bolster Israeli public opinion of Obama and the strength of the United States-Israel relationship. However, another Israeli argued with the premise that the relationship is in peril, saying that any low popularity of Obama among Israelis is the natural, temporary reaction of the public to an unknown president coming into office with a new vision.

An American participant responded by noting that Obama visited Israel during the presidential campaign, and added that several factors go into deciding when a president travels abroad. When Obama became president, Israel was undergoing an election campaign of its own, so a visit then would not have been appropriate. More importantly, the participant said, the president should only travel overseas when his visit would have an impact on the policies his administration is seeking to advance. Regarding the issue of the United States-Israel relationship, the participant said that there is intense, behind-the-scenes coordination between both countries each day, particularly relating to issues of security.

In terms of the peace process, an American participant said that President Obama does not view the Arab-Israeli conflict as a zero-sum game—in his view, a final agreement can address each side’s aspirations and lead to more security and prosperity for all parties. The American said that in thinking about the peace process, Israelis should consider that making progress is the best of all possibilities since failure to reach an agreement would be the most dangerous outcome for Israel’s long-term security. This is why every Israeli government has tried to move forward on the peace process, and has debated how to move it forward, not whether to move it forward.



An Israeli participant agreed that peace talks are necessary but was skeptical that an agreement could be reached in the next two to three years. The participant said that peace cannot be imposed by outside parties, it must spring from local factors such as economic prosperity, stability, and a lack of violence. These elements are needed as precursors to an agreement, the participant said, otherwise there may be a situation in which there is an agreement on paper, but not true peace. An American participant agreed that a peace agreement would not be a panacea to all that plagues the region, but argued that a political settlement between both governments would lead to true peace between both populations.

An Israeli participant was critical of the Palestinian Authority (PA) for what the participant said were inconsistencies in its positions. The participant said that the PA supported Israel's actions in Gaza against Hamas in 2008, but then publicly called for international condemnation of Israel. In addition, the Israeli criticized the fact that the PA had said it was seeking peace but instead placed preconditions on talks.

Regarding Iran, an American said that the process of addressing Iran's pursuit of nuclear capabilities is fraught with challenges, but has been beneficial in that it has forged a strong relationship among members of the P5+1 and international community. An Israeli described the problem of Iran in terms of three things: it denies Israel's right to exist, it sponsors terrorism, and it seeks nuclear weapons. The Israeli said that if Iran gains nuclear capabilities, there is a likelihood it would share it with terrorist groups. For this reason, the Israeli argued, it is the primary challenge facing both countries.



A BREAKFAST CONVERSATION WITH FORMER
PRIME MINISTER EHUD OLMERT

Peacemaking in Wartime

Moderator: Samuel Berger, Chair, Albright Stonebridge
Group



On Sunday, November 15, participants took part in a discussion with former Israeli Prime Minister Ehud Olmert. Considerable attention was given to the issue of the Israeli-Palestinian peace track, with the point being made that Israel sees Palestinian President Mahmoud Abbas (Abu Mazen) as a partner for peace, but believes he has yet to take certain necessary steps. In addition, the same point that was made the previous day—that there is no alternative to making progress on the peace track—was stressed again.

The session began with a discussion of missed opportunities during the tenure of Ehud Olmert, with an Israeli participant saying that Abu Mazen has yet to respond to a comprehensive peace offer made by Olmert. It came up in the discussion that Olmert had met with Abu Mazen thirty-five times for in-depth talks, with Olmert outlining a detailed peace plan and presenting a map. In addition, the Olmert plan included Israeli concessions, such as having the Holy Basin governed by five nations—Israel, Palestine, the United States, Saudi Arabia, and Jordan. However, it was argued that despite this presentation to the Palestinians, no Palestinian response or counteroffer was given.

An Israeli participant said that the Obama administration should “start from the end.” In other words, while American presidents have been committed to solving the conflict, there has been a tendency for each new administration to come into office and start from scratch and discount the progress made by previous administrations. This trend has had the unfortunate effect of rolling back the progress that had been made. Therefore, President Obama should start where things left off—namely, by addressing the Olmert plan and asking the Palestinian side to respond to this plan.

The issue of “practicality” was discussed, with some agreement that Israel must address the conflict from a



practical, not ideological standpoint. In other words, even if some Israelis dismiss the Palestinians' claim to the land, these Israelis must still acknowledge that demographics make forging an agreement critical to the security and identity of Israel.

One participant raised the issue of whether the Israeli public would be willing to support a peace agreement, particularly given talk about how Israel's political left has disappeared in recent years. In response, an Israeli offered a statement made by the first Israeli prime minister, David Ben Gurion, that a prime minister cannot be certain about what the public wants, but can be certain about what the public needs. Therefore, any Israeli prime minister should act according to what is in the best interest of the country, not according to what he or she thinks the public mood is at that moment.

Many participants expressed strong support for Palestinian Prime Minister Salam Fayyad, and were impressed with the progress he has made on economic and security matters. An Israeli said that those who look for excuses could find fault in some of what Fayyad had done, but Israelis and Americans should not take for granted the real progress he has made. For instance, the participant said that there is daily security coordination among Israelis and Palestinians, which has been vital in turning Jenin, a city that only five years ago was a hotbed of terrorism, into a model for stability and security.

Regarding negotiations with Syria, an Israeli participant suggested that any Israeli prime minister who enters talks with Syria must first come to terms with withdrawing from the Golan Heights. If he or she is not willing to do this, he or she should not initiate talks because doing so would be more damaging than not having talks. On the flip side, Syria should only enter talks if it has come to terms with breaking relations with Iran. An Israeli said that many people underestimate Bashar al-Assad, but he is firmly in control of Syria. In addition, he has shown restraint because there were many situations when he could have lashed out violently but did not. Several participants supported this point, saying that Assad is capable of being a partner for peace, and it is therefore time to discuss the specifics of a peace deal with him.



