

MAY: Hello, and thank you for joining us. I'm Cliff May, I'm the founder and president of the Foundation for Defense of Democracies. As we continue to work remotely, we are pleased to bring you our events online. I'll take just a moment to provide a bit of background for those who may not be familiar with our institution. FDD is a non-partisan policy institute focused on national security and foreign policy. We're a source of timely research, analysis, and policy options for Congress, the administration, the media, and the wider national security community. We take no foreign government or foreign corporate funding and we never will. Today's program is one of many FDD hosts throughout the year. For more information on all our work and areas of focus, we encourage you to visit our website, that's fdd.org. So, we're glad you joined us for today's timely discussion titled, *Israel and the Territories: Calculating the Risk/Reward Ratio*. The possibility that Israel may extend sovereignty, or as many prefer to say, annex, parts of the West Bank, has provoked rather intense controversy. We've brought together a panel of experts to discuss the issue from a variety of perspectives. It's a timely conversation as the government headed by Prime Minister Benjamin Netanyahu could begin to make changes as early as July 1st. Our experts' full biographies are available on our event page, but let me provide brief introductions before we begin. Ambassador Dan Shapiro is Distinguished Visiting Fellow at the Institute for National Security Studies in Tel Aviv. He was appointed by President Obama to be Ambassador to Israel – the United States Ambassador to Israel – a position he held from July 2011 until the end of the Obama administration. Dr. Einat Wilf served as a member of the Israeli parliament, the Knesset, from 2011-2013. She is the co-author of the recently published, and really quite fine book, *The War of Return: How Western Indulgence of the Palestinian Dream Has Obstructed the Path to Peace*. Again, it's well worth reading. For more information on her book, just visit the link available on our website. Jonathan Schanzer is Senior Vice President for Research here at FDD. His books, *State of Failure: Yasser Arafat, Mahmoud Abbas, and the Unmaking of the Palestinian State* and *Hamas Vs. Fatah: The Struggle For Palestine* have made unique contributions to the field of Middle East studies. Moderating today's conversation is David Horowitz, the founding editor of *The Times of Israel*, a fine newspaper, in my opinion. I'm looking forward to this discussion, and again, thank you for joining us. David, with that, I'll turn over the virtual floor to you.

HOROVITZ: Thank you, Cliff and welcome to our panelists. Let's get this rolling right away. Jon, let me come to you first. Does Israel have the historical, legal rights to annex and what does the Trump plan say about it?

SCHANZER: Well, first of all, David and Dan and Einat, thank you so much for joining us today and it's really a pleasure to be working with you. Look, I would say to set this up, that Israel, I think, certainly has the rights to act unilaterally at this point after having exhausted a number of different opportunities to try to make peace with the Palestinians. There have been offers over the last two decades that the Palestinians have steadily rejected. We could even go back further to the 1940s or even the 1920s looking at initiatives that would have divided the territory into Arab and Israeli lands. These were rejected by the broader Arab world, they were rejected by the Palestinian leadership, but we don't really need to go that far back.

I think we can just look at the fact that the Palestinians have steadily rejected plan after plan. They have not come up with a plan of their own and the Israelis, who I think at some point, were really eager to try to make peace, specifically in the 1990s, they're exhausted, and we can hear it, we can see it and it should come as no surprise that they're considering this. Maybe one other point to make here is the chain of custody of the territory in question. This of course was Turkish and then British and then Jordanian. It never was Palestinian. This is a relatively new concept that the Palestinians would inherit this territory. Again, these are all the justifications that you're going to hear from Israelis. That all said, just because Israel can do something or it's justified in doing something doesn't mean that it should.

HOROVITZ: Let me just stay with you, Jon, a second in terms of the administration and the plan. The plan itself allocates territory. It doesn't provide for unilateral Israeli annexation before this process is supposed to be completed.

President Trump introducing his plan did make references to immediate recognition of annexation and so on. So how do we understand the administration's position then and now?

SCHANZER: Well, if you look at the vision, as it's known, the deal of the century, it does basically front-load the ability for the Israelis to apply sovereignty, that's the term that they're using, not annexation, to apply sovereignty to roughly 30% of the West Bank after a joint commission concludes its findings, assesses the borders, assesses the territory in question. But what we're seeing right now is a division that exists within the administration, that there is a camp, people say it's effectively led by Ambassador David Friedman on the one side that is pushing for annexation and then you have the other side of this, which is the Jared Kushner camp, according to reports, that is a little bit less enthusiastic about annexation because of the potential to unsettle the foundation of relations between Israel and the broader Arab world and it might potentially also scuttle the success of this vision that they have for a two state solution. So, it's an interesting dynamic inside the administration right now and we'll be finding out within the next few weeks where the administration stands.

HOROVITZ: Thank you. Einat, let's come to you. Israelis. How much do we care about it? How closely are we following it? I saw a survey a few days ago, like a tiny figure, maybe 4% of Israelis think this is their first priority. What's your take?

WILF: So, Israelis, by and large, as the numbers you quoted are true, are not interested in this entire debate over annexation, applying sovereignty. Someone tweeted today that there are far more Israelis that are supportive of legalizing marijuana than they are of legalizing the territories, which is another issue currently in discussion. The reason is, and by the way, I belong to those 70% of Israelis who say that this is not a priority as far as they're concerned, is that the last decade generally has been good in the sense that even though there were no breakthroughs for peace, it was peaceful in the sense that violence in the territories has been low, terrorism has been held at bay and a lot of Israelis genuinely wonder, why rock the boat? They don't think, correctly, that Palestinians are ready to say yes to any agreement short of Israel's immolation. And most of them, of course, don't live in the settlements so they don't see any reason why this would make any difference.

