

853 DAYS: FROM GAZA DISENGAGEMENT TO DE FACTO POWER?

HEARING BEFORE THE SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH ASIA OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED TENTH CONGRESS SECOND SESSION

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WEDNESDAY, MARCH 12, 2008

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND SOUTH ASIA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:04 p.m. in room 2200, Rayburn House Office Building, Hon. Gary Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. The subcommittee will come to order.

I had actually been the chair's intent today to either not make a statement, or to make it last, having allowed my colleagues to go first because I wasn't sure if I wanted to make a statement, knew what to say, or wanted to deliver the statement that I had. And then I decided I would go last. And as it looks like, I will be doing both. [Laughter.]

I do understand that there are additional members that are on their way. Votes are expected soon, so I don't know if they are waiting for that to happen. But the Secretary's schedule being what it is, and we are delighted to have him here yet again, we will begin at this time. And I guess I will make the statement that I was pondering.

The subcommittee today is going to hear from Ambassador David Welch, who has served as Assistant Secretary of State for Near Eastern Affairs since March 2005. Ambassador Welch has served as well as Assistant Secretary of State of International Organizations and as United States Ambassador to Egypt. In addition, Ambassador Welch has served for 2 years as *chargés d'affaires* with Saudi Arabia, in senior staff positions in the Department of State, National Security Council, and at numerous diplomatic posts in the Middle East. And it is a pleasure to see him back here, as he has been traveling the world.

From the Bible comes the famous aphorism that for everything, there is a season, and a time for purpose under the heavens. It would be nice if that were so. If the seasons and times and purposes to which we are bound were, in fact, distinct and clear. And if there was a time for war, you could expect there would also be a time for peace. We might all wish that these periods would not be as reality is: Merged, messy, inconclusive, and imprecise.

Clearly right now in the Middle East there is, at the same time, both a peace process and a dynamic for escalation. There is both

negotiation on final status issues, and threats to roll back the concepts on which discussions are proceeding.

There are shared interests between Israel and the modern, and the modern camp for Arab States, and there are decisions by some of those same states that boost the fortunes of Hamas, Iran's proxy. There are far more contradictions than there is clarity.

In Jerusalem, Israeli leaders are trying to square a circle that won't come round. On the one hand, they welcome and celebrate moderate Palestinian leaders who are committed to a two-state solution, who are responsible and reasonable, and have rejected violence, and who do accept Israel's right to exist.

On the other hand, there has been an increase in the number of checkpoints and roadblocks. There have been several announcements about settlement expansion and new housing in Jerusalem. There have been no illegal outposts dismantled. And from time to time, necessary Israeli security operations have, as an unintended consequence, made a mockery of nascent Palestinian efforts to put just a little authority back in the Palestinian authority.

In Ramallah the lack of clarity is even more striking. After ascending to the top of Palestinian body politic as a negotiator and peacemaker, a man who rejected violence on a moral basis—not a tactical, but a moral basis—Mahmoud Abbas now seems ready to squander all the credibility he struggled for so long to acquire.

Speaking to the editorial staff of *Al-Dostur*, a Jordanian paper, Abbas is alleged to have said, "At this time I object to the arms struggle." I will repeat that for emphasis. "At this time, I object to the arms struggle, since we are unable to conduct it."

Whenever pressed by our Government for clarity on these remarks, Abbas' senior advisor, Saeb Erekat, explained, "Certain comments were reported out of context. We have chosen the path of negotiations, and no other path, and we will continue along it until we achieve our goal of an independent Palestinian state."

Skeptics would ask, until statehood? Not after? During Nixon's Presidency we referred to such statements as non-denial denials.

In Washington I fear things are little better. Speaking Monday at the White House President Bush was asked what he thought about Israel's plan to build 750 new homes in a settlement near Jerusalem. He responded that, "We expect both parties involved in the Middle Eastern peace process to adhere to their obligations in the roadmap." So far, so good.

Then the President went off into that other private world of his where everything seems to be going well. He then said, "And those obligations are clear. And to this end, the Secretary of State is dispatching the general that we named to be the coordinator of roadmap activities to the Middle East, for him to conduct meetings with the relevant parties."

In other words, everyone's obligations under phase one of the roadmap are so crystal clear that we have assigned a three-star general, who reports directly to the Secretary of State, to sit with the Israelis and Palestinians to discuss what is already clear, at least to the President, if not to the relevant parties.

Now, my question to you today, Mr. Secretary, the questions are going to be very similar to the ones that I have asked before. What are we doing about this mess, other than praying? What is our

plan for either reviving the Palestinian Authority, or moving on without it?

The President has committed to providing the PA with \$150 million in cash assistance, a step that should have been taken months, if not years, ago. What is it going to buy now? What reforms will come out of it? How will the PA be different, or stronger, or more politically viable as a consequence? Are we building a bridge, or are we building a dock?

The leadership of the PLO is scheduling, for the first time since 1989, a general conference. This meeting is supposed to be the last, best hope of reviving Fatah, seizing control of the organization from the dead hand of the old guard. But who is organizing the meeting? That, of course, would be Ahmed Qurei, known as Abu Alla, the leader of the old guard. At some point we have to look at the dissolute, fragmented, corrupted mess which is Fatah, and conclude that that dog won't hunt.

In the meantime, who do we hope to take control of the borders of Gaza? The PA? Really? The leaders of Hamas are going to let that happen? Why? Because of their humanitarian impulses? Because their Iranian patrons want it? And who and what is going to stop the smuggling of weapons into Gaza?

I am nothing of a military man, but I know the difference between Qassam and Grad rockets, and the kind that recently fell on Ashkelon. Qassams can be made by Hamas, Grads have to be imported. Other than reoccupation by the Israel Defense Force, what is going to stop the flow of Grad rockets into Gaza, and then on a high arc to Israel? And if the Israeli Defense Force goes in, how do they go out? Who gets the keys this time when they leave?

If Abu Mazen gets them, will he be able to keep them, much less use them? In my view, what is happening in Gaza is pushing the entire peace process right up to the precipice. The idea of land for peace is rapidly decaying into a new concept, called land for rocks.

Not surprisingly, the Israelis don't seem to like it much, and signals from Jerusalem seem to indicate that they are losing patience and interest in the PA anyway.

At Annapolis we had a meeting. It wasn't a conference, and certainly not a summit. We put into motion negotiations on an agreement, which was only a declaration. It is now moving toward becoming an understanding. We see a lot of movement, but not much forward motion. When do we see real changes? Real sacrifices? Real political pain? I am not seeing any of these things from any of the parties, and I am starting to suspect I am not going to.

[The prepared statement of Mr. Ackerman follows:]

PREPARED STATEMENT OF THE HONORABLE GARY L. ACKERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN, SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH ASIA

From the Bible comes the famous aphorism that "For everything there is a season and a time and purpose under the heavens." It would be nice if that were so, if the seasons and times and purposes to which we are bound were, in fact, distinct and clear; so that if there was a time for war, we could expect there would also be a time for peace. And we all might wish that these periods would not be, as reality is, merged and messy, inconclusive and imprecise.

Clearly right now in the Middle East, there is at the same time both a peace process and a dynamic of escalation. There is both negotiation on final status issues and

threats to roll back the concepts on which discussions are proceeding. There are shared interests between Israel and the moderate camp of Arab states and there are decisions by some of those same states that boost the fortunes of Hamas, Iran's proxy. There are far more contradictions than there is clarity.

In Jerusalem, Israeli leaders are trying to square a circle that won't come round. On the one hand, they welcome and celebrate moderate Palestinian leaders who are committed to a two-state solution, who are responsible and reasonable, and have rejected violence and accept Israel's right to exist. On the other hand, there's been an increase in the number of checkpoints and roadblocks; there have been several announcements about settlement expansions and new housing in Jerusalem; there have been no illegal outposts dismantled; and from time to time, necessary Israeli security operations have—as an unintended consequence—made a mockery of nascent Palestinian efforts to put just a little authority back in the Palestinian Authority.

In Ramallah, the lack of clarity is even more striking. After ascending to the top of the Palestinian body politic as a negotiator and a peacemaker, as a man who has rejected violence on a moral basis—not a tactical, but a moral basis—Mahmoud Abbas now seems ready to squander all the credibility he's struggled for so long to acquire. Speaking to the editorial staff of *al-Dustour*, a Jordanian paper, Abbas is alleged to have said, "At this time, I object to the armed struggle, since we are unable to conduct it; however, in future stages things may change." When pressed by our government to clarify these remarks, Abbas's senior advisor, Sa'eb Erakat, explained "that certain comments were reported out of context. We have chosen the path of negotiations and no other path, and we will continue along it until we achieve our goal of an independent Palestinian State." Skeptics would ask "Until statehood? Not after?" During the Nixon presidency, we referred to such statements as a "non-denial denial."

In Washington, I fear things are little better. Speaking Monday at the White House, President Bush was asked what he thought of Israel's plan to build 750 new homes in a settlement near Jerusalem. He responded that "We expect both parties involved in the Middle Eastern peace process to adhere to their obligations in the road map." So far, so good. Then the President went off into that other private world of his where everything seems to be going well. He then said "And those obligations are clear. And to this end, the Secretary of State is dispatching the general that we named to be the coordinator of road map activities to the Middle East, for him to conduct meetings with the relevant parties." In other words, everyone's obligations under Phase I of the Roadmap are so crystal-clear, that we've assigned a three-star general—who reports directly to the Secretary of State—to sit with the Israelis and Palestinians to discuss what is already clear, at least to the President, if not to the relevant parties.

So my questions to you Mr. Secretary are going to be very similar to the ones I've asked before. What are we doing about this mess other than praying? What is our plan for either reviving the Palestinian Authority, or moving on without it? The President has committed to providing the PA with \$150 million in cash assistance, a step that should have been taken months, if not years ago. But what is it going to buy now? What reforms come out of it? How will the PA be different, or stronger, or more politically viable as a consequence? Are we building a bridge? Or are we building a dock?

The leadership of the PLO is scheduling, for first time since 1989, a General Conference. This meeting is supposed to be the last best hope for reviving Fatah, and seizing control of the organization from the dead hand of the Old Guard. So who's organizing the meeting? That, of course, would be Ahmed Qurei, known as Abu Ala, leader of the Old Guard. At some point, do we have to look at the dissolute, fragmented, corrupted mess which is Fatah and conclude that that dog won't hunt?

In the mean time, who do we hope will take control of the borders of Gaza? The PA? Really? The leaders of Hamas are going to let that happen why? Because of their humanitarian impulses? Because their Iranian patrons want it? And who and what is going to stop the smuggling of weapons into Gaza? I'm not a military man but I know the difference between Qassams and Grad rockets, the kind that recently fell on Ashkelon. Qassams can be made by Hamas, Grads have to be imported. Other than reoccupation by the IDF, what's going to stop the flow of Grad rockets into Gaza and then, on a high-arc, into Israel? And if the IDF goes in, how do they go out? Who gets the keys this time when they leave? If Abu Mazen gets them, will he be able to keep them, much less use them?