PRESENTATION OF THE FAYYAD PLAN

Ending the Occupation, Establishing the State

Prime Minister Salam Fayyad

With Stanley Fischer, Governor, Bank of Israel



American and Israeli participants of the Saban Forum visited Ramallah for a luncheon hosted by Prime Minister Salam Fayyad. The trip was notable because it was a rare instance in which an official Israeli delegation travelled to Ramallah since the outbreak of the Intifada in 2000. Participants discussed Prime Minister Fayyad's plan to strengthen political and economic institutions in the West Bank so that the conditions for an independent Palestinian state will be in place by 2011.

Prime Minister Fayyad's plan calls for the Palestinian Authority to lay the groundwork for statehood, while leaving it to the Palestine Liberation Organization to negotiate, or declare, the creation of a Palestinian state. A critical component of Fayyad's plan is for the Palestinian Authority to focus on the critical, institutional details of establishing a Palestinian state, like building sewer systems, bolstering schools and cities, and providing access to affordable housing. The reason for this is that Fayyad is focused on establishing corruption-free and effective institutions that can gain the confidence of the Palestinian people. However, one challenge to Fayyad's plan is the fact that Israel has objected to his desire to strengthen governance in "Area C"—land that the Oslo Accords intended to be under Israeli security jurisdiction.

Despite the challenges, there has been progress in the Palestinian territories. On the economic front, the Palestinian Authority has started a monetary authority similar to a central bank, which has been recognized by its own people as well as foreign countries, such as the United States (which transferred \$200 million directly to the treasury). The West Bank's economy has grown by seven percent this past year, which many credit to both Fayyad's efforts and the decision of the Israeli government to loosen restrictions on movement and access.



Prime Minister Fayyad has overseen successes on the security front. Most notably, 2,200 members of the Jordanian-trained Palestinian Authority's security forces have grown strong enough, and gained legitimacy among the Palestinian public, to patrol areas that were previously too dangerous for them to enter. Because the forces have been working closely with Israel and have had success in bringing order to Palestinian cities, Fayyad has requested that Israel decrease its military presence in the Palestinian territories. The success of the PA's security forces has convinced the United States to almost double its economic assistance to Palestinian security; the United States has given approximately \$161 million to Palestinian security forces and is in the process of giving another \$131 million.



Fayyad's efforts have been critical to the Palestinian Authority's support within the international community. Many see Fayyad's efforts as one of the last chances for having Israelis and Palestinians agree to a peaceful two-state solution.



A Conversation with President William J. Clinton

Moderated by: Nahum Barnea, Political Columnist,
Yedioth Ahronoth



The Saban Forum Gala Dinner opened with a conversation with former President William J. Clinton, moderated by the Political Columnist for *Yedioth Ahronoth*, Nahum Barnea. President Clinton spoke about the global economic situation, the peace process, and Iran. A full transcript of the conversation is available [here](#).

President Clinton began by saying that while the economy of the United States has been weakened by the global recession, the country's strength is still unparalleled, and its image has improved throughout the world. There was a brief period after the Cold War, President Clinton said, when the United States was the world's sole superpower. But now, the world is becoming increasingly interdependent, meaning that while other countries may gain power, the United States, by virtue of its freedoms and liberties, will be a positive and enduring force in the 21st century.

In terms of the Israeli-Palestinian peace process, President Clinton said that the United States cannot want peace more than the Israelis and the Palestinians want it for themselves. Because of this, the parties must take productive steps on their own; no outside party can effect change for them. President Clinton said that when he was in office, he benefited from the fact that Israelis and Palestinians had made a commitment to and started a process—the Oslo talks—prior to approaching the United States for assistance. He said that in contrast to this, President Obama took office at a challenging time—as Operation Cast Lead was ending, and the Israeli and Palestinians were far away from the negotiating table. Despite these challenges, President Clinton said, the Obama administration has shown a strong commitment to forging peace. He commended the administration for showing this commitment instead of telling the sides to “call us when you are ready,” as some have counseled, because both sides have taken productive steps—the Palestinian Authority has instituted capacity-building measures and Prime Minister Netanyahu has called for peace talks.

President Clinton said the Palestinian side should understand that the United States' commitment to Israel's security is unwavering, but also a productive element of the



peace process—it gives Israel cover to make important, and difficult, concessions. At the same time, he said, the Israeli side should understand that U.S. efforts to advance peace talks are not an antagonistic step against Israel. Rather, because the United States believes that the more time that goes by without a solution, the more difficult it will become to find a solution, it promotes the peace process when there are opportunities to do so.

Regarding Iran, President Clinton made clear that his opinions were his alone, and he was not speaking for the Obama administration. He said that one of the biggest concerns of Iran’s nuclear program is that if Iran gets a bomb, it will spark a nuclear arms race in the region. Such a nuclear arms race would pose a critical security threat; since it is difficult to secure nuclear weapons and the materials that go into producing them, someone could buy, steal, or give away the fissile material to an enemy of Israel or the United States. Given that the United States has received more support from Europe and Russia than ever before, the Obama administration should continue to pursue negotiations and if they fail, opt for comprehensive sanctions.

President Clinton said that the issue of Iran has created an opportunity in which the Arab world is almost united around the notion of forging peace with Israel. No longer does the Arab world need Israel as a “whipping boy to deflect popular discontent” within their societies. Rather, they are looking to address the Iranian threat by building a new coalition in the region.

President Clinton recounted mistakes he felt both the Israelis and Palestinians had made over the past decade, and said it is better for both sides to try to forge an agreement and fail than not to try at all. He said two things have not changed since the Oslo talks—geography and demography. The implications are exactly what they were then—Israelis and Palestinians are destined to share the land, and therefore must choose which future they want: one of compromise or one of constant battle. For Israelis, Clinton warned, the demographic issue is working against them. No matter how many Jews immigrate to Israel, the Palestinian population will still increase faster than the Jewish population. So, if Israel wants to be a democracy and Jewish state, it has no choice but to make a deal. In addition to these issues, the new issue of technology is working against Israel—it is only a matter of time until Hamas’s capabilities increase and their rockets become more accurate. For this reason, Clinton implored the Israeli audience to be committed to working toward a peace agreement.