And of course, Israelis don't want to pay any price. Many Israelis don't mind if Israel applies sovereignty, they just want to make sure that it is done in a way that there is no price in terms of violence or anything of the sort. So yes, generally Israelis don't care. The efforts to turn it into an issue and debate, you see they're really not catching on. I think also Israelis understand that at the end of the day, it makes very little difference to their lives, assuming there's no violence as a result of it. The Israeli Defense Forces are not retreating anytime soon, so whether the parts of the West Bank will now be considered official parts of Israel to be recognized only by the U.S., I think a lot of Israelis don't see how that makes such a grand difference.

HOROVITZ: Okay. We'll come back to the security and potential fallout on the ground in a second. Dan, let me come to you. Is this a big deal in the United States? Is there something that the administration is very heavily focused on right now? Is it some kind of landmark issue that's going to really separate Republicans from Democrats? What's your sense of the American position on all of this?

SHAPIRO: First, thanks to FDD for hosting us and it's good to be with all of my fellow panelists. Look, the first thing that should be said is that this issue of annexation of the West Bank is not high on the agenda of most Americans. We're living in a period of very intense politics with controversies connected to pretty much everything President Trump does. Of course, the coronavirus, the economic crisis, recent issues about police violence against African Americans, those are

the issues that most Americans are thinking about. But it is an issue, and it of course is an issue that the administration has spent time on. They obviously spent three years developing their plan, there are high level meetings apparently this week in the White House to determine what their position will be. One question is whether this is an issue the administration wants to invest more time on or wants events on the ground to perhaps force them to spend more time on given all of the other issues we just mentioned as well as President Trump's reelection campaign.

But I would say it's an issue that has gained a significant interest in foreign policy circles in Washington and among the leaders of both parties. Obviously, the Trump administration has its own views on it, but at the moment, something on the order of 30 out of 47 Democratic senators, including major leaders of the democratic senate caucus, like Chuck Schumer and Robert Menendez and Ben Cardin, strong friends of Israel, as well as many others, have taken the time to express their opposition to annexation. So, have many, there's a letter circulating the House of Representatives that will also come with very high numbers of signatures, people like Speaker Nancy Pelosi and Steny Hoyer and Ted Deutch and Nita Lowey, also strong friends of Israel are among those who have expressed their opposition to it. Many other foreign policy and national security leaders in the U.S. have done so. People like Michèle Flournoy and General John Allen, and others.

And I think it's because there is a strong view, at least among those who are expressing this, that this decision that Israel makes, which I think Einat correctly says is not gaining much traction among the Israeli people, actually could have a significant negative impact on U.S. strategic interests. The U.S. derives significant benefit from its close security partnership with Israel. There are moral and strategic reasons for it and it's been fortunately strongly supported through multiple administrations of both parties and it's in U.S. interests that Israel's security be ensured.

And the two concerns are one, that in fact Israel's security will be harmed in a significant way. It could be through the eventual, maybe not immediate, but eventual breakdown of security cooperation with the Palestinian's authority, security forces that has been a stabilizing force, any Israeli military official will tell you that. It could be through destabilization of Jordan, the Jordanian leadership is expressing serious alarm about how this issue would affect them internally and Jordan is a linchpin of security in the entire region, not just in its cooperation with Israel, also for the United States in terms of managing Syria, Iraq, ISIS and many other things. So that's one way in which security could be affected.

And the other of course is that it will introduce tensions into the bipartisan consensus around Israel in the United States. That's always been the foundation for this security partnership and it has sustained many changes through many decades of party control. But among that, part of that consensus is the United States is helping Israel work toward achieving a conflict ending, two-state agreement with the Palestinians. If that is seen by many Americans as being taken off the table, even if the Palestinians bear significant responsibility for many past failures of negotiations, if an Israeli unilateral decision is to take that option permanently off the table, even if there were different Palestinian opinions later, I think it would have a significant impact, not immediately, but over time, on our ability to sustain that bipartisan consensus and that could actually harm the U.S.-Israel security partnership.

HOROVITZ: Thank you, Dan. I want to come back to Einat just for a second, to help us understand their "for," because we've already heard lots of objections and we've heard some justifications, but why does Netanyahu think that this is helpful for Israel, that this is an important thing to do and to do now?

WILF: It's not clear whether Netanyahu thinks it's important to do it, whether he really intends to do it, and whether he thinks it's important to do it now. We know why David Friedman thinks it's important to do it. He gave a talk

at AIPAC about a couple years ago in which he said that he believes there is a historic opportunity in which he believes he plays an important role for Israel to change the parameters of how the world thinks about peace and about the future. So, it's not clear that Netanyahu, known as being a conservative and very status quo minded person, is eager to do that. He was definitely eager to win political points during the campaign, but now that the campaign is over and there's a government, it's not clear why he thinks this might be important right now.

And the thing is also that Netanyahu more than anyone understands that it actually does not create any kind of permanence. This is why personally I can accept a lot of reasons against this decision, but the one reason I don't think is true or real is that it would take the two-state solution off the table. First of all, people like Ron Dermer, the Israeli Ambassador, made it clear that this would be in the context of a two-state solution, not the one of the 90s, it would be a smaller, more limited Palestinian state, but still a Palestinian state. But even beyond that, Israel annexed the Golan Heights in the 80s and proceeded to negotiate over handing it over to Syria in the 90s. Israel annexed East Jerusalem and proceeded to negotiate over it in the 90s and into the 2000s. And Israel even offered land swaps, which means that Israel has offered to take its own sovereign territory and make it part of Palestinian sovereignty.

