

THE MIDDLE EAST PEACE PROCESS AND U.S. STRATEGIC PRIORITIES POST-DISENGAGEMENT

HEARING

BEFORE THE
SUBCOMMITTEE ON THE MIDDLE EAST
AND CENTRAL ASIA
OF THE
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**THE MIDDLE EAST PEACE PROCESS AND
U.S. STRATEGIC PRIORITIES
POST-DISENGAGEMENT**

WEDNESDAY, SEPTEMBER 21, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND CENTRAL ASIA,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:15 p.m. in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (Chair of the Subcommittee) presiding.

Ms. ROS-LEHTINEN. The Subcommittee will come to order. Thank you so much, all of our witnesses as well as for the audience, for being here. Right at this moment there is a classified Members' briefing being given by Secretary of Defense Rumsfeld, so you will excuse the Members who would have wanted to have been here, but that hearing will go on for a while. But thank you for your patience. We had a series of votes right now.

On December 18, 2003, Prime Minister Ariel Sharon took a bold and unprecedented step. At considerable political risk, Prime Minister Sharon demonstrated his commitment to peace by stating that Israel will unilaterally disengage from the Palestinians by redeploying forces and relocating settlements. After some revision, the Government of Israel approved a plan to withdraw from all 21 settlements in Gaza, 4 small settlements in the northern West Bank, and from the military installations protecting them.

Israel's disengagement from the Gaza began on August 15th. On August 17th, Israeli police and soldiers began removing those who did not leave voluntarily. Evacuation of the settlers from Gaza was completed on August 22nd, and from the northern West Bank on August 23rd. Israel's military withdrawal from Gaza was completed last week.

The sadness and the anguish exhibited by Israelis who had to abandon their homes and by Israeli soldiers obliged to enforce the disengagement process brings into context the extent of the sacrifices endured by the Israeli people throughout the years for the sake of peace and the many months of agonizing debate within Israel over this policy. On the one hand, many within the Israeli populace decried that any pull-back by Israel without security guarantees or other tangible steps by the Palestinian Authority was a victory for the terrorists, and that the withdrawal from Gaza would lead to an exponential increase in terrorism launched from

Gaza. Others, such as Ambassador Dore Gold, addressed many of these core strategic issues and concerns in a briefing hosted by the Subcommittee this last July.

In his most recent study, *Defensible Borders for a Lasting Peace*, Ambassador Gold focused on analyzing Israel's minimal territorial requirement to enable it to defend itself in the aftermath of disengagement. Others, led by Prime Minister Sharon, argued that disengagement would bolster Israel's security, and that it represented an initiative aimed at altering the status quo with the Palestinians to Israel's advantage.

Nonetheless, Israel's disengagement from Gaza proceeded efficiently and smoothly. There were few violent incidents, and in no case did an Israeli employ a weapon against another Israeli. Conversely, lawlessness within the Gaza Strip and continued attacks against Israel has characterized the Palestinian response to disengagement. Israel's withdrawal was not yet a day old when Palestinian mortars began landing in Sderot. The Palestinian destruction of greenhouses in vacated Jewish settlements in Gaza has denied them of a potential economic windfall from Israel's withdrawal.

In addition, by torching the synagogues and storming the Philadelphi Route, they are not only signaling that they do not intend to behave responsibly, but that they may transform Gaza into a major security threat. Vast amounts of assault rifles, explosives and other weaponry has reportedly been smuggled across the Egyptian frontier into Gaza in just the last few days, confirming fears regarding the inability or the willingness of the Palestinians and Egyptians to provide security along that border.

In the midst of this chaos, the spotlight has now clearly shifted to the Palestinian Authority, which must now show that it can effectively and successfully govern Gaza. They must not only restore law and order, but verifiably dismantle the terrorist infrastructure in the Gaza Strip and ensure that it is not used as a staging ground for terrorist attacks against Israel. That government's failure to prevent terrorists from using Gaza as a haven will undermine any hopes for progress toward peace. These developments will have far-reaching implications for the U.S. post-disengagement policies; the activities, operations, programs and assistance.

It is of utmost importance that we review what specific requirements and conditions must be met or not be met by the Palestinian Authority. Included in this is the current level and composition of United States security assistance to the Palestinian Authority, the current status and constitution of Palestinian security forces. What specific actions in the Palestinian Authority are they taking to counter terrorism and terrorists financing the West Bank in Gaza, including the dismantling of terrorist infrastructures, the confiscation of unlawful weaponry, and the disarmament of terrorist organizations?

What is the role of Egypt and Jordan regarding security in Gaza in particular and in the post-disengagement era in general? How are we tracking United States funding and security assistance to the Palestinians? What impact will these developments have on our long-term security strategy in the region? As a result of disengagement, is the Administration engaging in a reassessment of other

overall strategy in the region? What does the Administration view as the U.S. strategic priorities post-disengagement?

I would also like our witnesses to address the current status of the roadmap, also prospects for Palestinian elections and political reform, the role of the Quartet in the international community, and long-term impact of disengagement on United States counterterrorism strategies in the region.