In my view, what is happening in Gaza is pushing the entire peace process right up to the precipice. The idea of "land for peace" is rapidly decaying into a new concept called "land for rockets." Not surprisingly, the Israelis don't seem to like it much. And signals from Jerusalem seem to indicate that they're losing patience and

interest in the PA anyway. At Annapolis, we had a meeting that wasn't a conference, and certainly not a summit, that put into motion negotiations on an agreement which was originally a declaration, but is now moving toward becoming an understanding. I see a lot movement but not much forward motion. When do we see real changes, real sacrifices, real political pain? I'm not seeing any of these things from any of the parties and I'm starting to suspect that I'm not going to.

Mr. ACKERMAN. Mr. Scott, would you care to make an opening statement?

[No response.]

Mr. ACKERMAN. With no other member having opening statements at this time, we will proceed to you, Mr. Secretary.

STATEMENT OF THE HONORABLE C. DAVID WELCH, ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. WELCH. Thank you, Mr. Chairman.

Mr. ACKERMAN. I caution you and the members that these microphones have no buttons; they are always on.

Mr. WELCH. Thank you, Mr. Chairman, Mr. Scott. I have prepared a written statement for the record. Let me offer a few remarks to summarize that.

Mr. ACKERMAN. With no objection, your entire statement will be entered into the record.

Mr. WELCH. Thank you. First, to arrive at peace between Israel and the Palestinians is one of the administration's top priorities. We have some months left in office, and the President and the Secretary have pledged to this effort.

We continue our high level of diplomatic activity. As you know, Secretary Rice was in the area just last week, and we plan further trips in the coming few weeks. Our focus is to keep the negotiations launched by the Annapolis Conference on track.

Mr. Chairman, you have accurately pointed to a number of the challenges. In particular, the situation in Gaza, as we have recently seen, is volatile. It does have a history, too. After the Israeli disengagement from Gaza, there were rocket attacks. Indeed, there were rocket attacks on Israel during Israel's presence in Gaza.

Last summer Hamas, in Gaza, launched a coup against the legitimate Palestinian Authority there. Since then, attacks on southern Israel emanating from Gaza, especially on Sidh Rutt, have increased.

In January Hamas orchestrated a breach of the border between Egypt and Gaza, and many thousands of people went through that breach. And again at the end of February, just a few days ago, they launched an increase in rocket attacks, which fueled a violent confrontation with the Israeli Defense Forces.

To defend the citizens of Israel, and after a fatality, military operations ensued in Gaza. The people on the Israeli side of the frontier are not the only ones to have suffered from these actions by Hamas. The citizens of Gaza also suffered. Israel has restricted the flow of goods and services, including electricity and fuel products, from Israel into Gaza.

Eighty percent of Gazans rely on some form of international assistance for many of their basic needs, including even food. People have been without heating, electricity, and potable water for ex-

tended periods of time, which is particularly difficult during the winter.

As the supplies of goods have dwindled, there has also been an increase in the smuggling, which takes place principally over the land border—under the land border from Egypt to Gaza. This is a very profitable business, as you know, Mr. Chairman, and it puts a strain on the effort to interdict it along that border. Egypt is working to address that problem, but it does remain a significant challenge, which we can go into in our later discussions.

As Secretary Rice said last year, we are not going to abandon the citizens of Gaza. Gazans are not all Hamas, and Hamas is not Gaza. A significant portion of the contribution America makes to UNRWA in the last year went to support basic services and humanitarian assistance for Gaza. This provides, this goes to the refugee population there, which, as you know, is a considerable percentage of the population.

Beyond UNRWA, we also have provided from our own assistance resources \$17 million of humanitarian assistance to Gaza in 2007. We are going to provide a similar level of support in 2008. And just a couple days ago, Secretary Rice announced that in Fiscal Year 2008, our contribution to UNRWA would be \$148 million.

Mr. Chairman, as you mentioned, in recent weeks I spent a lot of time on this and other issues related to the negotiations between the Israelis and the Palestinians, working with our partners in Israel and the Palestinian Authority, and with Egypt.

Our objectives are pretty straightforward. They proceed from a base line that we should do everything we can to protect the security needs of Israel, the Palestinians, and Egypt, to address the humanitarian needs of Gazans, and to support the longer-term objective of returning Gaza to the control of the Palestinian authorities, the legitimate Palestinian Authority.

As part of that effort, we address the possibility that these parties might together find a way to relax or open the border crossings, and regulate them in a secure fashion, so that flows of necessary goods and services would proceed unimpeded.

We are working with others also to achieve these outcomes. There is good support from the European Union for this, these objectives. And I would say from the international community more broadly. And we coordinate with our Quartet partners with the Blair mission and with others in the region.

The main object here, of course, is a negotiated peace. And that has never been an easy task for us, or for previous administrations. If it were easy, it would have been accomplished a long time ago. That is the effort we will persevere with. There have been regular meetings at the summit level between Israel and the Palestinians since Annapolis. I expect those summit-level meetings to continue, Mr. Chairman.

The negotiators who work on behalf of Israel and the Palestinian Authority have continued their meetings. There was some attention given to a call for suspension of negotiations by President Abbas recently. We have confirmed his commitment to continue those, and those in fact are still underway.

At the request of the President and Secretary of State, General William Fraser has begun work with the parties to work on the

roadmap obligations that you mentioned. He is already out in the area again, and one possibility is that we will have a trilateral meeting between General Fraser, the Israelis, and the Palestinians to look at these obligations in some detail, perhaps toward the latter part of this week.

The Secretary of State's Special Envoy for Regional Security, General Jim Jones, has visited the region twice. He was just there, in fact, and is engaged in discussions about long-term security with all those who might play a positive role in this respect.

And our Security Coordinator, General Keith Dayton, has made substantial progress in his mission to bolster the capabilities of the Palestinian Authority's legitimate security forces.

Thanks to support from the Congress, we have been able to reprogram some assistance money that is directed toward that objective. And as we speak, there is a battalion of over 600 national security forces being trained in Jordan, along with a contingent of over 400 members of the Presidential Guard also being trained in Jordan.

We plan, if we receive the additional funding from Congress, to increase this assistance at its pace, this year and next.

We are also doing some specialized anti-terrorism training and vital installation training for other members of the Presidential Guard. This is done through the State Department's Bureau of Diplomatic Security. These forces have been active also, not the particular ones that are being trained, but their colleagues in the national security forces have been active in the NABLOS security effort that Prime Minister Fayad has led.

As you know, the Presidential Guard is key to the United States, too, for other reasons, because it provides a traditional VIP protection for President Abbas and some of his colleagues, but also for visiting dignitaries, including people from Congress such as yourselves.

We contrast these positive efforts, Mr. Chairman, to what we see coming from Hamas, I believe with the instigation and support from other adversaries of the United States and Israel in the area. Hamas has a deliberate, long-term, and methodical program to attempt to undermine the legitimate leadership of the Palestinian Authority. It has partially succeeded in that in Gaza, presenting us with very difficult policy issues and choices, and presenting Israel with a set of bad alternatives, as well. There are no easy choices on how to deal with this situation.

At the heart of the problem is Hamas' continued refusal to accept the standards of behavior that others in the region, among the Palestinian leadership, and in the international community all have accepted.

I don't see any relenting in this effort on their part, Mr. Chairman. I think in fact we have to prepare that it will continue. The best answer is that negotiations would succeed, and present a reasonable political alternative, so those Palestinians who want to make responsible choices can see that alternative.

I think if we do that, then we will have provided the moderate leadership of the Palestinians, led by President Abbas, Prime Minister Fayad, as well as those friends of theirs and ours in the region who support an effort toward peace, the fundamental alter-

native that they need to counteract what we see coming from Hamas.

Mr. Chairman, I would be pleased in the question-and-answer period to address some of the points you mentioned, and I am prepared to go about that in any manner you wish. I would like to talk more about what it is we are doing in detail, how we propose to use American assistance, some of which is still pending before Congress, and how we deal with this problem of Gaza and the work that we have been trying to do to address it.

Thank you very much, Mr. Chairman. Mr. Pence, good to see you again, sir.

[The prepared statement of Mr. Welch follows:]

PREPARED STATEMENT OF THE HONORABLE C. DAVID WELCH, ASSISTANT SECRETARY,
BUREAU OF NEAR EASTERN AFFAIRS, U.S. DEPARTMENT OF STATE

Chairman Ackerman, Representative Pence, Members of this distinguished subcommittee, thank you for the opportunity to speak to you today. I will focus my remarks on the Administration's efforts to support the Israelis, Egyptians, and Palestinians as they work to address the situation in the Gaza Strip. I will also address how the situation in Gaza affects our overarching objective of realizing peace based upon the establishment of an independent, democratic and viable Palestinian state living alongside a safe and secure Israel. The increased violence emanating from the Gaza Strip over the past several weeks and Israel's military responses complicate these efforts, but strengthen our resolve to complete the task. Peace between Israel and the Palestinians is one of the Administration's top foreign policy priorities for 2008, as demonstrated by the Annapolis Conference, by President Bush's travel to the region in January, and by Secretary Rice's intensive travel and engagement over the past several years.

Secretary Rice and I returned from the region at the end of last week. The Secretary's trip was focused on ensuring that the peace negotiations launched in Annapolis stay on track despite considerable challenges. One of the principle challenges facing all parties is the current situation in Gaza, the home to 1.5 million Palestinians and an integral part of a future Palestinian state. The Gaza Strip is currently dominated by HAMAS, a terrorist organization that rejects Israel, rejects the legitimate leadership of the Palestinian Authority, and rejects the non-violent efforts of those parties to create a lasting peace.

The situation in the Gaza Strip is volatile and the trend since Israel's withdrawal has been downward. Last summer, HAMAS launched a coup against the legitimate Palestinian Authority. In late January, HAMAS orchestrated a breach of the Gaza border with Egypt. At the end of February, HAMAS initiated an uptick in rocket attacks against innocent Israeli civilians, forcing Israel to respond in self-defense.

The latest outbreak of violence highlights just how much work remains and how desperately both Israelis and Palestinians need a sustainable peace. President Abbas initially announced a delay in negotiations, then reaffirmed his commitment to the negotiating process and agreed, as Secretary Rice announced in Jerusalem, to resume permanent status discussions. President Abbas also swiftly denounced terror against Israeli civilians, including in the immediate aftermath of the March 6 Yeshiva shooting in Jerusalem. Prime Minister Olmert stated that the negotiations would continue despite the violence against his citizens.

During the nine months since its mid-June 2007 violent takeover of the Gaza Strip, HAMAS has attempted to hold the population of southern Israel hostage. Sderot has been barraged almost daily with rocket attacks resulting in one death, dozens of injuries, damage to property, and a constant sense of fear and insecurity. In defense of its citizens and in the wake of civilian fatalities, Israel took action in late February, with military operations in the Gaza Strip. Far too many innocent Israeli and Palestinian civilians have been killed or wounded as violence has spiraled, but the responsibility rests squarely with HAMAS.