**Keynote Address by
Prime Minister Benjamin Netanyahu**

Ladies and Gentlemen,

I see a lot of old friends here tonight. I especially want to welcome our distinguished guests from the United States: Former President Clinton, Governor Schwarzenegger and Senator Lieberman. And of course the founder of the Forum, Haim Saban, and the Director of the Saban Forum, Martin Indyk. Welcome to Jerusalem. I am pleased to see you back here with us again.

The presence of so many prominent American leaders at this forum is an expression of the enduring friendship between the United States and Israel. This friendship rests on our deepest shared values—to nurture national and personal freedom, to defend these freedoms and the aspiration to live in peace.

Last week, in Washington, I spoke about Israel's commitment to peace with the Palestinians. I said that I want to begin negotiations immediately, that these negotiations should be a good faith effort to reach a final peace agreement, and that my government is prepared to make generous concessions in exchange for a genuine peace that protects Israel's security.

The way to achieve peace is through negotiations, cooperation and the agreement of both sides. This is true with regard to security and economic issues, and also with regard to a genuine political process. There is no substitute for negotiations between Israel and the Palestinian Authority, and any unilateral attempt outside that framework will unravel the existing agreements between us, and could entail unilateral steps by Israel.

Therefore, the only way to achieve peace is around the negotiating table.

For Palestinians, peace will mean the dignity that comes from an independent national life and living standards that skyrocket from cooperation in tourism, trade and industry. I believe that in the age of peace, we will see towers rather than missiles in Palestinian cities.

A prosperous Palestinian economy that creates thousands of jobs will help eliminate the scourge of poverty and desperation and will strengthen internal forces within Palestinian society that oppose terrorism.

The easing of movement in the West Bank, and an improvement in the quality of life over the past seven months have made a tremendous contribution to a prosperous Palestinian economy, as has the improvement in the functioning of the Palestinian Authority's security forces. We must add the com-



ponent of political peace to economic and security improvements.

For Israel, peace would mean the realization of a dream of ages. Our sons and daughters would not know the wars of their fathers. Our economy would benefit from a ubiquitous sense of stability and hope. And we could invest so much more in other areas of Israeli life, from infrastructure and education to science and culture—in short, in creating a better, more prosperous and complete life for ourselves and our neighbors.

The benefits of peace are clear. What would it take to advance peace? First of all, we need to start negotiations immediately in a positive spirit. I spoke of this in Washington. I am not setting any preconditions for negotiations. We have taken steps, and are willing to take further steps that would help launch a political process.

Tonight I want to discuss three challenges to Israel's security that must be addressed to achieve our goal of a lasting peace.

First, Iran must be prevented from developing a nuclear military capability. Second, a solution must be found to the threat of missile and rocket attacks. And third, Israel's right to defend itself must be preserved not only in principle but in practice.

Iran's pursuit of nuclear weapons threatens our security, peace in the Middle East and global stability.

With nuclear weapons, its powers of destruction, already considerable, would grow immensely. The moderates in the Middle East would be weakened and extremists strengthened. Other countries in the region would join the race for nuclear weapons. An Iranian regime that pledges to wipe Israel off the map would work day and night to undermine any attempt to advance peace between Israel and its neighbors—whether it is peace with the Palestinians, with Syria and with anyone else.

In contrast, if Iran's nuclear ambitions are thwarted, peace would be given a dramatic boost. Hezbollah and Hamas would be considerably weakened and moderate forces within the region would quickly become ascendant.

This is why the fate of Iran's nuclear program is a true turning point in history. It would significantly influence our ability to achieve a stable and secure peace in the Middle East.

Last week, I discussed with President Obama his continuing efforts to mobilize the international community to prevent Iran from developing nuclear weapons. I also heard from the American Senate leadership about their bipartisan efforts to strengthen sanctions on Iran—sanctions that could seriously hamper the regime's ability to import refined petroleum and its capacity to stifle freedom of information on the internet.

In Paris, President Sarkozy reiterated to me his determination to oppose Iran's nuclear ambitions, a determination shared by Chancellor Merkel, whom I will meet later this month in Berlin.

A growing number of world leaders are waking up to the dangers of a nuclear Iran but there is no time to waste. For the sake of peace and security, the international community must stand firmly behind its demands that Iran stop its nuclear weapons program, and must be prepared to speedily apply strong sanctions if those demands are not met, preferably in the framework of the Security Council. Alternately, strong sanctions may be applied outside the framework of the United Nations by a broad coalition of countries that understands the seriousness of the threat.

The second challenge to peace is the threat to Israel of missile and rocket attacks on Israel.

All it takes is one crude rocket hurtling through the air to sow fear in an entire city. Israelis have braved this intolerable threat for years, first in Kiryat Shmona and Sderot, later in Acre, Nahariah, Haifa, Ashkelon, Ashdod and Beer Sheva.

After Israel withdrew unilaterally from South Lebanon in 2000 and from Gaza in 2005, both areas were turned into Iranian backed terrorist bases from which thousands of rockets were fired into Israel's towns and cities.

Peace requires that any future peace agreement have effective demilitarization measures that can neutralize the missile threat.

There has been much talk about the precise demarcation of the future border separating Israel and the Palestinians. Undoubtedly, that is an important question for both parties that can only be resolved through negotiations.

These negotiations must, as United Nations Resolution 242 clearly states, provide Israel with secure and recognized borders.

But we must also recognize that because of the threat posed by short-range rockets and mortars launched from contiguous territory, Israel's security is not merely a question of the future borders of the Jewish state. No less important, our security depends on ensuring that dangerous weapons do not pass through the borders of a future Palestinian state.

We have seen how a neighbor's porous borders can endanger our security. Look at the Lebanese example: despite Security Council Resolution 1701, Lebanon's border with Syria remains porous, and through them Iran and Syria continue to send weapons to Hezbollah. Today, Hezbollah has at least three times the number of rockets it had at the end of the Second Lebanon War.