We just came from a meeting with His Majesty Abdullah of Jordan, and we were talking about the role of Hamas in the upcoming Palestinian elections. And I would like our witnesses to comment on what is the Administration's position on Hamas participation in these elections. If Hamas were elected to and integrated into a Palestinian Government without disarming and repudiating terror and violence, would the Administration provide direct assistance to the Palestinian Authority? Did our acceptance of Hezbollah's participation in the recent Lebanese elections, despite Hezbollah's refusal to disarm and renounce terror, set a bad precedent that is now interfering with the United States position on Hamas?

I would like to thank our distinguished witnesses for appearing before the Subcommittee today, and I would now like to turn to the Ranking Member of our Subcommittee, Mr. Ackerman, for his opening remarks.

[The prepared statement of Ms. Ros-Lehtinen follows:]

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIR, SUBCOMMITTEE ON THE MIDDLE EAST AND CENTRAL ASIA

On December 18, 2003, Prime Minister Ariel Sharon took a bold and unprecedented step.

At considerable political risk, Prime Minister Ariel Sharon demonstrated his commitment to peace by stating that Israel would unilaterally disengage from the Palestinians, by redeploying forces and relocating settlements.

After some revision, the Government of Israel approved a plan to withdraw from all 21 settlements in Gaza, four small settlements in the northern West Bank, and from the military installations protecting them. Israel's disengagement from the Gaza Strip began on August 15th. On August 17th, Israeli police and soldiers began removing those who did not leave voluntarily.

Evacuation of the settlers from Gaza was completed on August 22nd, and from the northern West Bank on August 23rd. Israel's military withdrawal from Gaza was completed last week.

The sadness and anguish exhibited by Israelis who had to abandon their homes, and by Israeli soldiers obliged to enforce the disengagement process, brings into context the extent of the sacrifices endured by the Israeli people throughout the years, for the sake of peace, and the many months of agonizing debate within Israel over this policy.

On the one hand, many within the Israeli populace decried that *any pullback by Israel* without security guarantees or other tangible steps by the Palestinian Authority, was a victory for the terrorists, and that the withdrawal from Gaza would lead to an exponential increase in terrorism launched from the Gaza Strip.

Others, such as Ambassador Dore Gold, addressed many of these core strategic issues and concerns in a briefing hosted by the Subcommittee this past July. In his most recent study *Defensible Borders for a Lasting Peace*, he focused on analyzing Israel's minimal territorial requirements to enable it to defend itself, in the aftermath of disengagement.

Others, led by Prime Minister Ariel Sharon, argued that disengagement would bolster Israel's security, and that it represented an initiative aimed at altering the status quo with the Palestinians to Israel's advantage.

Nonetheless, Israel's disengagement from Gaza proceeded efficiently and smoothly. There were few violent incidents and in no case did an Israeli employ a weapon against another Israeli.

Conversely, lawlessness within the Gaza Strip and continued attacks against Israel has characterized the *Palestinian* response to disengagement. Israel's withdrawal was not yet a day old when Palestinian mortars began landing in Sderot.

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In addition, by torching the synagogues and storming the Philadelphi route, they are not only signaling that they do not intend to behave responsibly, but that, they may transform Gaza into a major security threat.

Vast amounts of assault rifles, explosives, and other weaponry has reportedly been smuggled across the Egyptian frontier into Gaza in the past few days, confirming fears regarding the inability, or willingness, of the Palestinians and Egyptians to provide security along that border.

In the midst of this chaos, the spotlight has now clearly shifted to the Palestinian Authority, which must now show that it can effectively and successfully govern Gaza.

They must not only restore law and order, but verifiably dismantle the terrorist infrastructure in the Gaza Strip and ensure that it is not used as a staging ground for terrorist attacks on Israel. That government's failure to prevent terrorists from using Gaza as a haven, will undermine any hopes for progress toward peace.

These developments will have far reaching implications for U.S. post-disengagement policies, activities, operations, programs, and assistance. It is of the utmost importance that we review what specific requirements and conditions must be met, or not being met by the Palestinian Authority.

Included in this is the current level and composition of U.S. security assistance to the Palestinian authority the current status and constitution of Palestinian security forces.

What specific actions is the Palestinian Authority taking to counter-terrorism and terrorist financing in the West Bank and Gaza, including the dismantling of terrorist infrastructures, the confiscation of unlawful weaponry, and the disarmament of terrorist organizations?

What is the role of Egypt and Jordan regarding security in Gaza, in particular, and in the post-disengagement era, in general?

How are we tracking U.S. funding and security assistance to the Palestinians?

What impact will these developments have on our long-term security strategy in the region?

As a result of disengagement, is the Administration engaging in a reassessment of our overall strategy in the region?

What does the Administration view as the U.S. strategic priorities post-disengagement?

I would also like our witnesses to address the current status of the Road Map; prospects for Palestinian elections and political reform; the role of the Quartet and the international community, and long-term impact of disengagement on U.S. counterterrorism strategies in the region.

I would like to thank our distinguished witnesses for appearing before the Subcommittee today, and will now turn to the Ranking Member of the Subcommittee, Mr. Ackerman, for opening remarks.