Clearly Israelis have not been the only ones to suffer; the civilians of the Gaza Strip have been held hostage by HAMAS's extremism. In response to frequent rocket and mortar attacks against its citizens, Israel restricted the flow of goods and services, including electricity and fuel products, from Israel into the Gaza Strip. The closures have contributed to deteriorating living conditions for ordinary civilians. But as supplies of essential goods have dwindled, we have seen an increase in smuggled goods from Egypt to the Gaza Strip which go beyond essential goods and in-

clude cash and illicit contraband, all of which profit HAMAS. This increased black market demand and the subsequent increase in smuggling activity has put an additional strain on the Egyptian security services operating on the Gaza-Egypt border. Egypt is working to address the problem, but the situation remains a significant challenge. Meanwhile, according to current reports, 80% of Gazans rely on international assistance for two-thirds of their basic needs. People are without heating, electricity and potable water for extended periods of time. Childhood illnesses related to malnutrition have increased dramatically.

Israel has stated at the highest levels that it will not allow a humanitarian crisis in the Gaza Strip as a result of the prolonged closure. During the last two weeks, even as the Israeli military was conducting operations in Gaza and Israeli cities were hit by rockets, Israel continued to approve the transfer of basic humanitarian goods into the Gaza Strip, and the transfer of wounded Gazans into Israel and Egypt for treatment.

As Secretary Rice vowed on June 18, 2007, the United States has not abandoned the innocent residents of the Gaza Strip. The United States is supporting the people of Gaza through ongoing humanitarian projects to improve water and sanitation networks, health programs, and other relief efforts, and through our annual contributions to the United Nations Relief and Works Agency for Palestinians in the Near East (UNRWA) and the World Food Program (WFP). In 2007, we contributed \$154.15 million to UNRWA. A significant portion of our UNRWA contribution helps to support basic services and humanitarian assistance for over one million Gazan refugees. Beyond our assistance to UNRWA, the United States (through USAID) provided approximately \$17 million in humanitarian assistance to Gazans in 2007, including \$7.4 million for WFP activities in the Gaza Strip in 2007. We intend to provide a similar level of support in 2008 and on March 4 Secretary Rice announced an FY 2008 contribution to UNRWA for \$148 million. All U.S. assistance to the Palestinian territories has been, and will continue to be, governed by strict accountability and oversight mechanisms to ensure that taxpayer funds do not fall into the wrong hands.

We are persevering in our efforts to realize the President's vision of peace. Prime Minister Olmert and President Abbas have held regular meetings since Annapolis, and their negotiators are also meeting regularly. The United States will continue to encourage progress. At the request of the President and Secretary of State, Lieutenant General William Fraser has begun his work with the parties to promote their implementation of their obligations under the Roadmap. The Secretary's Special Envoy for Middle East Security, retired General Jim Jones, has visited the region twice and is engaged in discussions about long-term security with both sides.

On the ground, the U.S. Security Coordinator, Lieutenant General Keith Dayton, has made substantial progress in his mission to bolster the capabilities of the Palestinian Authority's security services. As part of that mission, a battalion of over 600 Palestinian National Security Forces officers is currently being trained in Jordan and we plan, pending the appropriation of additional funding from Congress, to train additional battalions this year and next. A 460-man contingent of Presidential Guard members is also currently being trained in Jordan to improve their law and order abilities, and the State Department's Bureau of Diplomatic Security is conducting specialized VIP and vital installation training for Presidential Guard officers.

In mid-February and again last week, I conducted intensive consultations with our partners in Israel, Egypt and the Palestinian Authority. We discussed ways to work together to protect the security of Israel, Egypt, and the Palestinians, to address the humanitarian needs of Gazans to allow a return of economic activity, and to support the return of the Gaza Strip to the control of the Palestinian Authority. I urged the three parties to find ways to open and regulate border crossings to ensure uninterrupted flows of necessary goods and services to Gaza. We intend to maintain our engagement with the parties to achieve these outcomes. Support from the United States, the European Union, and the rest of the international community is essential, and active coordination among Quartet members will be required.

Mr. Chairman, the situation in the Gaza Strip has commanded much attention in recent weeks, but progress toward a lasting Palestinian-Israeli peace must remain our focused objective. We cannot afford to allow HAMAS or any terrorist group to succeed in undermining the legitimate leadership of the Palestinian Authority, which has continued to denounce terror and reaffirm its commitment to a Palestinian state living side by side with Israel in peace and security. Secretary Rice said on March 5, "There are enemies of peace that will always try to hold hostage the . . . Palestinian people . . . We cannot permit that to happen." We mourn the innocents that have needlessly lost their lives as a result of this conflict, and we are committed to ensuring that the negotiations between Israel and the Palestinian Au-

thority continue despite the violence so that future generations may be spared a repeat of these events.

At the end of the day, success in the peace negotiations between Israel and the Palestinian Authority is the best way to ensure greater security for Israelis and Palestinians, including those in the Gaza Strip. When presented with a peace agreement that gives the Palestinian people the opportunity to have a viable, independent state, we believe the majority of Palestinians in both the West Bank and the Gaza Strip would support such an agreement. Providing the Palestinians with this choice would demonstrate that the responsible leadership of President Abbas can deliver results and address Palestinian national aspirations, and make clear to the Palestinian people the fundamental failure of violence.

Thank you, Mr. Chairman. I would be pleased to take your questions.

Mr. ACKERMAN. Thank you, Mr. Secretary. Before we attempt questions, as this vote has begun, I think that our ranking member would care to make some opening remarks.

Mr. PENCE. Thank you, Chairman. Thank you for the courtesy.

I want to welcome the Assistant Secretary back to the subcommittee, and would ask the chairman's leave in unanimous consent to submit my full opening statement for the record.

Mr. ACKERMAN. Without objection.

Mr. PENCE. I always tell my staff I never get tired of being right, but Gaza comes close. I appreciate the optimism and determination that you expressed today in your testimony, but I am greatly concerned about what has been accurately described as the world's first truly terrorist state in Gaza. And how we confront that, hope for confronting that, I can't think of a better public servant for such a time as this than our witness today, Mr. Chairman. I am grateful for his service. I look very much forward to our dialogue about where we go from here, and what the real prospects are for achieving a solution and stability in the region.

I yield back.

Mr. ACKERMAN. We will try to get in a complete answer to at least a question or so before we respond to the call of the chair.

Mr. Secretary, just a few days before President Bush's term ends, President Abbas' term will end, as well. There has been an awful lot of attention as to who is going to be the next President of the United States, and very little attention given on who is going to be the head of the PA.

So I will ask you to take the first shot. What happens when Abu Mazen finishes his watch? Will there be an election? Will it include Gaza? Will the administration continue its policy of leaning on the Israelis and the Palestinians to let Hamas compete in elections, contrary to the Oslo Accords, which basically set up the mess we are in right now?

How would an election proceed? Who would the candidates be? Or 9 months from now, some day at midnight, does the whole peace process turn into a pumpkin? Let us try that before we vote.

Mr. WELCH. Well, that is a good one to start with, Mr. Chairman.

Sir, among the—in this region, which has a deficit of freedom and democracy, the Palestinian political community has long stood out as one of the more open, pluralistic, liberal with a small L. We have, four successive American administrations have tried to promote the idea of political participation and democracy among the Palestinians. It is a feature of the Oslo Accords, as you mentioned. It is in the roadmap, and it is part of our policy and this administration's policy.

When there is a political transition among the Palestinians, the United States' preference should be, in my judgment, that that be a democratic one. I would favor, looking ahead at that prospect, the participation of every Palestinian who can participate.

Our object is not to look at the particular parties or groups, per se, and not to disenfranchise any of the people from their right to speak, including with their vote. I can't foresee what the circumstances would be when President Abbas concludes his term. Ideally, and certainly one aspect of our effort here, is to create a situation where that vision of statehood, that promise of freedom is made more tangible for Palestinians, so that they can look at what qualities they would want to see in their next generation of leadership. Would it be those that are promoting the path of peace, or those who are presenting its alternative? The path of violent resistance, even by terrorism.

President Abbas and his colleagues in the Palestinian Authority Government, this Palestinian Authority Government, are committed to the path of negotiations to arrive at negotiations at a state through peaceful means. We don't see any deviation in that on their part, and they have restated that commitment to us as recently as last week, sir.

Mr. ACKERMAN. Well, by way of comment, I might agree with you that the Palestinian people, by virtue of predisposition, are probably among those in the Middle East that we would call most likely suitable for liberal democracy, with a small D, small L. But nonetheless, have historically never been nationally organized under any unified leadership.

And you cite probably with great moral authority, to which I would agree, you don't want to deny any Palestinian who wants to participate in an election from exercising that democratic right. But I do want to recall that under the terms of the agreement between the Israelis and the Palestinians going back to Oslo, whatever anybody thinks of Oslo, both sides had negotiated that nobody on the Palestinian side would be permitted to participate in an election who was sworn to violence or took up the gun in order to resolve differences among the peoples or the parties.

And the reference that I made before is we kind of weighed in and said let them run in the election, because they are going to get trounced anyway, which was another tremendous misreading of where the Palestinian are going to wind up in that election.

So my question goes back to that. I am not going to let you answer until we come back, because I want you to think about it, and I have to vote. But do those who are sworn to violence have a right to participate? Those whose policy in the end, if they get elected, would destroy Israel? Stated policy, *raison d'être*, written in documents, sworn to and adhered to, should they be allowed to participate so they now head up a government, should they be successful, that wants to destroy their neighbor?

We stand in recess until the call of the chair.

[Recess.]

Mr. ACKERMAN. The subcommittee will resume. Thank you for your patience, Mr. Secretary.

I think I posed a multi-faceted several-part question, and take it from the top.

Mr. WELCH. I don't believe, sir, there is a fully satisfactory answer to this question. There is some—the Oslo provisions, in the view of the Palestinians, had a couple of complications.

First, I think their review of those commitments suggested that in order to assert qualifications for participation by parties in elections would require some further legislative change on their part.

Second, the Accords were adopted at a time when Hamas and certain other parties too were boycotting both the Oslo process and any elections, any prospective elections, as well. So they probably perceived a different degree of political risk in the decision at the time.

And finally, if they were to have a legislative change, it would have to go through their legislative counsel. And that was then, and is now, complicated to get the votes in favor of that. That was their judgment at the time.

Our own was somewhat different. I mean, I think the reason I alluded to the right of people to participate in the election before is because we felt that it would be wrong to put any hindrances in the path of individuals to participate in the elections. And there would be some risk that they might self-select themselves out of political participation if they felt that there was some political engineering done in who they could vote for. There were also complications geographically in which Palestinians could vote from certain areas.

Finally, I think, you know, if you look down the road, having another election among Palestinians in the Palestinian territories, because of Gaza it is going to be enormously complicated. I think that under present circumstances, it is probably impossible to conduct a fair election in Gaza, which is an additional and unexpected impediment that has happened the last several years.