So even if Israel were to apply sovereignty to certain parts of the West Bank, it would not take a two-state solution off the table. And in the future, if there is a Palestinian leader who is finally willing to tell the people of Israel, and especially the Jewish people, that he accepts their equal and legitimate claim to political sovereignty in their home land, then a hundred percent of the West Bank could be on the table again. So, it's not – and this is again one of the reasons why so many Israelis don't care – even if it is announced, it does not take anything off the table, not really.

HOROVITZ: That's very interesting. Jon, I want to come to you now in terms of fallout. What should we expect? What could we expect in the Arab world? I'm thinking of Jordan, nobody's really said much about Egypt, which may be because we don't know or because it's marginal, the Gulf States, a lot of attention because Israel has been warming ties with the Gulf, notably with Bahrain and so on, lots of comments in the last few days from officials in the UAE. So how do you see this playing out?

SCHANZER: Well, I think David, number one is this question of Jordan. I think that's probably my greatest concern right now. I think the King, for reasons that may be understandable, but maybe not justifiable, has really put a lot on the line when it comes to Israeli annexation. He has made this a pivotal moment for the Jordan-Israel relationship. He's effectively threatened to cut all ties, which is essentially cutting off his nose to spite his face. Jordan needs Israel to survive, quite frankly. And Jordan needs Israeli security cooperation, intelligence. This has been a very beneficial relationship for Jordan. Of course, the King has to contend with the fact that he's got roughly 8% of his own population that are Palestinian that would oppose this move and potentially come out into the street. So, I think he's looking to advocate on their behalf, but I think that he has stuck his neck out too far in this case. I think he can register his discontent without threatening to blow up the entire relationship, but he's already done it. And so, I am concerned about what this might mean moving forward if Israel does annex.

And you have the Arab states which, we all know what's been going on. The Emiratis, the Saudis, the Bahrainis, they've all been holding hands with Israel under the table. They don't want to quite come out and admit that the relationship is flourishing the way that it has been because their own population, I would say, is not quite ready to fully grasp this. I think they've been slowly letting information trickle out about this relationship to bring normalization out of the shadows.

But I do believe that these countries think that this could become a problem. That this could throw a wrench into their plans for warming ties. That does, I think, underscore what Yousef Al Otaiba, the UAE Ambassador to the United States wrote recently in the Israeli press, which it was an unprecedented op-ed where he was appealing directly to the Israeli people and to the Israeli government.

That said, I have to say the Arab states, I'm a little less concerned about, yes, we could see a setback, but I believe that they have for years now understood that Israel is key to their security, that Israel is the only country in the region that is capable of locking horns with Iran, of potentially defeating Iran on the battlefield, and it's for that reason that they understand now that relationships with Israel is in their national interest. And that quite frankly, the Palestinian issue is no longer in their national interest.

Look, having said all of that, I still don't necessarily think that it's in Israel's best interest right now to make this move. The relationship is solid with a lot of these Arab states. There's no reason to introduce doubt or to even potentially blow it up. And so, it's for that reason that I think that Israel probably needs to just move more carefully and pragmatically on this issue.

HOROVITZ: Let's just extend the assessment of reaction. Einat, let me come back to you. How do you see this playing out among the Palestinians? I saw Jibril Rajoub, a very senior Fatah official yesterday talking about popular resistance. I know there's some kind of protests being planned for tomorrow. At the same time, Rajoub also said our fingers are on the trigger, as well, words to that effect. And the Israeli Army is grappling with a range of scenarios. What's your sense of how the Palestinians might respond?

WILF: I certainly cannot speak for them. It's very clear that in all the moves in the last few years, the recognition of the Golan Heights, the recognition of East Jerusalem, there have been threats and some resistance, but at the end of the day, it was minor and quickly contained.

And if I may describe a bit of other reasons for Israelis being so blasé. When we were actually killed, which was after Ehud Barak offered a Yasser Arafat a fully independent state and the entire West Bank and Gaza with a capital in East Jerusalem, including the Old City, we didn't hear from anyone, not from the Americans, not from the Europeans warning that says, "Oh, don't you offer this to the Palestinians because what they really want is all of the country, and it will be followed by mayhem and suicide bombings and your civilians will be killed."

So, a warning that would have actually been useful, we didn't get, but then we get a lot of warnings for things that don't happen on the Golan, on Jerusalem. So, Israelis are looking at this and saying, "It appears that when we try to move forward to peace, what we get is extreme violence. And when we actually move forward to entrench ourselves in the Golan Heights, in Jerusalem, to get recognition to annex territory which in any case, is not going to be part of a Palestinian state, at least according to the American vision, then we're warned of violence that at least so far did not materialize. So, another reason for Israelis to listen to all these warnings and be quite blasé about it.

HOROVITZ: Dan, I want to ask you about how you think Europe will respond. But also, if there's anything you want to add to the previous two answers on the region and especially the Palestinians.

SHAPIRO: Sure. I probably have less to say on Europe, they've spoken for themselves, I think, there won't be a consensus in the EU. It's clear that at least two or three central Eastern European countries will probably block any kind of EU sanctions. On the other hand, they've spoken about possibly blocking Israel from participating in an

important research program, the Horizon 2020 program, which will be decided next year. That's not something that requires consensus.

And then of course there are the relationships with individual European countries, France, Germany, the UK, and others who are all stating their opposition to unilateral annexation, and at least in the case of France, have started to talk about actions they might consider in response such as recognizing a Palestinian state.

So, I think it's very likely tensions between Israel and Europe would increase. It doesn't mean everything disappears, but I do think it complicates very important relationships, including economic and scientific, technology relationships.