So far, the only thing that has proven effective at reducing the flow of these weapons is direct Israeli action. Just ten days ago, we interdicted a ship sent from Iran bound for Hezbollah with 500 tons of weapons on board. This is part of an ongoing broader Israeli effort to prevent weapons smuggling to areas controlled by Hezbollah and Hamas.

And with regard to Gaza: when Israel controlled the Philadelphi Corridor, we stopped most, though not all, of the smuggling from Sinai into Gaza. But after we left, hundreds of tunnels were dug, and the flow of rockets into Palestinian territory became a flood.

The lessons of Lebanon and Gaza cannot be ignored. Any peace agreement with the Palestinians must ensure effective security arrangements to prevent the flow of missiles and other weapons into the West Bank.





This cannot be left to paper agreements alone, however strongly worded or well intentioned. It must be backed by powerful, concrete security measures on the ground. That is a prerequisite to an enduring peace.

In addition, we are working closely with the United States to develop missile defenses that may in time largely neutralize this threat. I appreciate the United States' continued support of these joint efforts.

The third challenge to peace is the attempt to deny Israel the right to self-defense. The UN Goldstone report on Gaza attempts to do that.

Before Israel left Gaza, many argued that the missile attacks would stop following the withdrawal. But even if they didn't, it was argued at the time, Israel would have clear international legitimacy to respond to those attacks.

Unfortunately, both those assumptions proved false. Thousands of rockets were fired on Israel. And when Israel finally responded, far from winning international legitimacy, it was accused of war crimes.

The Goldstone Report is a clear threat to peace in our region. Achieving a final peace settlement with the Palestinians will require territorial compromise. But how can Israel vacate additional territories if we cannot defend ourselves against attacks from that territory?

Be assured that this UN report is not Israel's problem alone. It threatens to handcuff all states fighting terrorism. For if terrorists believe that the international community will justify their crimes when they fire on civilians while hiding behind civilians, they will employ this tactic again and again.

Perhaps the most important moral distinction in the laws of war is that between the deliberate

targeting of civilians and the unintended casualties that are the tragic consequence of wars, even those that are carefully waged.

Israel made this moral distinction in order to prevent harming innocent civilians. During Operation Cast Lead, the Israeli Defense Forces dropped more than two million fliers, made 165,000 phone calls, sent thousands of text messages and called off countless military operations to evacuate Palestinian civilians from targets from which the Hamas fired missiles and rockets on our cities.

In contrast, the Hamas terrorists wiped this distinction away. They embedded themselves within the civilian population, used Palestinian civilians as human shields, and targeted as many innocent Israeli civilians as possible.

A responsible government should always seek to minimize civilian casualties in territories controlled by the enemy. But they also have an obligation to defend their citizens.

So when terrorists embedded in civilian areas deliberately launch attacks on the innocent, governments cannot become paralyzed. They must respond with the minimal force necessary to end the attacks. The responsibility for the unintended civilian casualties such an operation entails should be placed squarely on the terrorists and not on the defending government.

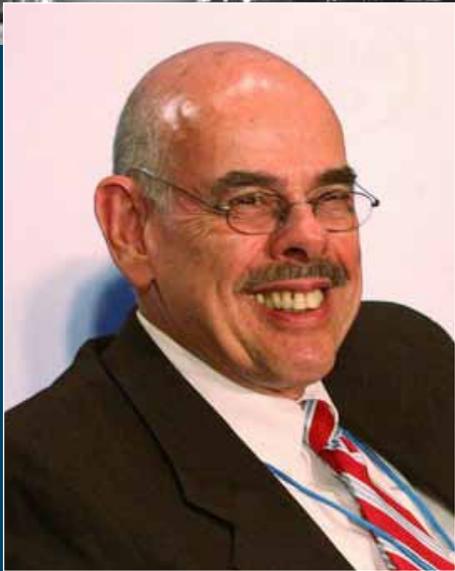
This moral clarity is no less important for defeating terrorism than vigorous military action.

From my conversations with many leaders around the world, this observation is understood. That is why I have hope that it will soon become the prevailing norm.

Paradoxically, it is possible that the firm response of important international leaders and jurists to this morally twisted report will accelerate the re-examination of the laws of war in an age of terror.

These three challenges—preventing a nuclear armed Iran, neutralizing the missile threat and reaffirming Israel's right to self-defense—are critical for the pursuit of peace.

None of these challenges is insurmountable. Given that peace would provide immense benefits to Israelis, Palestinians and to the region, they are challenges that we must overcome. God-willing, we will.



A CONVERSATION WITH GOVERNOR ARNOLD
SCHWARZENEGGER

The Fight for Alternative Energy Sources

With Congressman Henry Waxman (D-California),
Chairman, House Committee on Energy and Commerce

Moderated by Shai Agassi, CEO, Better Place



The Saban Forum's Gala Dinner included a conversation on alternative energy sources with Governor Arnold Schwarzenegger and Congressman Henry Waxman, moderated by Better Place Founder and CEO Shai Agassi. Governor Schwarzenegger and Congressman Waxman have led the national debate on energy policy in the United States, and Shai Agassi's company has been at the forefront of efforts to turn electric cars into a reality.

During the dialogue, Governor Schwarzenegger stressed the importance of fighting climate change and noted that the results of investing in green technology benefit the environment as well as many sectors of the economy. For example, according to a study conducted by Berkeley University, California's environmental efforts will create as many as 403,000 jobs in the next twelve years and increase household incomes by \$38 billion. Although California is leading the efforts of advancing alternative energy and creating green jobs, Governor Schwarzenegger said there is a need to create stronger public support of these initiatives. He argued that more attractive publicity campaigns are needed to inspire the public.