Mr. ACKERMAN. Who are the candidates going to be?

Mr. WELCH. For the Presidency, sir?

Mr. ACKERMAN. Yes. They are not here.

Mr. WELCH. That would be a harder answer to give here.

Mr. ACKERMAN. Yes. I hope we have studied that more than we have studied—let me ask you a more specific question.

Have we gotten any indication from Mahmoud Abbas that he will or will not be a candidate?

Mr. WELCH. No, sir. No, sir.

Mr. ACKERMAN. No indication.

Mr. WELCH. No. And to be honest, I have not asked him.

Mr. ACKERMAN. Well, maybe it would be a good idea to get some kind of idea. Because if it is not his intention, are there likely people that we think could do a good job? I am not asking who we would support, because I know we don't do those kinds of things. But are there any number of people who we would not be very unhappy with, we think would be capable? And to whom keys to Gaza and the issues could be entrusted?

Mr. WELCH. Well, if the previous elections are an indication, and of course Presidential elections have been sparse, the example, the legislative elections is probably better. There are a number of parties contested. There were some people who enjoyed what you might call a national following.

You know, I have the sense among Palestinians of a lot of commitment and seriousness about their politics. So when it comes to it, I am sure there will be candidates. I just, I don't know if it would serve the cause of finding the right candidate if the United States were asking about it in that manner, sir.

I think we want to see a process that is fair and open, that elicits good leadership, that accepts the kind of principles that we have.

Mr. ACKERMAN. Therein lays the rub. We don't want to interfere with the process, but we do want to have somebody to our liking if things are, come out right, whatever that means in the end.

I am sure that there would be some people with whom we would be highly anxious about. If there were high-profile people on terrorist lists, for example, running for the Presidency, I am sure we wouldn't just sit idly by. We might be giving people advice or whatever.

And if the outcome of the election, this democratic election being that we are saluting the process, my view is it is difficult to salute and observe the process and not go along with the results. If somebody much to the liking of the terrorists, rather than ourselves, were to be elected as the President of the Authority, they would pick somebody for Prime Minister who was completely unacceptable from our perspective and the Israeli perspective, and the perspective of peace, could we deal with such a person? If we are not going to deal with such a person, it seems that we are almost obligated to try to weigh in somehow, without being seen as, or actually indeed interfering with the democratic process of people we would hope to be able to be free and make independent decisions. And what do you do about that?

Some of us have been advocating before you get to that step, make the guy that you have look a hell of a lot better than he looks right now, and do it as early as possible, so that you don't wind up in the situation. We have not done that very well. We have come in late, and with too little, too often. And that is my concern.

We don't give this enough thought ahead of time before the process. You know, I said with regard to Afghanistan, rather to Pakistan, that we have to get more than one general's phone number. You know, you can't put all your money on one horse. If people don't like gambling, talk about eggs and baskets, I guess, but you can't put all your money on one horse, especially if that horse isn't going to be in the race.

Right now we are betting on a horse without even knowing if he is entered. You know, by predisposition, I think he might rather be doing something a lot easier than he has been doing for the past few years. By sense of obligation, I don't know what his decision is going to be, but I think it would be helpful if we had a clue, so that we could begin, late though it is, something that resembles a planning process with things in it that say what if. That is a strong suggestion. It is not based on political considerations, but just common sense, I would think.

Mr. WELCH. I don't think there is too much of a gap between us in concern about the answers to those questions, sir.

In the case of before Oslo and the PLO, we set out certain criteria for which, that they would have to meet. And then we would, if they met them, have a relationship with them. Those criteria are

quite similar to those that the quartet set out for the new Palestinian Government after the election of Hamas and the PLC elections in January a couple years ago.

That is, there has to be a recognition of Israel's right to exist. There has to be a renunciation of violence and terror. And there has to be an acceptance of the agreements set that were negotiated before, including Oslo.

Mr. ACKERMAN. Well, that being known, stated, and understood, we should be looking for people that fit that bill, and helping suit them up.

Mr. WELCH. And sir, there are——

Mr. ACKERMAN. I mean, there are primary courses you give people before they apply for the college exams.

Mr. WELCH. Sure. There are those people, and the current leadership of the Palestinian Authority does accept those principles, is committed to them. And some of them may well——

Mr. ACKERMAN. I am not talking about them; I am talking about us. I am not asking you to name names, or really if you have any names, but I am putting this out there to suggest that you do, and suggest that you don't announce them even if you did. I mean, if——

Mr. WELCH. Well, that is probably prudent advice, sir.

Mr. ACKERMAN [continuing]. Some babe stepped forward and said some governor was a wonderful man, it wouldn't help his case. I don't think us endorsing, you know, a potential Palestinian candidate heretofore unknown would enhance his or her chances at all.

But I just think we should be more proactive in figuring out what is going to happen, instead of reactive and saying well, because you did this, you have got zippo. We cut you off, we are not going to talk to you until you change who you are. Maybe it is easier to affect who they are going to be, what they are going to be, if they are going to be——

Mr. WELCH. I mean, circumstances, sir, may well be that this could be thought through, maybe even enacted in some manner among Palestinians at that point. The political context right now is obviously not right for that. I mean, you are not going to get the Legislative Council to meet because it doesn't have a forum. And if it did meet, it wouldn't pass such a decision right now, given its representation.

And sir, I think you are absolutely right. We wouldn't want to be in the business of anointing individuals. But your point is well taken. And as elections or any other popular referendum or decision approaches, I think the argument has got to be very carefully made so the Palestinian people understand the nature of the choice they have. And what are the principles the international community will bring to the recognition of, and interaction with, whoever it is they are picking?

Mr. ACKERMAN. Not to beat a dead horse, my suggestion is that we should just be looking around, making a list of what the potential inventory is. And I am not suggesting you reveal it, publicize it, do anything, not do anything, but just take a look at it and figure out what it all means, and what the options might be as we might move closer, should Abu Mazen decide he is not the guy any more.

Let me ask another question based on my opening statement, and maybe you can address them. The President is committed to giving \$150 million in cash to the Palestinian Authority. What is that going to get us? What are the reforms you either expect or insist upon as a result of that \$150 million? How is that going to make the PA stronger and more politically viable?

Mr. WELCH. We have three general uses for the funds that we request from Congress currently for the Palestinians.

First, traditional project assistance, Mr. Chairman, which, as you know, is done directly, rather than through the Palestinian Authority Government in almost all cases.

Second, some security-related funding. And this supports the trained mission that General Dayton leads.

And third, we have asked for funds to provide budget support to the Authority.

Now, the way this would be done with the Authority is we would expect from them certain things. First, we have an understanding about what they are going to use the money for.

As you know, right now they have a very pressing financial need literally to operate the Authority.

Second, we want to assure that, not just for these funds, but for any funds, including those that other donors might provide, there are procedures in place that ensure that money is properly spent.

Third, we want to, we want the conviction, and we certify to Congress in this respect, that the Palestinian Authority is acting against terrorists, confiscating weapons, and working to dismantle terrorist infrastructure.

You and Congress have also asked us to seek some additional reforms and assurances. And we are doing that, sir, though the work is not fully complete on that. This relates to any funding above the \$100 million that we have asked for for cash-transfer assistance.

There are a number of provisions there. First, that there is a single account for all Palestinian Authority financing. And all financing would go through that account. And third, that there are no other parallel financing mechanisms. And finally, to regularize the table and roster of the Palestinian Authority.

We are in the process of seeking those corrections, changes, and assurances from the Palestinian Authority Government now, as we speak, in order to be able to address the certification requirements on the additional \$50 million that we have sought.

Prime Minister Fayad leads a government that in our judgment is one of the most reform-oriented in the area, not just historically among Palestinians. They are very committed to improving the instruments of governance where they are able to. And despite the hindrances that they have because of their limited authority in the West Bank and their lack of authority in Gaza, we trust in his commitment, and we check to make sure that we are sure what our money is used for.

Mr. ACKERMAN. It has been suggested that the flare-up in violence in Gaza is in fact a diversion being orchestrated by Iran and Syria, their Hamas proxy, doing this in order to compel the moderate Arab States that have been backing Lebanon's majority to attend the Arab League Summit, which is supposed to take place this month in Damascus.

The theory is that by precipitating the intense conflict in Gaza against Israel, which of course is then broadcast in very graphic and bloody detail throughout the region, at least the Israeli response; the moderate Arab States will have no choice but to attend no matter how offensive they find Syria's behavior in Lebanon.

My question is, Do you think the recent escalation in violence was externally driven? Or did it just have external benefit? And if it was externally driven, what would that make Hamas?

Mr. WELCH. Mr. Chairman, I can't prove causality here. But there is an exquisite coincidence. Let me give you two examples of what I mean, sir.

In January, mid-January, when the Hamas organized the breach of the border between Gaza and Egypt, to accomplish that breach, sir, required preparation. So it wasn't that some guy woke up one morning and said well, I will go knock down the wall. You had to prepare to do that. So I infer there was planning involved.

But the actual breach and the passage of the people through it took place on the very same day that Damascus hosted a conference of rejectionist organizations in Syria, and publicized it, of course, across the Arab world. So you had, on the Arab satellite TV, the juxtaposition of those two images. Suffering people going through a hole in the perimeter, organized by Hamas, and a conference of rejectionists in Damascus the very same day.

Then again in February, the violence spikes just a couple weeks ago. Right at the time the Arab League is meeting to decide what should be done about its initiative with respect to the elections in Lebanon. And at the very time the Security Council in New York is about to vote on the third sanctions resolution on Iran's nuclear misbehavior.

I can't make a causal connection between these things for you, but that is exquisite timing. Is it externally driven, or does it have these external benefits? Certainly, I mean, benefits is a big word, and it sounds too positive in this case, but it would have been perceived by some—perhaps the Hamas leadership in Gaza and elsewhere—of being of benefit to them. But they may have had their own reasons for doing it, too. I am not entirely sure that the leadership of Hamas in Gaza is 100% responsive to outside Hamas in the same manner it was some time ago.

But they derive their political support, some of their leadership, perhaps some guidance as to what might be useful for them to do, from the outside.

Mr. ACKERMAN. Well, it is obvious that Hamas is not a totally self-sufficient entity; that there are others providing for it, and for its wherewithal. You and I have both been around too long to believe in too many coincidences being possible.

With all that as stated, have we confronted in any way, or made our displeasure known, our concern known to any of these potential external sources that we suspect might have had a role in the planning or execution of any of the violence?

Mr. WELCH. Well, in the case of Syria, both publicly and in our previous diplomatic communications, I don't think they have any doubt that their connections with the Hamas leadership, allowing it to operate from Damascus, they know that this is an element of concern for us.

In the case of Iran, those messages have to be passed basically publicly. And I am sure they understand from reading what every senior member of this administration says that this is an area of concern for us.

My judgment is that those are the most important sources of support, practical and otherwise, for Hamas, including in Gaza.

Mr. ACKERMAN. That they know of our concern. That means we haven't explicitly expressed it?