Let me just address some of the other points that have been made, however. The question of whether or not a unilateral annexation of 30% of the West Bank would take a two-state solution off the table is not necessarily, as Einat says, a given in the sense that annexed territory can be relinquished. That is true.

Now of course, one has to be honest about this and say that the full intention of the annexers, or those who are advocating for this move is to prevent, is to block the creation of a Palestinian state under any circumstances. It is true Ambassador Dermer wrote in the *Washington Post* that this plan and the Trump vision are in the context of the two-state solution.

He's the only Israeli official who uses that language, and he did it in English in the *Washington Post*, in Hebrew to Israelis. The Prime Minister, the other ministers in the government are all saying, "No, no, there's no Palestinian state involved here. There's a unilateral annexation of 30%, and then we'll see what happens." Maybe the Palestinians won't even come to negotiate under the terms of the Trump plan, probably they won't. And then in four years, Israel may annex some more land.

So, it's very much the intention of those pursuing this to block the two-state solution. They're quite open about it when they speak to Israelis, less open about it, perhaps in speaking to other audiences. But it also has a de facto quality, the removal of the two-state solution as an option. This maybe goes to the Palestinian reaction.

I'm not among those who are predicting an immediate intifada or violence, and certainly there's no justification for that kind of violence. I don't think we should be cavalier about the impact on stability in Jordan or perhaps even in the West Bank, but of course, I'm not able to predict that, and I certainly am not able to endorse that kind of reaction.

However, I think a very likely scenario in the case of this kind of annexation, is that the remaining territory that remains under Palestinian control for some time, at least autonomy control, will be very hard to sustain as a separate autonomy for much longer.

Abu Mazzen is 85, the president of the Palestinian Authority. There will soon be a leadership transition. The Palestinian Authority has based its legitimacy such as it is with its own people on the notion that they are in the process of building an independent state, they're setting up the institutions of statehood.

And once it becomes clear that that option really is not available, I think it will be very hard for them, and of course, as I said, Israeli leaders saying they're not going to allow it to happen. I think it would be very hard for them to sustain that kind of authority.

And of course, one of the most important features of that authority is the security cooperation between Palestinian security forces and Israeli security forces. Any Israeli security official will tell you how valuable that has been. It's not perfect, but it's very effective and very helpful in preventing terrorist attacks and for stopping a security threats to both Israelis and Palestinians.

And if those Palestinian security officials cannot, with legitimacy, explain to their people that they're doing this in the interest of advancing toward independence and an independent Palestinian state, that's likely also to become unsustainable.

What happens in that scenario is that Israel will inexorably get drawn into the full control of the West Bank, including the main Palestinian cities of the West Bank, two and a half to three million Palestinians who live there. And that is when you really get the big questions about, can Israel sustain its Jewish and democratic identity while fully controlling, for security reasons, for taking care these needs of the civilian population, all of that territory and all of the people in it. That will produce us even stronger reaction from Europe, perhaps from the Arab world, and perhaps from parts of the United States as well.

HOROVITZ: Okay, so that was a pretty nightmarish scenario towards the end of those remarks. I want to put it to Einat, and I want to add a concern that I certainly feel that I think some others do, that the risk of this move playing into the hands of those who are hostile to Israel in ways that will delight them. The BDS movement will have greater resonance for its efforts to depict Israel as some kind of an apartheid style ruler, a single authority imposing two sets of laws and so on. Maybe compounded by the fact that Netanyahu has said that the Palestinians in areas that Israel would extend sovereignty to would not be offered Israeli citizenship, which is very different of course, from the Golan and East Jerusalem. So are we being too scared-y? We need to do what we think best serves our interests, or are there some factors that we need to take into account?

WILF: First of all, it's always good to do what best serves our interest. And in terms of what you said, even on the right, I think it's most Israelis, if there is an extension of sovereignty, expect it to be full, which means including the very few Palestinians who actually live in the territories that are being discussed.

And then I agree with you, not doing that would be highly problematic. But beyond that, movements such as BDS or Israel detractors, here again, we also run into the problem, that what Israelis have realized is that those movements do not base any of their claims on actual facts. It's not as if they really look at Israel and make their arguments. And if Israel does something different, then they change their arguments. They will call us an evil state no matter what we do.

So, the notion of playing into their hands is also, again, of limited effect I think for most Israelis who've seen the following dynamic. When Israel actually makes an effort as with Ehud Barak in 2000, as with disengagement in 2005, as with the Olmert offer 2008, it does not receive credit. Or even if it does, it lasts exactly a nanosecond.

But when Palestinians are repeatedly rejecting and here I do differ from Dan, the Palestinians are not interested in building a state, they are, and have always been interested in taking the entire area from the river to the sea. They're not, as of yet, focused on state building. But the notion is that when Israel tries to do something right and good, and for peace, the assumption is that Israel doesn't mean it. Notice even now in this discussion, Dermer says clearly something Israel wants two states, whatever annexation will happen in this context, immediately, it is being demeaned and shown that Israel doesn't mean it, and it's not really true. But somehow the Palestinians generally get scot-free.

So, the idea that we are playing into their hands, there's nothing that we do, that they do not twist around and make to be against us. So, there I go to your question, we should do what is in our best interest. Most Israelis are not convinced that applying sovereignty is in their best interest, but they are also not convinced by all the arguments of we will be playing into our detractors' hands or the two-state solution is off the table, because they know that those arguments are entirely baseless.