Congressman Waxman, Chair of the House Energy and Commerce Committee, discussed the importance of the cap-and-trade bill that was passed in the summer of 2009 in the U.S. House of Representatives. Congressman Waxman said that the United States controls three percent of oil resources in the world, yet represents twenty-five percent of global oil demand. Because of this situation, the United States spends hundreds of billions of dollars a year on foreign oil. Congressman Waxman said that thirty years after the first oil embargo, the United States is more dependent on foreign oil than ever. He therefore praised the cap-and-trade bill, saying it would reduce carbon emissions, transform the economy by encouraging new job development, and lessen the United States' dependence on foreign oil. Congressman Waxman said that energy independence is vital to U.S. national security; while the United States does not purchase oil



directly from Iran, for instance, Iran benefits from the fact that U.S. demand helps drive up the global price of oil.

Congressman Waxman said that government incentives are vital for greenhouse gas reduction efforts to succeed. No business will institute measures that reduce their carbon emissions unless their competitors do too. Therefore, federal legislation is needed to induce companies to implement green technologies.

Governor Schwarzenegger argued that energy independence and green technology should not be viewed as either a Democratic or Republican issue. Rather, both parties should be serious about addressing the challenge. However, one participant said that Americans view the issue in different ways—some see it through the lens of national security whereas others see it through the lens of the environment—and therefore disagree over how to construct policy solutions.

Governor Schwarzenegger focused on the need to design and invest in new technologies that will help the United States reduce its dependence on oil. While saying that electric cars will be the next big advance in transportation technology, he also advised pursuing technologies that can help people transform the cars they already own into being more efficient. He argued that it is of critical importance that the United States take the lead in developing clean air technology and not wait for other countries to take the first step. He pointed to past technological innovations that the United States has championed, and said that just as the United States raced to put the first man on the moon, it should race to be the first to develop green technology. Waxman agreed, arguing that China is making advancements in green innovations, such as battery technology. The United States needs to ensure it is not surpassed in the race to design energy-efficient products.

Climate change was not only discussed at the Saban Forum, but action was taken on the margins of the Forum. Governor Schwarzenegger met personally with Binjamin Ben-Eliezer, the Israeli Minister of Industry, Trade, and Labor, and signed a memorandum of understanding (MOU) to collaborate efforts on alternative energy. The MOU calls for California and Israel to develop business relationships and cooperate in pursuing alternative energy and environmental technology. This agreement builds on a strong partnership that already exists between Israel and California and that is based on the presence of several Californian green technology companies in Israel.



DIALOGUE SESSION ONE

Assessing Progress with Iran

Moderator: Kenneth M. Pollack, Director, Saban Center at
Brookings

James Steinberg, Deputy Secretary of State, U.S.
Department of State

Dan Meridor, Deputy Prime Minister

Uzi Arad, National Security Advisor to Prime Minister
Netanyahu

Senator Joseph Lieberman (I-Connecticut), Chairman,
Senate Homeland Security Committee



The Saban Forum's first dialogue session on Monday, November 16 was devoted to discussing the long-standing challenges posed by Iran—specifically, its pursuit of nuclear capabilities—as well as new factors, such as the Iranian protest movement, that add complexity to the issue. While there was widespread agreement among Israelis and Americans on the need to employ sanctions to press Iran to halt its nuclear program, there was disagreement over whether each side would be willing to accept a policy of containment should Iran gain nuclear capabilities, and if not, whether each side would be willing to accept the price that would come with employing military options.

One American participant began by saying that many of the challenges the United States and Israel face in the Middle East are directly influenced by the Iranian regime and its nuclear program. The American participant outlined the Obama administration's policy toward Iran, saying that the United States' key objective is to prevent Iran from gaining nuclear weapons. To do so, the Obama administration feels it is important to engage with Tehran because Washington's past unwillingness to engage has not resulted in halting Iran's nuclear program. In addition, should legitimate attempts at engagement fail, the United States' hand within the international community would be strengthened and Washington would be in a better position to pursue alternative means.

The participant continued by saying that the United States' approach has been multi-faceted, and has consisted of two main phases. The first phase has entailed employing a policy of dialogue with the Iranians and at the same time strengthening the coalition within the international community. Because the good will that President Obama extended toward Iran has been met with a



clenched fist, the administration has shifted to the second phase, which entails imposing sanctions while still continuing to engage.

Many American and Israeli participants supported sanctions, and argued they are an effective tool in pressuring the regime. An American asserted that the only thing more important to the Iranian regime than a nuclear program is its survival; if the regime's survival is threatened, then it will begin to make concessions on the country's nuclear program. The participant cited Iran's oil program as a point of weakness—because Iran imports most of its refined oil and then sells it at a greatly subsidized price to its citizens, whenever the price of oil increases even marginally, the Iranian public voices its discontent through protests. Therefore, the participant suggested, imposing sanctions on oil would cause unrest and pressure on the government. Most importantly, an American argued, sanctions would send the message that there are consequences when agreements are not met and the nuclear program continues.

However, other participants doubted the effectiveness of sanctions and cited the poor track record that sanctions have had in influencing the regime. One participant pointed to the fact that Iran has strong ties to Russia, China, and India. Therefore, Washington may find it difficult to achieve a comprehensive sanctions regime if these countries do not support the policy, and historically they have been loathe to do so. Some participants argued that even if sanctions were enacted with international support, it is doubtful that the Iranian government would make concessions on its nuclear program.

Furthermore, some participants argued that sanctions may motivate the Iranian people to react in favor of the regime, particularly if the sanctions enact a heavy toll on the Iranian public. To prevent this, and to achieve other policy gains, an American participant suggested that the United States base the sanctions on human rights violations. Doing so would let the Iranian people know that the United States is on their side. In addition, this strategy would signal to the Iranian regime that their actions are not acceptable by the standards of the international community.

Though participants agreed on the importance of the Green Movement within Iran, there was disagreement over whether it is possible to link the administration's non-proliferation goal with a program of support of the popular opposition. An American participant felt that the United States should make it clear that it is on the side of the people of Iran, and should look into creating or disseminating technologies that would prevent



the regime from blocking Iranian access to electronic communications. However, other American participants voiced their concerns over having the United States show its support for the Iranian public, arguing that this could weaken the legitimacy of the movement.