Mr. WELCH. Well, we don't have any diplomatic contact except for messages through our Swiss representing power in Tehran. So in the case of Iran it is——

Mr. ACKERMAN. Are we utilizing that service?

Mr. WELCH. Yes, sir. In the case of Syria, it is a different matter. That has long been an issue between us and them, and they are fully aware of it. And you know, what you see is what you get in terms of their answer.

Mr. ACKERMAN. How effective is dealing with the Swiss?

Mr. WELCH. The Swiss are effective representatives of what we ask them to do.

Mr. ACKERMAN. Would we be more effective delivering our own messages?

Mr. WELCH. I don't, I don't think there is any misunderstanding on the Iranian leadership about what the United States thinks about this and other areas of concern.

Mr. ACKERMAN. Yes, but it is like a joke; sometimes it is in the delivery?

Mr. WELCH. Well, I have found that they are more inhibited than we are in listening to our arguments. Where we have been willing to sit with them to discuss Iraq, for example, they have shown great reluctance actually to come into that discussion.

Mr. ACKERMAN. I don't know entirely that we should give up trying.

Mr. WELCH. We haven't, and we don't intend to. These are pretty serious things, and——

Mr. ACKERMAN. I mean trying to talk to them directly, if indeed we are trying to talk to them directly. But I am not moving the discussion in that direction.

The President has chosen to put generals at the heart of United States diplomacy regarding Israeli-Palestinian peace process issues. General Keith Dayton is in charge of Palestinian security reforms, and General Fraser is in charge of roadmap compliance. Retired General Jim Jones is responsible for long-term security assessment.

My question to you, as a career diplomat, is does this arrangement make any sense to you? What is it that General Dayton, Fraser, and Jones bring to the table that the State Department cannot offer? Does the presence of these officials create confusion about who is in charge of policy on behalf of the President?

Mr. WELCH. Mr. Chairman, I have worked now some considerable period of time with General Dayton. I have traveled extensively with General Fraser.

Mr. ACKERMAN. Let me rephrase, let me amend my statement, my question.

It is stipulated that all three of these gentlemen are great, terrific, doing a wonderful job, have all of our complete confidence in all agencies, departments, the President, and even that of Congress. This is not a personal question about the ability of any one of them.

My question is whether or not Musharraf should take off the uniform. I mean, you know, are they dealing with a military component of the United States? Are they dealing with a diplomatic component of the United States? Who is speaking for the President? My understanding traditionally of how these things work is that it is usually the State Department. Usually the State Department and not the War Department that would do the negotiating and the clean-up after you win a war, such as Iraq, for example. A lot of people think that part of the problem is there wasn't enough State Department bringing the policy and a greater, broader, deeper understanding.

But this is also a structural question. It goes to the issue of confusion and who is representing our country, and why. I mean, it is not a coincidence that all of these people are generals. Does the President not have the confidence in a civilian State Department?

Mr. WELCH. Well, sir, all three of these individuals report to the Secretary of State, who reports to the President. Each of these gentlemen has I think a distinct mission.

In the case of General Dayton, this is what I would call a traditional train-and-equip effort. And typically across the range of countries in which we have such efforts, the military has played a leading role.

The funding for it is through a State Department contract organized by the INL Bureau of the State Department. So in that sense, it is the traditional chain of command on the issue.

In the case of General Fraser, this is a role where in the past we have experimented with a number of different alternatives. At one point the then-Director of the CIA, George Tenet, had a role on looking at security arrangements between Israelis and Palestinians. At one point General Zenny had a role doing a similar kind of thing. And at other times we have had civilian personnel involved in this.

And this is because we thought that the most important and urgent requirements associated with the roadmap obligations were, at their heart, security-related. We thought it appropriate to use a serving military officer in that role.

In the third instance, General Jones, who is a retired officer—

Mr. ACKERMAN. On that point, whose decision was it to use generals? Was it the President? To use these individuals, was that the President or the Secretary? Did the Secretary bring them in above career diplomats? Or did the President suggest this?

Mr. WELCH. I don't know that I would put them above career diplomats.

Mr. ACKERMAN. I don't, either. But I mean, whose decision was it to put, to select them?

Mr. WELCH. It wasn't looked at in that manner, Mr. Chairman.

Mr. ACKERMAN. Maybe not by you or by me, but I don't know about the people that they are working with.

Mr. WELCH. The recommendations in all of these cases were essentially functionally related. That is, we have an issue that needs to be addressed, and what are the options for addressing it. Each option might have some benefits, perhaps some cost. That is weighed. The recommendation is made to the Secretary, who then in turn checks with her boss, the President. And it is either approved or disapproved.

Mr. ACKERMAN. My question is—

Mr. WELCH. That was the process we followed in this case, for all three of these officers.

Mr. ACKERMAN. My question is, Did this suggestion or selection come from the President down? The White House down? Or did the Secretary say that she wanted it?

Mr. WELCH. Well, I think in each of these cases, this was generated by the State Department. And also—but, you know, because I want to be totally fair in this answer, sir, it doesn't apply only to the generals. I mean, we have had Quartet representatives in the past to which a similar deliberative process was applied.

As you know, with all senior appointments, there may be a higher level of White House interest on any given one. But generally speaking, the White House and the National Security Council are involved in each and every one of these decisions.

Can I mention former General Jones, just to complete the triumvirate there?

Mr. ACKERMAN. Please.

Mr. WELCH. In this case, this is a more, what I would describe as a shorter-term mission, where he is to produce recommendations, views, a report to the Secretary of State on the security issues related to how you do security were a Palestinian State established. What broadly speaking is referred to by many as the permanent status security issues?

Mr. ACKERMAN. Let me ask about a different matter. The characteristics of the sovereign state can be boiled down, I think, to just four. Defined territory over which the sovereign exercise is controlled. Defined population of people. Control over its own government. The capacity to engage in international dealings with other states.

Looking through the eyes of a Palestinian, according to this definition, which comes closer to being sovereign? Palestinian Authority in the West Bank, or Hamas in Gaza?

Mr. WELCH. The Palestinian Authority is recognized; it is a legitimate representative of the Palestinian people. The President of the Authority—

Mr. ACKERMAN. I understand the diplomatic parlance, but I am talking in functional terms of what constitutes a sovereign.

Mr. WELCH. Well—

Mr. ACKERMAN. Not necessarily who we recognize, who we like, who we want to recognize. But who do people see as fitting those four roles? Is it more the Palestinian Authority?

Mr. WELCH. It is President Abbas and/or—

Mr. ACKERMAN. The people in Gaza think that it is the Palestinian Authority that is exercising control in their streets?

Mr. WELCH. Not in Gaza, sir. And Hamas does not recognize this government as legitimate. But the point I was trying to make—

Mr. ACKERMAN. But no, my question—I know what they don't recognize. But what do the people in Gaza think? I am not asking you who they like or who they would vote for next time, but who is performing the functions of a state in the minds of Gazans?

Mr. WELCH. Well, if by that you mean——

Mr. ACKERMAN. I mean those four things. I can state it again if you want me to refresh.

Mr. WELCH. Well, let me give you the complicated picture slightly. Fifty-eight percent of the Palestinian Authority budget is spent in Gaza. So I imagine the people who get their salaries paid by the Palestinian Authority Government——

Mr. ACKERMAN. Yes, maybe 50% of our budget is spent in Iraq. But that doesn't mean that we are the sovereign, or they think we are the sovereign.

Mr. WELCH. Yes, but we have agreed, in that instance, that the Iraqi Government is sovereign, not us.

Mr. ACKERMAN. Yes, but I am talking about what the Iraqi people would think. I am not asking you that.

I am asking you what the people in Gaza think as to who is providing government. Who in Gaza is providing the functions of government that government should perform?

Mr. WELCH. I would argue, sir, that government is not performed in Gaza. That is the problem. The Hamas people claim to be the government authority in Gaza, but in this instance——

Mr. ACKERMAN. Who is providing law and order?

Mr. WELCH. Well, they are not providing either law or order, sir. They certainly have a monopoly on force, or a near-monopoly on force, now.

Mr. ACKERMAN. Who is arresting somebody when they break your store windows, or who riot in the streets on the corner? Is it the PA or Hamas?

Mr. WELCH. It is Hamas. And it is not merely, you know, for rioting or breaking what they understand to be the law.

Mr. ACKERMAN. I don't want to quibble with you, but, you know, I had an answer in mind, actually.

Mr. WELCH. I am sure you did, sir. So did I. [Laughter.] I am trying to persuade you of mine.

Mr. ACKERMAN. We all have the same answer we would like it to be, but I am trying to deal in reality. And I know sometimes, sometimes, from our different perspectives, we don't all want to approach the same thing.

Mr. WELCH. Mr. Chairman, though, my business is to try and change the reality.

Now, you might argue that I am not doing very well in that regard; I respect that judgment. Hamas is a gang——

Mr. ACKERMAN. I believe my business it to change the reality, too.

Mr. WELCH [continuing]. That presently compose that territory.

Mr. ACKERMAN. But of course, you have to recognize what the reality is. And I think it doesn't hurt to admit it. I mean, you know——

Mr. WELCH. In my judgment, Hamas——

Mr. ACKERMAN [continuing]. Hamas very much looks like the government in Gaza.

Mr. WELCH. It looks to me like a terrorist gang that is controlling that territory, sir. Whether they—

Mr. ACKERMAN. Sure, and Mussolini controlled Italy, and Stalin controlled Russia, and bad guys controlled bad places. But it didn't mean that they weren't the sovereign.

Mr. WELCH. Sovereignty is, sir, among other things, a legal characterization. When the Arab League has its summit in the latter part of the month, they are going to invite the elected President of the Palestinians, Mr. Abbas. And he may be represented by others in the Palestinian Authority Government, headed by Prime Minister Fayad.

Mr. ACKERMAN. A problem in—if I can, succinctly—a problem in foreign policy is so often unfortunately reduced to the academic perspective of what we think should be, taking it from there. What we should be doing, if I can offer a view, is try to understand things and see them through the eyes of the people that are directly affected by circumstance and happenstance, that we should be understanding how they are looking at this, in order to figure out what we should do to make it look like we want it to look like. Not just from our perspective, but from theirs.

And you know, the question is, if I asked a Gazan, you know, who he thought was controlling his life, society, his government, his schools, he day-to-day, you know, can I get on a bus, is there a bus—if I ask that question, he is not going to rush to the sources and see who is going to represent them at some international meeting. Or he is not going to rush to the law books or the Talmud to look up what the law says about it. You know, it is who he thinks is providing government services. And we know Hamas isn't doing well, but does he think that they are providing it, or, you know? Who does he think is running the show there? Who does she think?

Mr. WELCH. I believe in Gaza, people there, either because they are frightened, because they have no other choice, understand that Hamas is running the place. I believe they are failing at governing it, otherwise we wouldn't see the problems that it has right now.

I don't believe that they have the ability to conduct foreign relations, because no one recognizes them as the legitimate government.