HOROVITZ: Okay. Dan, you might want to respond to that in a second, but let me just come to Jonathan first. Just tell me, do you see any signs that the Palestinians are maybe being pushed to and inclining to reengage in any way? I think that King Abdullah last week apparently suggested that he's trying to shivvy them back to the table, but I'm not convinced of how much of an effort, and I haven't seen any indication that this might be working. And maybe that's a relevant consideration. Maybe this was a plan that was a little different than if the Palestinians stayed away, they were going to pay. Is that starting to resonate in any way?

SCHANZER: Well, we've seen a couple of unconfirmed reports suggesting that the Palestinians are weighing their options and may respond. There was a report early on after the announcement of the plan that Gina Haspel, the head of the U.S. CIA went over to the region and actually met with some intelligence officials on the Palestinian side suggesting that there was at least a discussion going on, which I thought it was a potential ray of hope here that the Palestinians might begin to engage.

But officially, I think the Palestinians are waiting this out. I think they're optimizing strategies to see whether Trump loses the election in November. If Trump wins, then I think he realizes that he's going to have to come back and he's going to have to talk to the U.S., but I think this is a grave risk on his part. I think that he has so much to lose by not engaging. And of course, it's going to just reinforce on the Israeli side that this guy is not serious and that he's unwilling to truly discuss a two-state solution. A couple of just quick responses to what Dan and Einat have said. One thing that I've heard repeatedly is that, well look, when the United States recognized Jerusalem as Israel's capital, nothing happened. And when the United States recognized Israeli sovereignty in the Golan Heights, nothing happened. So that's what we're going to see again. I do get a sense that this could be different. I do get a sense that the Palestinians may feel like they're being pushed a bit too far in this case. It's very difficult for anyone to predict what happens as a result of this kind of move.

And that is why the Israeli military is preparing for a potential third intifada. They recognize that there is a risk. So, I think just dismissing violence or unrest out of hand, I think would be unwise. On the question of the EU, I agree with Dan's assessment that there probably won't be blanket sanctions imposed by the EU because of Eastern or Central European dissent. But we can see a significant draw down in trade, especially by the Western Europeans. We could see some punitive measures. And one thing that concerns me on that score is that if you start to see that draw down in trade, there's one country that will be very eager to try to engage with Israel. And that country is China. And this is a relationship that the United States has been very concerned about. And this could be one of the unintended consequences of annexation is that it might push Israel into the arms of China.

And that would be something that I would not welcome. I think many Americans would not welcome. And so, I think that it would be smart to start to think a few steps ahead. This is a chess match. If he decides to make one move, other moves will follow up. And then one last note on the BDS movement, you mentioned that briefly, David. Look, I would say this, that right now, BDS is at a low point. It's at a low watermark. Kids are not in college right now. You don't have the campus activism. With all the economic uncertainty out there, you do not have a sense that people want to start boycotting Israeli companies for the sake of it when Israeli biotech may contribute to a COVID-19 solution or that other technologies that Israel has been known to produce over time could be useful in other ways. And by the way, just

taking any economic risks right now is something that people are phobic about. So, the idea that we might energize this movement seems to me an unforced error and that we should try to do our best to try to keep it at bay. I think it's not in the American interest. It's not in the Israeli interest to re-energize this movement and that unilateral action could certainly have that effect.

HOROVITZ: Thank you, Jon. Dan, let me come to you and all of you are welcome to weigh on this afterwards. Let me just start with you, Dan. First of all, is there any significance – just give us some basic building blocks – is there a significance to the terminology, whether it's annexation or extending sovereignty or extending Israeli law, is there significance to the potential various scenarios? In other words, the notion that Netanyahu has been showing maps in the last few days conflicting reports, a symbolic annexation, according to some. Other reports suggesting all his various scenarios are something like 12% to 30% of the West Bank. In which case it's a question of whether to just annex the major settlement blocks or maybe all the settlements or maybe the full 30% being the settlements and the Jordan Valley as well. And finally, and I'll remind you if I've asked too many questions at once, the question of reversibility. Is this something that if the U.S. recognizes now, or soon, a subsequent democratic presidency would reverse?

SHAPIRO: So, it very much goes to the question of how this is all received in the United States. I don't draw much of a distinction between the unilateral annexation description and the applying of Israeli law description, I think are really two names for the same thing. There is the argument about the historical chain of custody of the territory and whether or not that forms annexation.

In practical terms, I'm not a lawyer. So, I won't debate the legal question. In practical terms, that amounts to the same thing, that Israel, which for many years has tried to move us away from the notion of occupied territory and talk about disputed territory, but making a unilateral decision on the outcome of disputed territories. And if there was one principle that every American administration has adhered to, and I have had drilled into my own head by Prime Minister Netanyahu of all people in many meetings I had with him throughout my service in government was that unilateral measures should not be the way this conflict is settled.

It should be done only through direct negotiations between parties and I very much adhere to that. And so many, many Americans, including many strong supporters of Israel, people who have really put their lives and reputations and careers in the service of strengthening the U.S.-Israel relationship and the U.S.-Israel partnership have also done so on the basis that they would support negotiations, they would hold the Palestinians accountable for all the reasons they should be held accountable. When they won't tell the hard truth to their people about Israel's legitimacy or the illegitimacy of violence when they have walked away from the table or stayed away from the table in the past. But that also, the goal remains a resolution achieved through negotiations and not imposed unilaterally by one side or the other. Suddenly we have this very big change and it is a completely unilateral move, whatever name you apply to it.