While there was broad agreement that the Iranian nuclear program needs to be halted, there were several disagreements over particulars. For instance, the point was made that while Israel would be more threatened by an Iranian nuclear weapon than the United States, the United States would be more threatened by an Iranian response to a military strike—U.S. objectives in Afghanistan and Iraq are intensely vulnerable to Iranian retaliation.

A critical question voiced by an Israeli participant was, at what point would Israel's interests diverge from those of the United States? Specifically, could Israel live with an Iranian nuclear program if there were assurances that no nuclear weapons would be built? An Israeli participant said that Israel's position vis-à-vis Iran would be dependent on whether the regime truly stopped its weapons and enrichment programs. The participant suggested that Israel would end any effort to undermine the regime only if the Iranian government agreed to a comprehensive stop to its nuclear program.

An Israeli participant concluded the discussion by saying that one of the greatest challenges both Israel and the United States share is in terms of their respective populations. While the leaders and elites in each country understand the threat posed by Iran, the American and Israeli publics do not share the sense of urgency. Public opinion must therefore be mobilized to gain momentum for any strong policy toward Iran.



DIALOGUE SESSION TWO

The Prospects for Israeli-Syrian Peace

Moderator: Itamar Rabinovich, Bronfman Distinguished Fellow, Saban Center at Brookings

Frederic C. Hof, Special Coordinator for Regional Affairs, Office of the Special Envoy for Middle East Peace

Gen. Amos Yadlin, Head of the Directorate of Military Intelligence, Israel Defense Forces



The Saban Forum’s session on Syria focused on assessing the possibility of an Israeli-Syrian peace deal, and whether the Syrian president, Bashar al-Assad, would be willing to meet Israel’s core requirements. There was some disagreement over the intentions of Assad, and whether he has shown himself to be a moderate, cautious leader, or a gambler bent on supporting extremist groups.

An American participant began by laying out the current state of affairs. Syria’s demands are tactical—namely, Israel’s withdrawal from the Golan Heights—whereas Israel’s demands are strategic—namely, Syria breaking away from Iran and providing security and political guarantees. The main question is whether Syria can fulfill these requirements. One perspective is that because Syria’s relationship with Iran and terrorist groups, like Hizballah, is tactical it can be changed. The counter-view is that Syria is locked into these relationships and is more desirous of overtaking Lebanon than of making peace with Israel.

An Israeli participant said that one factor holding up the talks with Syria is that Damascus is looking for assurances before the start of negotiations that any deal would entail Israel’s full withdrawal from the Golan Heights—i.e., guaranteeing the “Rabin Deposit.” At the same time, Israel has refused to guarantee the Rabin Deposit and is instead seeking negotiations without preconditions. The participant said that for Syria, it is better to have no talks than talks that do not guarantee upfront Israel’s full withdrawal from the Golan Heights. A key reason for this is that Syria sees the very act of direct talks with Israel as a concession.

With this in mind, participants discussed the likelihood of reaching a deal with Syria. An Israeli said the Syria track is controversial but not complicated—the answers are known and can be addressed if there is political will. However, another Israeli noted that Israel must have some self-awareness and realize that its own demands—now heavily dependent on Syria’s relationship with Iran—have changed substantially over the past



several years. Therefore, the framework that existed during the Clinton administration is no longer applicable, and the discussions may be more complex than people believe. Another Israeli participant made the point that negotiations will continue to be difficult because both sides do not know the position of the United States, and U.S. guarantees and incentives are of critical importance, particularly to Syria.

One American asked if a deal is reached, how would Syria's strategic realignment be verified or measured? Because it is difficult to track components of strategic realignment, such as intelligence sharing and cash flows, the American asked how Israel or the United States would actually know when Syria had realigned itself, and noted the possibility that Syria would play both sides, continuing its relationship with Iran but assuring Israel it had severed ties.

American and Israeli participants struggled to answer how likely it would be for Syria to actually break from Iran. To answer this, an Israeli suggested, one needs to know where Iran will be in the near future. If Iran's strength rises, Syria would likely be unwilling to cede its relationship. Therefore, as long as Iran's future remains uncertain, Syria will not commit itself one way or the other. Because of this uncertainty, the Israeli recommended that Israel seek a partial agreement with Syria on certain issues, rather than a comprehensive, final agreement.

The discussion then moved to analyzing the Syrian president. An Israeli argued that Assad has proven himself a leader; the regime is stable and Assad has managed to maneuver among competing powers within the country. In addition, the Israeli claimed, Assad has shown he is capable of making difficult decisions. For example, in 2003 he faced pressure to back the United States in its invasion of Iraq. Assad resisted, and from his perspective, made the right decision—the war imposed a heavy political cost for those involved. All in all, Assad's decision-making and maneuvering have led to the beneficial position that Syria has turned into the object of attention of the West and Iran.

However, there was substantial disagreement on how to classify Assad as a leader, and whether he is serious about forging a deal with Israel. An Israeli argued that Assad's history of decision-making has not made it easy to discern Syria's intentions. Assad had long sought relations with the European Union but ultimately rejected closer ties with Europe because he did not want to address demands relating to human rights and economic liberalization. Another Israeli argued that unlike his



father, he has built ties with Hizballah and has allowed Iran to permeate the region. An American supported this point by highlighting Syria's attempt at building a nuclear reactor, saying that Assad had hubris and was not as cautious as some had suggested. But an Israeli participant disagreed, saying Assad is looking to be like his father—albeit more Western and modern—and is serious about trying to reach an agreement with Israel.

The end of the session saw disagreement between two Israelis on whether a peace deal is worthwhile for Israel. One Israeli questioned the common assumptions many make, arguing that a peace treaty with Syria would not prevent Iran from acquiring nuclear capabilities and would not make peace between Israel and Lebanon more likely. The Israeli questioned whether any government agency had conducted a study to determine the security implications of an Israeli withdrawal from the Golan Heights, and warned that the security setbacks of a withdrawal would likely outweigh the benefits. The other Israeli disagreed, saying that while Israel needs to approach a deal with Syria with realistic, not romantic, expectations, Israel needs to at least see if a deal is possible. The participant said that seeking progress on the Syrian track is important because it is unlikely that an Israeli-Palestinian peace deal will be reached in the near future.