And finally, they do not fully control the territory, Palestinian territories, even though they are present in Gaza. They have no nowhere near the same degree of control in the West Bank.

Mr. ACKERMAN. I just asked about Gaza.

Mr. WELCH. I understand that, sir. But the Palestinians consider themselves, as you know, one group of people. And so their image of who their government is, I am sure for the majority of them—that is, those people in Gaza who do not support Hamas and the majority of the West Bank—their view of their government is that it is the Palestinian Authority Government, headed by Abbas.

Mr. ACKERMAN. I will pretend that you acknowledged my answer as the answer [laughter] and ask you the following question. How do we convince the people of Gaza to believe that the PA is in charge?

Mr. WELCH. They have to take it over once again. That is not going to be easy. The only path—

Mr. ACKERMAN. Or soon?

Mr. WELCH. Excuse me?

Mr. ACKERMAN. Or soon?

Mr. WELCH. It is not going to be easy or soon, right.

Mr. ACKERMAN. Will it be before or after the election there, for President?

Mr. WELCH. I don't know. But I mean, I think we need to offer a better alternative here. Everybody knows what the alternative—

Mr. ACKERMAN. If you were an election consultant, would you suggest that the PA wrap up a deal with the Israelis based on a vision and a plan, sometime in the next couple of months, and then put it on the ballot as a referendum in Gaza at the same time the Presidential candidates are running? And tie the Presidential candidates in with their vision of a peace plan, and let them run on their plans, or alongside of their plans, with the referendum? I support this referendum if I am the Abu Mazen guy, and I found the terrorist guy. I support, I don't want to say it, but I support something other than, than peace treaty, or the vision, or the view.

Mr. WELCH. I think, Mr. Chairman, regardless of which of the options that Palestinians in the end pick for themselves, it should be their choice. One thing would be common to any of them. And that is, there has to be a different political alternative, a narrative, a tangible vision put in front of the Palestinian people on whom they would exercise a choice.

There are three things that would be relevant there, in my judgment. One is, what is the status of the negotiation? What is the opportunity for statehood that they are looking at?

Number two, what has happened on those issues involving the situation on the ground? Does life look better in the West Bank than it does in Gaza?

Number three, what has happened with respect to economic development and building the institutions of statehood in the period set? Is there more economic life among Palestinians, especially in the West Bank?

If there is some combination of answers to those things which is better than what we see now, then there is a real decision to be put in front of the Palestinian people. It is up to them how they would frame that. You know, is it a Presidential election? Is it a referendum? Is it a legislative election?

I suppose in the abstract they would have all those options before them, but that is their choice to make.

Mr. ACKERMAN. I am not suggesting that we make their choices. There will obviously be choices that they could make from the panoply of choices that might be before them that would be very satisfactory, somewhat satisfactory, okay, unsatisfactory, or very unsatisfactory, from our perspective.

And I would think we should have some kind of thought or strategy to try to get a better outcome, and to try to help them to understand things that we would like to have them understand in order to facilitate their process without us dictating what the end should be.

And I would think that what we should be looking at are those ways to strengthen the hand, at least supply the tools and the apparatus, which I know is our intent, to the people who would be

running on the good-guy platform. So that indeed, they are viewed as people who can deliver services.

Because in my humble New York street-fighting politician way, I think that you have to have Abu Mazen and company understand they have to do several things, in addition to cleaning up the corruption, getting rid of the old guard, looking like it is about change. That salient message is cross-generational and across nationalistic lines. People think things are going in the wrong direction, they want change.

I don't know that a lot of Gazans think things are going in the right direction. I don't know that there are a lot of Israelis or Palestinians in the West Bank who think that things are going in the right direction. And I think that one of the things our role should entail, other than just cheering from the sidelines, is placing heavy bets, providing wherewithal to help decide the parties facilitate what they each innately know that they really want. And that is some kind of a deal and compromise.

I would suspect, and I am just thinking this out loud, that the Ackerman plan that I just threw out as a test to see what I thought about it as I said it. It is perhaps working at some kind of concept or vision in tandem with the Presidential race, when the people have to make a decision. Otherwise they are voting their choice between the unacceptable and the incompetent. That is a hard choice if you have not had services delivered in a while.

I think the reason that Fatah lost the elections, legislative election, was basically because people didn't view them as capable of providing the services that people expect from their sovereign, or their state, or their government, or their administrator. I think that is where our role has to be, not just standing by and cheering. Thinking further ahead of the curve than we have been doing if we are going to provide money to the guys we want to see win. Even though we may not be ecstatic about who they are, some people have different views; I think most people think they are a far sight better than the guys we might have, or are most likely to have if it is not them.

So it might not be the best horse we can ever envision, you can't beat somebody with nobody. And if the guys we have are the guys we have got, we had better act a lot quicker or supportively.

Mr. WELCH. Your points are very well taken. In the case of this present Palestinian Authority Government, I think the majority of the government is independent, with only a couple of Fatah members in it. It is not really a Fatah government, apart from the President.

Mr. ACKERMAN. I am not sure that there are any Fatah members in it.

Mr. WELCH. And they are the ones who are trying to do what you described.

Mr. ACKERMAN. Together with city manager kind of government, it is probably as good a group of people as you can find.

Mr. WELCH. I mean, you have met with them, Mr. Chairman. You know these are well-intentioned, serious people who are trying to do a hard job with limited resources, and deserve, I think, our support and that of others. And I hope they get it.

I mean, the message you have about delivering to constituencies, that is spot on. I couldn't agree with that more. Some of the political architecture that historically has been the Palestinian movement hasn't delivered to Palestinian citizens.

Now we have a timeline that calls for some urgency on their part in making these decisions, making those changes. Again, I believe that the thing that is common, whatever solution comes out here is they have to have some vision of what their state is going to be like. Is it going to be meaningful to them, is it going to motivate them to make the right choices.

Number two——

Mr. ACKERMAN. Why not marry that up with the Presidential election, so the outcome doesn't come out bad?

Mr. WELCH. It could very well be that that is the case.

Mr. ACKERMAN. Could we talk about that some other time?

Mr. WELCH. It could very well be, sir, that that is the case.

And then second, something has to happen on the ground, too, so they feel their lives are better.

And third, Palestinian areas have to have greater prosperity. I mean, there has to be economic development. These institutions have to work, to have a functioning legal system. Law and order has to prevail in those areas that they control. If all those things are done, I mean, I think there will be some security reassurance for Israel, too. It is not completely an answer to their security concerns, but it is an important part of the answer.

Those are the things that we are working on.

Mr. ACKERMAN. Mr. Secretary, before I ask you what Israel can do to grab on not too tightly to that political third rail, what Israel can do to be more helpful to their own cause in processing along. And I turn to the vice chair, Mr. Klein.

Mr. KLEIN. Thank you very much, Mr. Chair. And thank you for calling this meeting. And Ambassador, it is good to see you. I have had the opportunity to speak to you before, and I appreciate you joining us today to talk about this issue a little bit.

A couple questions that I have, Mr. Chairman. We have had a chance to meet with some of the Palestinian leadership that has been in Washington over the last number of months. We had the chance to meet the Foreign Minister of Israel a couple days ago. All of us followed up from the Annapolis meetings and, you know, what has happened, what hasn't happened, the critiques of both sides. And unfortunately the event that took place a week ago has put a pall over, you know, the commitment. Not necessarily from the authorities, but certainly it creates more tension and more anxiety.

But specifically, and recognizing as I do that President Abbas is the better of the two situations that Israel has to negotiate with, Israel is always at a, is at a difficult position of trying to work out something and make commitments to the Palestinian Authority, when Hamas is out there attacking with rockets and various other threats.

So it is difficult, as I understand it, from the Israeli people's point of view, to feel confident about either unilateral action, or even agreements, commitments, in exchange for commitments by the Palestinian Authority, when Hamas, which is not the friend of

the Palestinian Authority, is out there doing things totally on the opposite end, threatening Israel.

That being said, Mr. Abbas, as you are aware, made a statement on February 27 in a Jordanian newspaper. And a quote which I think many people felt needed clarification was, "At this time, I am against arms struggle because we cannot achieve it. But things might be different in the coming stages."

That obviously has some ominous tones to the second part of this statement. And although we would like to believe that Mr. Abbas' intentions are to negotiate in good faith, that obviously calls that into question. And Saeb Erekat, Mr. Abbas' chief negotiator, wrote a letter after that a couple weeks later to the U.S. Consul General clarifying the comments, and saying they were taken out of context.

I guess the question I have, because this obviously raised a little bit of a firestorm when the statement was made by Mr. Abbas, is did we, our Government, ask there to be a clarification of this, and to publicize or to discuss this letter and clarify it? Because it appears that there is a little bit of a good guy/bad guy thing going on here, that a message is being sent, you know, with a little bit of a threatening tone. And then, you know, Mr. Erekat is sort of cleaning up a little afterwards, saying it was out of context.

Can you give us your thought on what it is that you interpret from that statement? And because soon after that, you know, again, we are releasing more money to the Palestinian Authority. And I would agree with the chair that it is the better of the two bets, but still presents a lot of concerns to the American people in giving money when we question the true intent of the parties.

Mr. WELCH. Thank you, Mr. Klein. It is good to see you again, sir.

When I read this statement, and I saw it pretty quickly after it came out in the Jordanian press, I have to say I was surprised and dismayed. It also coincided with another issue, which was as the violence in and from Gaza was escalating, it appeared that the Palestinian Authority decided to suspend the negotiations that they had underway. That is a particularly problematic development, were it to have taken hold. Happily, it did not.

So what we did, sir, at the time is we asked about, what do you mean by a suspension of negotiations? After all, we are working to have these negotiations. We established them because you wanted them. The other side is committed to them, and has suffered from terrorism itself, and has not suspended negotiations. So where is it you propose to take this thought?

As you know, Mr. Erekat, who is the chief negotiator along with Abu Alla for the Palestinian Authority, did send us a letter in response to our queries about the specific items in the Jordanian press. And he restated the commitment of his President to the negotiations there. He repeated that that was the path that all of them have chosen, and that there is no other path. And that they intend to continue on that until they get their goal of realizing statehood.

They also repeated a commitment to all of the agreements, including those that we are associated with. And negotiations, Mr. Klein, have resumed, sir. So any pause was very, very brief.

This is a matter that was taken up directly by Secretary Rice, myself, and our representatives on the ground. I feel that President Abbas is a serious man, committed to peace. As you know—you know him, sir—he is not an individual who believes in violence and terror.

These are very, had been very emotional times for Palestinians, and for Israelis, too. It is to the credit of both, I think, that they have weathered at least this period, which I think, as I mentioned before you came in, sir, was certainly associated with perhaps some outside instigation, and have come through with the negotiation process restored. That is absolutely fundamental to what we are trying to accomplish here. And the only way we can do that is with a responsible Palestinian partner. We believe that they are committed.

Mr. KLEIN. Mr. Chairman, if I can follow up.

Mr. ACKERMAN. Could I just make a comment on that? Just kind of listening, to get a better understanding of where we are with a lot of things.