That is, I think, without question, going to shake the confidence of many people, that Israel is still playing by the rules that we thought we had all agreed to that also included the pursuit of a two-state solution. That was something Prime Minister Netanyahu did endorse in his party launch speech in 2009. And that was the basis for all the negotiations during the years that followed. Again, Ambassador Dermer's recent op-ed on two states is the first time any Israeli official has said that since 2015 and it's openly contradicted on a daily basis by ministers in the Israeli government. So, it does raise a serious question. And Israelis are, as Einat says, are not so concerned about this question because they don't know that their interests are that much affected by it either way. I would think they should bear in mind how it will affect what I think is a very important Israeli strategic interest, which is a bipartisan consensus in the United States, so that you

don't get a big change and you don't undercut your friends in the democratic party who are actively trying to sustain the relationship on the traditional basis.

That also, I think, is relevant to the timing of this. The fact that it is seen by some as a golden opportunity, because President Trump is still in the White House and it should be slipped under the door. Just moments before, weeks before a U.S. election, when all of Israel's best friends in the democratic party from Joe Biden to Steny Hoyer to Nancy Pelosi to Chuck Schumer are saying, we actually think this is harmful for American interests. I think that would be a very questionable strategic decision in terms of anybody who really values the bipartisan consensus in the relationship. What would happen after the election, if there's a democratic administration, can't speculate, but obviously nothing should be considered to be irreversible if President Trump has done it. And all those questions would be on the table.

Last thing to your question about what is the proposal. Here in Israel, every day, one reads in the Israeli press, multiple contradictory stories about what the plan is. Some say, it's the full 30%, some say it'll even be augmented above the 30% because of objections from some of the settlers that it's not sufficient. Some say, it'll be just the Jordan Valley. Some say, it'll be just the settlement blocks, I'm saying it'll be just the outlying settlements or some combination thereof. This all can't be true. What is clearly true is that no one has seen a map. It is clearly true that the IDF, which would fall to them to delineate and protect the new serpentine borders that would result from this has not been seriously consulted.

They don't know what scenario they're preparing for. And so, I really asked the question, is this the way to make a decision that actually could have some strategic societal and natural security consequences for Israel's Jewish and democratic identity, for its relationship with its closest ally, and of course for its relationships with its neighbors? It's a very strange way to make such a strategic decision if you ask me.

HOROVITZ: Okay, well, let me broaden that question out and come to you and ask you if this is the right time, the perfect time, or really not a good time at all. You've got a world struggling with COVID-19, economic crises as a consequence, and for better or for worse genuinely, weeks or months before America goes into full swing presidential campaign. Is this the right time for a unilateral extension of Israeli sovereignty into parts of the West Bank?

WILF: So, I want to talk about the timing in the broader vision of what's been happening for quite some time now. Ever since 1979, Israel is in a long term, but I would say a very messy trajectory to finally settle its borders. The whole discussion we have now is really about merely the last frontier. I don't think it's the great reckoning that people make it between salvation from Aqaba from the Southern side or the end of Zionism from the detractor, the left wing side. It took us a while. Some borders we got in agreement as with Egypt and Jordan. Some, we got through unilateral retreats as in Gaza and Lebanon. And some, we got through annexation and a measure of American legitimacy as we did in the Golan Heights. I mean, seriously, no one is talking about now taking the Golan Heights out of Israel.

So, all that's left for Israel to determine its borders is really within the West Bank. So, we're in the last frontier. We are the last stretch, which might take a decade or might take a year, or who knows. But the discussion we're having now is already much more minor discussion. We're talking about 30%. And one of the reasons I might like it is I think it actually puts a glass ceiling on the annexation project, which is one of the reasons why, what I called the purest settlers oppose this because they fear indeed that this will be the end rather than the beginning. Now there are those, and Dan described them correctly, who think this is the beginning, and this is why they support it. No one knows if over time, this will have been the beginning or the end. I tend to more think that this is bringing us closer to the end, to saying, okay, 10% or 20% or 50% is going to be part of Israel and determining more and more the parameters of what our final Eastern border in that section is going to be.

So, if there is an opportunity now, and the price is going to be low, and I'm not dismissing anything, I'm just saying past assessments have been wrong in both directions. If we can do it at a low price, and this is not entirely unilateral, we get American support, we get some form of Arab, with at least looking the other way, this might be a good opportunity to move one step closer to setting our final Eastern border in the last section that remains, but it's not the great reckoning. It's really the last stretch of a process that mercifully started in 1979. Because as you all know, in 1949, no one was willing to give us final borders. So, this is what it looks like. It's messy, it's not clean. As Dan said, there's going to be serpentine borders, which might, my hope, over time lead to the removal of the most inside settlements in the process of determining the final borders. If there's an opportunity to start that now, it might be a good one.

HOROVITZ: Jon, would you like to weigh in on that? The timing is perfect, lousy. What would you be suggesting that the U.S. and Israel should be doing in this context?

SCHANZER: Well, to borrow from a phrase, it's the best of timing and it's the worst of timing. It's good timing because the world's distracted. Quite honestly, it makes this, annexation or the application of Israeli sovereignty will look small relative to all of the other major challenges that the world is dealing with right now. And I think in that sense, that that's probably at least something that Bibi is considering. One could also say that Israel has never been this strong and that it can endure the fallout, whether it's economically, militarily, politically, that Israel is in a much better place. But I would also say that it's terrible timing because of the political moment that we're in, where everything has become hyperpolarized.

I think Israel stands to lose a great deal diplomatically as a result of all of this. I think that even though Israel is strong right now on many levels, you could actually see the undermining of that strength and that Israel could be doing this in cartoon terms, stepping on a rake, hurting itself for no apparent reason. And, one other thing to just note here is that big moves are not necessarily the kinds of things that the Middle East responds well to. Pragmatism, things moving slowly, that's Middle East. Big moves can potentially really set things off in a way that Israel would not be able to contain. And so, that's a real concern. One way that I've tried to describe this is that in the past, when Israel has made big moves, you think about the 1967-68 war, or even some of the operations that it's carried out against Hamas or Hezbollah. From the Israeli perspective, it was looked at almost like lifesaving surgery, that it had to happen then and there, or Israel may not survive, or it could be significantly weakened or hobbled. This strikes me to a certain extent as elective surgery, maybe not a rhinoplasty, but maybe a tummy tuck, right? Things can go bad on the operating table here. And so that's, I think, one reason why Israel needs to be very careful. When you take risks unnecessarily, you do not know what the consequences will bring.