LUNCHEON SESSION

Assessing the Israeli and American Roles in Peacemaking

Moderator: Congresswoman Nita Lowey (D-New York),
Chairwoman, House Appropriations Subcommittee on
Foreign Operations

Tzipi Livni, Leader of the Opposition and Head of the
Kadima Party

Congressman Howard Berman (D-California), Chairman,
House Committee on Foreign Affairs



The Saban Forum's luncheon session addressed the current stalemate in Arab-Israeli peace negotiations and focused on the role the U.S. should play, if any, in moving it forward. Participants agreed that the United States is integral to Arab-Israeli peacemaking, and some called for a more active U.S. role.

While participants stated that it is in the interest of Israel, the Palestinians, and the international community to end the conflict, an Israeli participant said that it is important to resolve certain issues before a Palestinian state is created, otherwise a peace agreement will not solve the conflict. In addition, although many may see Israeli security as primarily an Israeli interest, the participant said that ensuring stability and safety in the region is the interest of the whole international community.

An Israeli participant urged both sides to resume negotiations, not as a favor to either side, but because there is a high price for stalemate and stagnation. Specifically, division is growing among Palestinians, and people are coalescing around either extremists or moderates. A danger exists if Palestinians permanently split between those in the West Bank and those in the Gaza Strip. The participant said Israel must adopt an approach in which it continues to negotiate but also confronts Hamas and removes its legitimacy. For a Palestinian state to exist, Israel needs a legitimate government that accepts the qualifications of the international community and is committed to stopping terrorism.

An Israeli participant said that the current stalemate of peace negotiations was not caused by a lack of ability to reach an agreement, but rather by the political climate that has surrounded negotiations. The participant said that both sides must focus on laying the groundwork for implementing the basic understandings that exist between the Israelis and Palestinians.

Regarding the United States' role in peacemaking, an American participant argued that Washington should be an active mediator, offering substantive proposals when the Israelis and Palestinians reach deadlocks. However, there was some disagreement between an Israeli and American participant over the Obama administration's



decision to call for a settlement freeze. While an American participant felt the continued settlement expansion undermines the sincerity of Israeli peace efforts, an Israeli participant said the United States should not focus on the settlement expansion but rather on more important issues, like the creation of two nation-states that can live together peacefully. On this point, an Israeli participant articulated the importance of gaining the public's support in Israel, saying that the borders of Israel and a Palestinian state need to be clearly defined in a way that gives the possibility for most of the Israelis to live in their homes.

An Israeli participant concluded the discussion by arguing that any future negotiation must be comprehensive. Addressing each issue of a peace agreement—security, borders, refugees, and Jerusalem—separately would not accomplish much because the issues are intricately tied with each other. The only way to get the support of both the Israeli and Palestinian people is to present a complete package that answers the concerns of both people.



DIALOGUE SESSION THREE

Strengthening Palestinian Security and Governance Capabilities

Moderator: Bruce Riedel, Senior Fellow, Saban Center at Brookings

Yuval Diskin, Director, Israel Security Agency (Shin Bet)

Congresswoman Jane Harman (D-California),
Chairwoman, House Homeland Security Subcommittee on
Intelligence Affairs

Daniel Shapiro, Senior Director of Middle East and North
Africa, National Security Council



In the third dialogue session, participants discussed the security and political capabilities of the Palestinian Authority. There was broad agreement that the Palestinian Authority has made substantial progress in its security abilities, but many participants argued that Palestinians and Israelis need to do more. Both Americans and Israelis warned that the situation in the Palestinian territories is drifting to the point where a two-state solution may no longer be viable.

An Israeli participant began by arguing that while coordination between Israeli and Palestinian security services has greatly improved, interested parties should be realistic in assessing the current situation and acknowledge that more must be done and challenges remain. The participant said that in 2007, the Palestinian Authority instituted security reforms—in terms of infrastructure and organization—mostly out of a fear of Hamas, not out of a desire to work with Israel. Despite this, Israel and the PA have deepened their cooperation. For example, in July 2007, there were several hundred Fatah fugitives in the West Bank and Israel offered a deal by which the fugitives would sign an agreement saying they would cease terrorist activity, turn over their weapons, and not travel outside the West Bank. This offer was accepted and Israel subsequently monitored the individuals for several months and, when they showed that they were complying with the terms, eased additional restrictions. While the Israeli participant pointed to this as an example of cooperation and creative problem solving, the participant said that challenges remain, particularly relating to general intelligence sharing, and the Palestinian security forces still need to improve their culture and organizational structure.

An American participant said that the United States government should be heartened to see real improvement in Palestinian security forces in the West Bank. For instance, during Operation Cast Lead in late 2008 and early 2009, Palestinian security services were ready to impose order in the West Bank. Most notably, there have been signs of growing public support of Palestinian security



services, and the public has sided with them over Hamas militants. The American participant praised Salam Fayyad for taking action to make security reforms and argued that Israel should assist him by refraining from conducting raids in the West Bank. The American said that the United States hopes that by April 2011 there will be full implementation of Palestinian security training, which will enable deeper Palestinian-Israeli security partnerships. However, another American warned that because Fayyad is a “one man show” without a political base of support, he can institute difficult security measures for only so long. This point brought strong agreement among many American participants, with one saying that there is a political liability for the Palestinian security services in cooperating with Israel. The only way to neutralize this is to make progress on the negotiation track.

There was considerable discussion of the need to strengthen the PA, and an American said that a primary objective of the United States was to ensure Abu Mazen does not step down. An Israeli viewed Abu Mazen’s threats to resign as manipulative but did stress that Israel was focused on strengthening the PA. The Israeli offered that Israel was focused on not strengthening Hamas, and therefore it had to view a possible deal for the captured IDF soldier Gilad Shalit as part of a broader, strategic issue. Releasing Palestinian prisoners for Shalit would be a boon for Hamas at the expense of the PA.