I am trying to understand on this question, the statement that Mahmoud Abbas made to Saeb Erekat that we are all concerned about, in a different context, those of us who insisted on a position vis-à-vis our discussions or posture with Iran, that we not take the military option off the table, and say all things are on the table in order to put pressure on the process. And then we couldn't understand why the other side saw that as provocative.

And here we are. And why would they put that on the table as an option? Isn't that provocative? And I think we have to step back, just to understand, if we had to move any process forward, understand how the things are seen from the other side. Because sometimes we do what we criticize in a different venue. And I think that we have to look at these things from all perspectives.

That doesn't make the threat of the concern that we have shared on this, because I expressed it.

Mr. KLEIN. And we know very clearly—and Mr. Welch, I think you are a great educator to us on this—language is very important. Very important. And message delivery and what—I mean, a big criticism of Arafat over the years was he was speaking out of both sides of his mouth. And there, he truly did.

And you know, so obviously there is a question of faith, and there is a question of trust. And it is very important that the leaders on all sides say what they mean, and send clear messages. And you know, recognizing that on the Israeli public side, they have got to take some leap of faith. I think there is a lot of question about unilateralism any more, about steps that they took and whether that was good, Gaza being a prime example.

And when the Foreign Secretary was here the other day, she said listen, we went in Gaza, and we came out unilaterally with a view that we don't want to go back. What are we supposed to do when the rockets are coming down? Which is, if I can, Mr. Chairman, to segue to my next follow-up to this.

And that is, you and I have had the chance, Mr. Ambassador, in the past to talk about the security or the lack of commitment or the follow-through on the Egyptian side of Gaza, in the sense that rockets and military weaponry keep coming through there. There

may be a couple other places, but substantially most of it is coming through that avenue, whether it is tunnels or otherwise.

And this continues, and it seems to me that, you know, we in this Government need to take a stronger position with the Egyptian Government. Egypt is a very large benefactor, as Israel is, of the United States. And expectations are high, and should be high, that they do what they need to do.

This problem with the rockets just raining down in the Israeli areas, the cities, is a continuing problem. And the notion of a cease-fire is a wonderful idea, unless it is used as once again an opportunity to load up the next 1,000 rockets to rain down at some point in the future.

So it is not too simple to say that, you know, the incursions by the Israel military into that area would stop if the rockets stopped. It is a simple explanation. But the reality is the rockets have to stop. And the way the rockets stop, in part, is we have to stop, they have to be stopped from being brought into the territory there.

And so if you can—again, I have not had, you know, with all due respect, from you and from other representatives of the administration, I am not satisfied that the United States position, vis-à-vis Egypt, has been strong enough; and that they have a clear understanding that there is more responsibility on their part.

They don't want, it is not in their best interest to have a destabilized Gaza, as much as the whole region. But this is a serious problem of this military hardware getting in there. And whether the wall comes down in front or any other way, this is a serious problem.

Can you share with us any new strategies or what you think we can and should be doing to enforce a much stronger, more effective—effective is better—more effective strategy of preventing rockets from getting in?

Mr. WELCH. Sir, three points, one of which relates to a previous question, I forgot to answer part of it. But first, you are absolutely right about language and, you know, people sometimes make mistakes when they speak publicly. But the one thing I think I need to reassure the committee about is if we see something, we would act upon it. And in this case, I believe we acted quickly to address the substantive issues raised.

Second, I want to go back to part of your question which I forgot to answer. And that is, why would Israel undertake commitments, in the absence of perhaps seeing performance against those commitments? It is a really important question, because it has bedeviled this whole effort at peace in the past.

I think what Prime Minister Olmert has done here is very responsible, and created political judgment. That is, he prepared to look at the negotiation process, and even reach an agreement. Maybe even perhaps this year.

However, it would only be implemented if there is performance against the obligations in the roadmap. It is subject to that. And that is an important assurance that Israel, its people, and its leadership would have about undertaking this process.

And it was the Prime Minister of Israel who unlocked that equation and put it forward at Annapolis, so that we could then launch the negotiations.

Gaza and controlling the situation there is a huge problem. There are really no easy choices here. It is really—and I am not sure we will get a perfect or hermetic solution. But it seems to me it has to be based on two elements.

One is, Israel is not in Gaza. That is a fact. And there is violence coming out of Gaza directed against Israel, and has been since Israel left Gaza. If that isn't there, then I don't know that Israel would have a reason to go back in.

But at the same time, you are absolutely right. There can be such a permissive environment that in the interim, those who would use violence from Gaza have the chance to build up, become better and more effective at it, reserving this and making it only a pause until they use it again.

So any effort, any option has to look at both those elements. How do you stop what has started, and how do you prevent, or at least reduce the risks of rebuilding? I think the Egyptians are making a credible and serious effort at this.

Look, it is not in the interest of Egypt to have their sovereignty tested and then breached, as it was in January. Every government believes in the security of its borders. It has a responsibility to its people. And when hundreds of thousands of people came across—and literally, it was hundreds of thousands—that border and into Egypt without permission, and even did things such as plant their flag on Egyptian soil, that was an affront to the sovereignty of Egypt.

Mr. KLEIN. Mr. Ambassador, if I can just interrupt for a second. And I agree that you don't want hundreds of thousands of people coming through without any limitations.

There is a big difference between planting a Palestinian flag or a Hamas flag on Egyptian soil and firing rockets on a daily basis—

Mr. WELCH. Oh, I am not equating the two, sir, not at all. You are absolutely right, there is a huge difference.

What I am suggesting here is additional reasons why Egypt may wish to protect that frontier, both from what might come out from Gaza and from what might go in.

This is an open hearing, sir, so it is not the most comfortable environment in which to address the details of how preventing stuff from going in might be done. But I do sense that there is a renewed determination to do that.

One part of that is a more direct contact between Egypt and Israel, which the United States has helped recently to get moving again, to address how you do that.

The Egyptians have also requested to use certain amounts of United States-provided military assistance for some equipment that would be, it is highly technical stuff that would be directed against smuggling in that area. And they have a variety of other initiatives underway, as well, which again I prefer not to address in this setting, but I would be happy to talk to you privately about it.

This has to be an element to any solution to control the problem there. And I don't, even if the closures were perfect and hermetic from every place today, it remains a fact that among the 1.3 million people in Gaza are a lot of heavily armed people who already

have weapons, including rockets, and probably a lot stored who can still use them. So that risk is ever-present.

Mr. KLEIN. Mr. Chairman, can I just have a last follow-up, and I will be complete with my questioning.

Mr. ACKERMAN. No, go ahead.

Mr. KLEIN. Thank you. Are you convinced, in terms of measurement of time and outcome, that the—and recognizing there are light arms and there are heavy arms and there are rockets, different kinds of things—the kinds that are external and threatening to Israel are not light arms and machine guns and things like that? It is things that rappel and leave the area and, you know, obviously threaten the Israeli territory.

Are you convinced, if you measure sort of month to month, and I recognize there are some highs and lows here, that there actually has been some reduction of whatever efforts are going on, that there has actually been some pronounced success of reduction of things coming in there?

I mean, I don't know, I wouldn't know how to measure it. It doesn't seem to me there is, but that is more of an intuitive thing, as opposed to—and again, I am just pushing a little bit as to encourage. And maybe in another discussion, we can have this privately, but what else can we do to get the Egyptians, recognizing they understand this is a serious problem for them, the breaches and all the rest of that stuff, but continued arming and rearming of this area? And if there really isn't a successful strategy in place, there needs to be something much more pronounced, otherwise it is just a continued problem and threat.

Mr. WELCH. The first element to that is a little hard for me to address; that is, do we have benchmarks or measurement standards.

We do. And I admit that some of them are crude, sir, and some of them I can't really talk about in open session, but let me give you an example.

Egyptian interdiction of people who have come out of Gaza with the intent to conduct terrorist operations elsewhere has been good. Their interdiction of people trying to get into Israel from the Sinai, including people, innocent folks who want to go get a job, has also been good. Perhaps a little bit more heavy-handed than we would be comfortable with, but that is the way they have chosen to defend their frontier.

Because Hamas has become, and others in Gaza, quite skilled at this smuggling game, a little harder, particularly in this environment, to measure the success of efforts against that. But what is measurable is that additional measures are being put into effect to deal with that problem.

And one anecdotal piece of evidence which I think is associated, but I can't prove the connection to be honest with you, is that the value of the smuggling has become high. Which means these tunnels or sea avenues that are being used have become quite profitable.

Well, that typically means that like drugs, they become more expensive when interdiction is better. So I can't prove that, but that may be one of the effects that we are seeing, also.

You know, when you have a closure as tight as it is all around Gaza, getting stuff in, even normal goods, is, you know, there is a lot of economic rent associated with that. People become really wealthy.

Mr. ACKERMAN. Thank you. If I could amend the way some people might have heard something, it was not my intent to imply, when I talked about the Palestinian Authority potentially putting acts of violence on the table, to be taken lightly or accepted. I was just talking about the irony of how, when we do it, how it is viewed by the other side. And certainly in the case of the Palestinians even insinuating that the process isn't as to their liking, that they might resort to violence is, that is the way I read the thing, isn't necessarily to be viewed as an idle threat. Because that is the exact history of all of the discussions and dialogue that they have had with Israel. It is not a theory; it has been a bloody mess executed time and time again.

Certainly the Israelis have to take that very, very seriously, and so do we, that it not be looked at. But my point was when we put options on the table saying everything is on the table, but we should try to see that the Iranians or anybody else when we do that. And we have good reason to do that.

Having said that, the Israeli side of the ledger. And certainly Mr. Klein is right, and your response was absolutely on the mark. The Palestinians, you know, rushing the border in Gaza going into Egypt, you know, I mean, the Israelis aren't concerned about 100,000 or 200,000 people rushing the border to go on a shopping spree and go home. That is not really what their concern is.

Their concern is terrorists and terrorism. And I think that the concern of the Egyptians maybe was, maybe suffered a greater awakening with this as to how this threat affects them, as well.

And then there is the other issue, in the rush back with their soft goods from Home Depot and Wal-Mart or whatever, what else washed in, back into Gaza, of a nature that nobody would approve, and who brought that in along with the crowds returning.

Without belaboring that, what is it that the Israelis can further do to help the process? We have been very analytic of what the Palestinians might be doing. How do we help our Israeli friends? Or are they right on the money?

Mr. WELCH. First, I believe that—I mean, you know Israel, sir. There are many different opinions about their options, and always a subject of political debate.

The Prime Minister and his team have decided that they want to pursue negotiations. And President Bush is convinced that is a serious commitment. And, as you know, he doesn't take those kinds of things lightly, sir. And that is the most fundamental thing that is necessary here, because if Israelis and Palestinians can develop a common vision of how they can live side-by-side with each other, and then implement it in the form of agreements, that represents a better future for both of them.

And I believe this Israeli leadership is committed to and serious about that. They have prepared well for this negotiation. You spoke to the Foreign Minister, sir, and you know that she is an enthusiastic proponent of this effort and very serious about her mission.