Now as for the way forward, to me, it strikes me that there's already some norms that have been set out. Specifically, I think about the 2004 Bush Sharon letters for the major settlement blocks. This already strikes me as kind of a vision for where Israeli borders will be.

I think the international community, the Europeans, even to a certain extent the Arab world, has long understood that the settlement blocks, which comprise roughly 250,000 Israelis, that this is going to be Israeli territory. To me, it seems that Israel could indicate that this would be a first step, and then other steps could be considered after November. But really, again, the idea of pragmatism of taking things step by step seems to be far more wise, at least in my view, than big moves that would gobble up 30% of the West Bank while the rest of Europe and the Arab world and half of the United States are howling about it.

HOROVITZ: Thank you, Jon. Dan, let me come to you. Same kind of question: good timing, bad timing, recommendations to how to proceed?

SHAPIRO: Well, I think it's an unwise move under any timing. I think sustaining the possibility of a negotiated two-state solution, undoubtedly having to wait for different Palestinian leadership, Einat's right, that the Palestinian leader who will tell the hard truth to their own people and make some necessary compromises has not emerged yet. But they'll be much less likely to emerge if there's nothing left physically that one could actually produce a reasonable settlement around, and at least it holds the door open. And I think that is a strategic asset for Israel in the bipartisan relationship with the United States and Europe and the Arab world. Just knowing that it's kept, it keeps it alive as a strategic asset. And once that opportunity is gone, again, and its final step, maybe it's only the last straw on the camel's back, but the final step because of a unilateral Israeli decision, I think many Israelis may miss it and realize that they had given away an important strategic asset. So that's to the question about the timing.

To the question about whether there is a lesser and therefore not as problematic form of unilateral annexation, again, I said there are so many different versions one hears about on a daily basis. I really discourage searching for the Goldilocks, not too hot, not too cold version of unilateral annexation. The problem with it is unilateral, that it will really violate that longstanding principle, that the conflict should be settled through negotiations. Once that lid is ripped off, undoubtedly, the Palestinians will have unilateral measures of their own that they will respond with. The United States has appropriately opposed those as well, whether there are appeals to international tribunals, or declarations of independence, or the like. But many other countries will be quite open to supporting those types of moves and saying, "Well, look, if Israel has acted unilaterally, now the Palestinians will." That's a very likely scenario.

And as I said before, the third reason is because even for those who advocate, well, let's just start with the settlement blocks, something that is more or less consensus. It's not consensus because nothing's been agreed to, but every previous American proposal from the Clinton era, from the Bush era, from the Obama era, in different terms and in different language acknowledged that Israel would sustain control of major settlement blocks near the '67 lines, where the great bulk of the settler population lives, and that that could be accommodated in land swaps that would leave in place enough territory for a viable contiguous Palestinian state.

But the problem with doing it this way is it's doing it unilaterally, but also that the advocates for doing even that smaller bit are all saying very openly that this is just the first step and that they'll come back for more later. We can lower the flames. We can reduce the reaction. Maybe we can get away with this with lower repercussions, but then we'll take the next step and do more later. There's kind of an inexorable quality for that kind of advancement. And there will be security arguments posed within Israeli society about the need to annex additional territory to protect the parts that were already annexed. There will be equity arguments posed by why Israeli settlers in some communities are treated differently from settlers in other communities. Once we get on that slippery slope, it's going to be very, very hard to reverse. So, I really would caution against searching for better timing. I would caution against searching for a smaller, more acceptable version of unilateral annexation. The problem is unilateral.

HOROVITZ: Okay. I want to come, really, for one last round of questions to each of you. And I'll frame it like this, which is how do you think this is going to play out? And I have to say, if somebody asked me that question, I'd try to duck it because predicting is a dangerous business. But answer that question any way you like, including with any sort of closing thoughts, but maybe consider what are the sides up to? We haven't really discussed. What is Netanyahu really up to here? Is there some kind of cynical approach one should have to what's playing out? Is this an election gambit? Is it a deflect attention from his trial gambit? Because this wasn't a position that he embraced until relatively recently. So how do you think it's going to play out? What do you think the sides are up to? And any closing thoughts. Einat, let me come to you first.

WILF: If I had to make a bet, I would go with this will end with a whimper either way. So, either it ends with a whimper by not happening, or it ends with a whimper by entering some extended process in which Israel declares that it's going to do it, but just drags out the process, the debates, the negotiations, the how to do it, or it does do it on some small measure, and there's no grand response. So generally, I would go for the whimper, simply because I'm looking at a lot of the Netanyahu debates in recent years, the Nation State Bill, things of the sort. They all ended with a whimper, because they served, as you mentioned, they served some political benefits for Netanyahu. Netanyahu has the skill of going to places that strike the Israeli consensus without really kind of causing some global rockets. So generally, my bet is that whatever it's going to be, it's going to end with a whimper.

HOROVITZ: Dan, let me come to you next.