Regarding the Gaza Strip, an American said that Israel should ease crossing restrictions so that goods could flow easier and give credit for these improvements to the PA so that the public will start to lower their support for Hamas. An Israeli disagreed and said that any improvements in Gaza would be a victory for Hamas, and lessen the chances of a deal for Gilad Shalit. The Israeli also said that Operation Cast Lead, which cost Israel monetarily and in terms of its political standing in the international arena, had stopped rockets from being fired into Israel, so the Israeli government should not be cavalier about trading away these gains. The operation was so successful, the Israeli said, that Hamas was on the brink of collapse, but Israel made the political decision not to finish them off.

An Israeli participant criticized Egypt’s role in assisting Israel with security in the Gaza Strip. The participant said that Israeli intelligence agencies estimate there to be 350 to 500 illegal tunnels between the Gaza Strip and Egypt. While Israel has given Egypt intelligence showing the location of these tunnels, Egyptian authorities have not acted on the intelligence. An American agreed



and criticized Egypt's performance as uneven. However, despite the declining security situation in the Gaza Strip, an Israeli participant said that there are no signs that al-Qa'eda is emerging, but this is mostly due to Hamas's strong crackdown on any individual who shows sympathy for the group.

In assessing the overall political situation in the Palestinian territories, an Israeli warned that Palestinians are drifting away from the idea of a two-state solution toward a two-government solution, meaning that many are now focused on the fact that the West Bank and Gaza Strip are becoming separate political and cultural entities. Already, an Israeli said, Palestinians do not have a yearning for a two-state solution, and while they may accept it, they are not driven by a vision of it. An American agreed, but said that this situation was not based on a lack of Palestinian will, but on the fact that the Palestinian public does not believe a political settlement with Israel is really possible. Another Israeli went further to say that a two-state solution is impossible, saying that because Palestinians would never reconcile among themselves, a three-state solution should be considered.



CONCLUDING DIALOGUE SESSION

Assessing the State of the U.S.-Israel Strategic Relationship

Ehud Barak, Minister of Defense

Interviewed by Eliot Cohen, Professor of Strategic
Studies, Johns Hopkins University School of Advanced
International Studies



The Saban Forum concluded with a conversation with Israel's Minister of Defense, Ehud Barak. The session brought together many of the issues discussed over the course of the Forum, offering participants an opportunity to take part in a discussion that touched on the broad issues relating to Israel's security and political objectives.

The session began with comments on the United States-Israel partnership, with an Israeli participant saying that it goes deeper than which party or which individual is in power in either country. Because of this long-standing tie, both sides should feel comfortable engaging in private, honest dialogue about matters of national security.

The session then touched on what one Israeli participant said were two challenges relating to Israel's security: devising achievable objectives and designing effective public relations techniques. Specifically, the Israeli government must remember that, particularly in the West Bank and Gaza Strip, the IDF can only deliver on military objectives. The IDF cannot effect political change or reform. Because of this, Israel made the decision not to destroy Hamas during Operation Cast Lead; doing so would have created a political vacuum and required Israel to reoccupy the Gaza Strip and engage in an ongoing military operation. Given this, the Israeli participant said that the Israeli government and its allies should recognize when the IDF achieves what it sets out to do and not expect unattainable results—for instance, Operation Cast Lead should be seen as a success because it achieved the military's aim of stopping rocket fire into Israel. Furthermore, the Israeli government must articulate to the international community a clear message when it engages in military operations—namely, it is responding to critical security threats in a manner that takes into account the civilian-heavy environments from which the threats emanate.

The greatest challenge for democratic societies will continue to be responding to asymmetric threats, particularly when terrorist groups operate within civilian centers. The only way to combat this is to use a minimal



amount of force, but enough to reach the objective set forth by the military. However, democratic countries are hamstrung by international agreements that do not recognize the challenges of addressing asymmetrical threats. Because these terrorist threats will continue, the international community should consider amending agreements to account for the new reality.

One near-term priority for Israel is to preserve the Israeli-Turkish relationship. Ankara is a key partner in the region, and Israel cannot afford to have this relationship sour, even if it does not agree with all of Prime Minister Recep Tayyip Erdogan's behavior.

Most importantly for Israel are the issues of Iran and the conflict with the Palestinians. In terms of the former, the international community should not take any options off the table. Iran's actions have indicated it is looking to follow in the path of North Korea, attaining nuclear weapons at all costs. For this reason, the international community should put a time limit on negotiations and make clear that Iran would face unappealing alternatives should it choose to continue to go down the road of pursuing nuclear capabilities. Regarding the Palestinian issue, one option is to establish a Palestinian state with provisional borders. Though such an option would be appealing for Israel, the Palestinians would likely object to it since they would not trust Israel or the international community ultimately to guarantee them a state in borders based on the 1967 line.

THE SABAN CENTER FOR MIDDLE EAST POLICY

THE SABAN CENTER FOR MIDDLE EAST POLICY was established on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center's central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Vice President of Foreign Policy at Brookings was the founding Director of the Saban Center. Kenneth M. Pollack is the center's Director. Within the Saban Center is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding

of the policy choices facing American decision makers. They include Bruce Riedel, a specialist on counterterrorism, who served as a senior advisor to four presidents on the Middle East and South Asia at the National Security Council and during a twenty-nine year career in the CIA; Suzanne Maloney, a former senior State Department official who focuses on Iran and economic development; Stephen R. Grand, Fellow and Director of the Project on U.S. Relations with the Islamic World; Hady Amr, Fellow and Director of the Brookings Doha Center; Shibley Telhami, who holds the Sadat Chair at the University of Maryland; and Daniel Byman, a Middle East terrorism expert from Georgetown University. The center is located in the Foreign Policy Studies Program at Brookings.

The Saban Center is undertaking path breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state sponsorship of terrorism; and political and economic change in the Arab world, and the methods required to promote democratization.



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THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

1775 Massachusetts Avenue, NW
Washington, DC 20036
Phone: 202-797-6462, Fax: 202-797-2481
www.brookings.edu/sabancenter