The other two things that we will be looking at very closely is what happens on the ground, what is the performance with respect to roadmap obligations. That is a big basket of things. And we are practical people; we want to encourage progress here. I think it is, generally speaking, not a good idea for governments to go around chastising folks for what they have not done, but to try and find them ways that they can work in common to get things done. That is the spirit with which we approached that task.

The third element is this whole economic development and institution-building effort, which one might think is exclusively the property of Palestinians and the Palestinian Authority, but it is not. To be able to do certain things, there have to be greater liberties with respect to freedom of movement, for example. Permanent regimes, controls of that type. While of course bearing in mind what are the legitimate security concerns that Israel might have.

And this is a time when those choices become I think vitally important. You yourself, sir, pointed out that the calendar here is pressing. And we want to create positive results on the ground. That is the objective.

Those would be the three areas that we would suggest for, to concentrate on. And I am not saying anything here that isn't already well known to the Israeli leadership from our own dialogue with them.

I believe the best way to do this is to sit directly with them and talk about the ways in which it might happen, as opposed to castigating folks about the ways in which it has not happened.

Mr. ACKERMAN. Ambassador, you have been very generous with your time. You did say there were some other subjects that you wanted to discuss before the committee? Or have we covered—anything you would like to—

Mr. WELCH. I think, sir, we did address the ones, the major issues, broad areas of emphasis that you mentioned in your opening statement. I am concerned, just to mention one thing, that some of these issues can't be divorced from their regional context, as you know. And in particular, I know you have met, sir, with certain Lebanese politicians recently. We are very concerned about the events there.

I can't dismiss, as I indicated earlier, that these things get wrapped up by others in a really unfortunate way together. Getting Lebanon to a better situation is a very serious enterprise for us. We would like to see the election there.

That said, others have been interfering with it and have not allowed it to move forward. Some of the things that we have discussed today which relate to how the Palestinians might decide their future might have an impact in Lebanon. Lebanon has quite a large number of Palestinian refugees living in it. And I think Palestinians and Lebanese alike see the future of those people inside a Palestinian state. And I hope that that can be realized, because that would, I believe, also help Lebanon.

I think sometimes when I hear from Lebanese, their concern about these folks might be pushed upon them, that presents a lot of issues and sensitivities for Lebanon, particularly at this time.

So again, thank you for the opportunity to express our concerns and to get out some of our policies in a more clear way on this. I hope I have helped answer your questions, sir.

Mr. ACKERMAN. You have. Inasmuch as you have brought up Lebanon, let me just quickly say we cannot afford to lose Lebanon. I would yet again, for the third or fourth or fifth time, publicly urge upon the President that he take this issue and use it as a topic of a speech. Talk to the American people and all those others that would be listening, to talk about Lebanon, to talk about Syria, to draw some red lines, to let people know about consequences.

The stakes are very, very high here. And this should not be just another tag-along add-on, by the way, in the middle of some other talk. This should be a talk on this, delivered soberly, absent a flaring conflict causing it.

Because if the President of the United States is not going to take this as seriously as some of us think he should, we are headed for a major, major problem. Especially with a country that can be a great shining example of democracy and self-determination. And they need our help, that others don't make the determinations about their country, their society, their freedom, their liberties, their desires, their aspirations, and their hopes.

So if you would carry that back through whatever appropriate means, that there are many of us who think the President should do that, certainly it would relieve a lot of pressure in a lot of other areas.

Ambassador Welch, thank you very much for sharing of yourself; your dedication, and the time, and your personal commitment that you have put into this process over your lifetime. Thank you.

The committee stands adjourned.

[Whereupon, at 4:28 p.m., the subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE MIKE PENCE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. Chairman, thank you for calling this hearing and I welcome our distinguished witness, a familiar face to this body.

Since the Israeli withdrawal was completed in September 2005, the situation in Gaza has gone from unstable to awful to utterly disastrous. The Hamas takeover in June 2007 brought the birth of the “world’s first truly terrorist state in Gaza,” as commentator Tom Rose described it.

As of today, we have an outlaw territory, completely in the grip of Hamas, correctly and universally recognized as a terrorist entity, raining rockets on neighboring Israel, with ominously longer-ranges than previously seen. And, now Palestinian Authority President Mahmud Abbas, the alleged moderate and supposed “good guy” on the scene, said in an interview February 28 with the Jordanian daily al-Dustur that the Palestinian Arabs could take up armed “resistance” if negotiations failed. His subsequent “clarifications” to this provocative comment and his refusal to return to the negotiating table, as Secretary Rice urged, has added another troubling layer to this tinderbox. President Abbas has now unwisely and outrageously linked his fate and his office with Hamas.

There simply is no way to avoid the reality that Gaza is a failed NON-state, a terrorist sore that will continue to fester as long as murderers run it and their enablers hint at taking up arms when its victims defend themselves. We cannot counsel unlimited patience and forbearance by Israel in the face of attacks on civilian populations.

If only this were all unexpected. But, in reality, there were many of us questioning the wisdom of disengagement two plus years ago.

I salute our witness and admire his efforts but, Mr. Chairman, I wonder if it is worth the cost of our prestige, our time, our efforts to exhort allegedly responsible actors tainted by terrorism to return to the bargaining table with a partner they are intent on destroying. This is the unhappy circumstances we find ourselves in. Ambassador Welch is professionally optimistic. Perhaps he will offer a ray of hope but the hard reality of these last 853 Days suggests otherwise.

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman, for convening today’s important and timely hearing. The Annapolis Conference, held on November 27th, opened the door for a revived and revitalized peace process between Israeli and Arab leaders. However, in the last two months we have seen a rapid escalation of violence and civilian casualties in the Gaza strip, making today’s hearing absolutely imperative. I would also like to thank the Ranking Member of the Committee, and to welcome our distinguished witness, The Honorable C. David Welch, Assistant Secretary of the Bureau of Near Eastern Affairs at the U.S. Department of State. I look forward to your insightful testimony.

On November 27, the United States hosted Israeli Prime Minister Olmert, Palestinian Authority President Abbas, along with the Members of the Quartet, Members of the Arab League Follow-on Committee, the G-8, the permanent members of the UN Security Council, and other key international actors for a conference at the U.S. Naval Academy in Annapolis, Maryland. The conference’s large turnout is indicative

of international support for Middle East peace, and I was extremely pleased to see large participation from Arab states.

At Annapolis, Israeli and Palestinian leaders reached an agreement to initiate negotiations aimed at reaching a comprehensive peace settlement by the end of 2008. Both the Israelis and the numerous Arab nations present at Annapolis demonstrated the great leadership that will be necessary to ultimately resolve this conflict. Further progress forward will mandate patience, skilled negotiation, a realistic appraisal and analysis of the situation on the ground, and the ongoing commitment of the global community.

The Bush Administration has stated its hope that the Annapolis Conference will be a launching point for negotiations leading to the establishment of a Palestinian state and the realization of Israeli-Palestinian peace. It is extremely important that we continue to view the Annapolis conference as a positive first step, which must be followed by continued focus and action as exemplified by the current situation in the region.

In light of the seven-year dearth in serious efforts to reach a peace settlement, Annapolis is an important stride forward. At the conference, the parties were able to reach a "Joint Understanding," read by President Bush. This document primarily lays out a process of future negotiations, in which Prime Minister Olmert and President Abbas express a shared commitment to immediately embark on a series of "bilateral negotiations in order to conclude a peace treaty to resolve all core issues without exception, as specified in previous agreements." These negotiations, according to the "understanding," will be concluded by the close of 2008. While stipulating that the negotiations will be bilateral and that Abbas and Olmert will meet bi-weekly, the understanding does not lay out a future role for the United States, and I would be extremely interested to know from our witnesses what they anticipate future U.S. involvement to look like.

Despite the renewed commitment to the resumption of peace talks by both Palestinian and Israeli leadership, the situation in Gaza as it exists today is perilous to say the least. Hamas, the militant Palestinian group that retains control of Gaza, was not a party to the November 2007 peace talks and has been responsible for hundreds of rocket attacks launched into Israeli border towns. While Hamas claims it had refrained from firing rockets into Israel since June of 2007, it has since resumed following the death of the son of Mahmud al Zahhar, a leading Hamas official, by Israeli soldiers during an IDF raid in mid-January. Since then, Hamas has been responsible for firing hundreds of rockets into Israeli territories. The Israeli military has responded by conducting brutal raids into Palestine, locking both sides in a cyclical engagement that lends legitimacy to the other.

In reaction, on January 19, Israeli Defense Minister Ehud Barak ordered all crossings to the Gaza Strip be sealed, halting any and all shipments of food, fuel, and medical supplies to the region and ultimately leading to the closing of the Strip's only electrical plant. The stage was set for a humanitarian crisis as the United Nations quickly "condemned the closure and warned Israel against imposing 'collective punishment' on Palestinian civilians." While some 800,000 people living in horrific conditions within the Gaza Strip remained without power, the Bush Administration repeated its stance that Israel has the right to defend itself, and laid the blame for the ongoing crisis on Hamas. Mr. Chairman, Members of the Committee, there is no room for this kind of behavior, the time of stating who is at fault has come and gone and we must focus now on how we might alleviate human suffering of all peoples, Israelis and Palestinians alike.

Report suggests that within the past month, nearly two hundred Palestinians, both militant and civilians, as well as two Israeli soldiers have been killed due to IDF operations in the Gaza Strip. Meanwhile, on February 28, the first Israeli civilian fatality in 9 months occurred due to a Qassam rocket attack. Mr. Chairman, we must look to a way forward and some sort of meaningful and lasting ceasefire agreement. Our friend and ally, Egypt, has asked for, and been granted, our support in exploring a means through which to reach a Hamas-Israeli ceasefire agreement and I am hopeful that an agreement will be reached.

Mr. Chairman, just as I believed it to be crucial that Members of Congress be represented at Annapolis, I continue to advocate for ongoing congressional involvement in the negotiation process. The legislative branch will be a key participant in the implementation of any program to establish and maintain Middle East peace. Many Members have years of experience in the region and can offer unique perspectives during the process of reaching a settlement. As a Member of the Committee on Foreign Affairs and the Subcommittee on the Middle East and South Asia, I personally have a long-standing interest and involvement in the Middle East peace process, and in 2003 I was proud to serve as Honorary Chair of the Women's Partnership for Peace in the Middle East summit, held in Oslo, Norway. That summit was an

excellent example of an engaging, honest, diplomatic effort among participants with strong disagreements but a stronger belief in peace.

Unfortunately, Mr. Chairman, decades of attempts to achieve peace in the Middle East have yet to be successful, and the ongoing strife in Israel and the Palestinian territories requires our ongoing attention and concern. Having traveled extensively in the region, and I have witnessed first-hand the promise of the Holy Land, as well as the destitution of long-term strife, and I remain committed to working toward peace in the Middle East. Thank you, Mr. Chairman. I yield back the balance of my time.