SHAPIRO: Of course, predictions about Israeli politics are worth what you pay for them. So, I will plead humility and ignorance about what is actually going to happen. I'll just make a couple observations. I've, again, sat in many meetings with Prime Minister Netanyahu for many years, in which he went on at some length about his determination to prevent Israel from becoming a binational state. He gave his speech, talked about a two-state solution, and as two states for two peoples, a demilitarized state that recognizes the Jewish state, a very legitimate caveats. Negotiations were conducted around that principle. And in private meetings, he would at times brag to us, I think with a lot of genuineness, that he would argue against annexation to his own Likud colleagues, who would say to him, "Why are you conceding this idea of a Palestinian state? It belongs to us. We should annex it. Why are you going down that road?"

And he would say to them, "What do you mean? What are you going to do with the people there? Are you going to give them citizenship? Are you not going to give them citizenship? In one way we're not Jewish, and in other way, we're not democratic. It's a binational state either way." He would make, at least he told us, he was making that argument internally in debates and within Likud. So that was where I understood him to be through the first half of this past decade. By 2015, after two rounds of failed negotiations, he ruled out a Palestinian state ever coming into being on his watch. So that was an important change, a welcome one in my view. But even then, he was not pro-annexation. That didn't show up until a week before the April 2019 election.

Now it's a little hard to separate elections from positions that are taken immediately before elections. And then of course, he was stuck in a series of three relatively inconclusive elections, but each time raising the stakes of his investment in this particular policy to, I suppose, gain the support he needed. Whether that was related to his legal matters or not, I leave to others to speculate. But it leaves us in a situation where he's put a lot of chips on the table in support of that. He seems to be putting more and more at stake in having some version of it. Maybe it's only going to be rhetorical, but something he can point to. It's again, quite at odds with his previous positions, also quite at odds with much of his conduct as Prime Minister, which has been fairly risk averse. He's not somebody who has pursued great military adventures. He's somebody who has often been a voice of caution in his cabinet debates and even with his military against major moves, recognizing as Jon says, sometimes those don't turn out so well.

And so, I must say I'm puzzled by where he is putting himself in feeling that now he has to deliver on this and has to deliver on this when maybe Trump doesn't even want it at this point with everything else going on in America. Certainly, Democrats are telling him, maybe Democrats will soon be in control of parts of Washington, that they disagree with it. So, I don't understand it. Of course, it's all tied up also in the coalition, strange coalition arrangements that he has with Benny Gantz and Gabi Ashkenazi. So, I'm certainly unable to offer a real prediction. My Advice remains what it was, "Don't do this. Don't go forward with this move."

HOROVITZ: Thank you, Dan. So, Jon, finally to you, and I'm confident you will give us a definitive prediction of how this is all going to play out.

SCHANZER: Definitive, I'm not sure. Look, I would agree with Dan that Bibi is a pragmatist, that he's cautious, that he's risk averse, and that I think will guide ultimately where this goes. This is a man that I think if he hears from the security apparatus, specifically from the IDF and the Shin Bet, how much of a headache this could be for Israel moving forward, I think they perhaps may hold the keys to thwarting this. And I think as Dan indicated, they've not been consulted regularly throughout this process. I think once the joint commission comes back with its findings, this will, I think, be the moment for the IDF and the Shin Bet to weigh in. And that could be what sways the Prime Minister away from making these big moves that can sometimes backfire in the Middle East. So that's not quite a prediction, but I think it's a way out for Bibi, who again, I think is very much risk averse.

I would note that the longer this plays out in the Israeli public, I think the more it benefits Netanyahu. It apparently is eroding the support for, or at least contributes to the eroding of support of blue and white and to Bibi's pose on the right to a certain extent, that he seems to be the guy that's willing to push Israel's interests further. And at least according to some of the polls that I've seen, his political adversaries are suffering at least to some extent.

One thing that I will just note about all of this, I think Bibi has one to a certain extent already. This is a plan that's been put on the table by the U.S. administration. It doesn't matter which administration it is, and I know that people will debate whether this administration had as much legitimacy as the ones before it. Forget all of that. Israel now has a plan that they can point to, which will be a counter to all the other plans that front-loaded benefits for the Palestinians, just for showing up at the negotiating table. This has changed the dynamic 180 degrees, and Israel will use this plan. Even if they annex nothing, they will be able to use this plan as a counter to future plans put on the table by Democrats and Republicans alike that the Israelis feel has given the Palestinians too much. And so, I would look at that as a marker.

But I would, I think, want to end on this note, and that is that everyone is certainly talking about what the ramifications for Israel, what they might be if Israel annexes, if it acts unilaterally. I have not seen anyone talking about the fallout for the Palestinians, for not coming to the table, for once again, not negotiating. It is their intransigence that has brought us to this point, in my view. All the wars, all of the conflict would not happen if it were not for Palestinian intransigence and their desire, quite frankly, to wipe Israel off the map. This of course is something that Einat knows well with her new, excellent book, which I recently read. But this is the ultimate problem.

And I think that what the annexation debate, or the debate over the application of sovereignty is, as some are calling it, what it has not done, is it has not really put pressure on the Palestinians for returning to the table, and for coming back to the Israelis, and the United States, and the international community with a viable solution. They continue to be the party of "No," and somehow, they continue to get away with it. My hope is that regardless of whether there's a second Trump administration or a first Biden administration, that that dynamic begins to change, and that the Trump so-called deal of the century can begin to push the Palestinians to start to make some concessions, which are long overdue.

HOROVITZ: Okay. Thank you, John. I think we could probably go for another hour on this. I think there's a really interesting dynamic between the three of you, a lot of fresh thinking, but we'll end it there. I want to thank all of our panelists, Dan Shapiro, Jonathan Schanzer, Einat Wilf. I want to commend the FDD website to you at fdd.org. Thank you for being with us. Take care, everybody.

WILF: Thank you.