Mr. ACKERMAN. Thank you very much, Madam Chair. Thank you for your leadership in this area and for your strong statement.

In my view, disengagement was a revolutionary step signaling the indefinite suspension of negotiations on a final status deal and ushering in an age of unilateralism with or without coordination. After the failure of Camp David, and after enduring 5 years of ceaseless terrorist slaughter, the reality of demographic truth and the unyielding chaos of Palestinian politics prompted Prime Minister Sharon to act. Though the political costs were high, the prime minister chose to seize the initiative and make the painful choices to secure Israel's interest and to guarantee her survival as a Jewish democratic State.

This engagement was neither a concession to Palestinian terror nor abandonment of Israel's vital national security interests. Quite the contrary. This engagement has much more to do with unyoking Israel's destiny from the millstone of Palestinian dysfunction than

it does with eliminating the presence of Israeli soldiers and settlers in Gaza.

Israel is now out of Gaza, and the lifesaving security fence around the West Bank will be completed in a few months. Prime Minister Sharon has reaffirmed his willingness to return to the roadmap if Palestinian actions make it possible. If past is prologue, the Palestinians will again miss an opportunity to begin building their state from the ground up.

The past week, since the IDF completed this disengagement, has been marked by the assassination of Gaza warlord Musa Arafat, the complete breakdown of control on the border between Rafa and Sinai, almost daily parades of arms by the terrorist factions, and most notably the looting and pillaging of the surviving productive remnants of the settlements the Palestinian Authority declared ostensibly to be public property.

Let us be honest. On its good days the Palestinian Authority is rife with corruption and riddled with political hacks and thugs. It is feeble and never more than one new cycle away from political emasculation. Its communications are alternatively grandiose and pathetic, are regularly contaminated with anti-Semitism and incitement, and incapable of holding its own against the radical groups. It vacillates, caves, and pretends that appeasement is the highest of political virtues. Yet this is the horse we are betting on. And the truth be told, it is the right bet because there is no one else to bet on. There is no one even close.

I don't love the PA, though there are a few good people there who deserve our support, but I am absolutely convinced that we need them, and we need them to succeed. That brings me to our witnesses.

The Bush Administration's contribution to the current state of affairs has been a combination of small-scale tactical coordination and large-scale endorsements of Prime Minister Sharon's strategic choices. The President, of course, has his vision. He has got his roadmap, the ultimate diplomatic lollipop. And the whole of our policy is predicated on a single critical assumption that, unlike its entire history, the PA will suddenly prove capable of providing good government, effective public services, rapid economic growth, and reliable public security.

Israel has made its move, so what is the plan for rehabilitation of the PA? Unfortunately, the Bush Administration's record in the reconstruction department is poor. In this case, fortunately, we have at least experienced professionals on the job instead of horse judges. But as with reconstruction in Iraq and as with the response from Katrina, the President is inclined to make grandiose declarations and then expect his policy to self-execute.

As both our witnesses well know, hope is not a plan, and snapping "fix it" does not get the job done. So I would like to know, what is the plan? How do we get the roadmap if President Abbas has already declared he will not take on the terrorists? How do we help his allies if they are now powerless due to the reforms enacted to marginalize Arafat? How do we get them real amounts of international assistance as opposed to the usual worthless pledges, and also give donors confidence that, unlike every previous experience, the money won't be sent down a rat hole? With the surge in oil

prices, the Gulf States should have something in the bank. Can't we at least get them to cut off the flow of money to Hamas and PIJ? What if Abbas fails and, typical of him, resigns? If PA comes to stand for Palestinian anarchy, and Hamas takes a winning or controlling share in the upcoming elections, what then? How can we help Abbas and his allies without branding them as American stooges? Is there a way to help the Palestinian economy provide jobs now; not next month, not after the election, and not after the next round of violence?

Madam Chair, I don't know the answers, but I know we need to get them and to get them fast. And I look forward to hearing from our witnesses.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Ackerman.

Mr. McCotter.

Mr. MCCOTTER. Pass.

Ms. ROS-LEHTINEN. Mr. Issa.

Mr. ISSA. Thank you, Madam Chairman.

Ambassador, very good to see you again.

General, very good to see you again. I certainly hope that you have information to give to us better than what we have heard so far as far as the prognosis for peace in this region. I trust, General, that your mission, which continues to expand, is being staffed and the resources continue to be supplied that you need.

An opening statement about the current affairs in Israel, the West Bank, and Gaza is open to a lot of interpretation. What isn't open to interpretation, and what I hope we will be dealing with today, are the issues that Yitzak Rabin, the late prime minister, became aware of when, in much more eloquent ways than I would ever say, he made it clear that Jewish people were not going to deny other people their rights and hold them like slaves. The Jewish people were not going to expel from land because they might want it, and drive them into another land, because they had already seen that. Additionally, Prime Minister Rabin was smart enough to know that the absorption of Arabs, non-Jews, could only lead to the end of the Jewish State as a democracy, and so he rejected that.

That leaves us only with a two-state solution. And no matter how we slice it or how we dice it, no matter what we call it, ultimately in the memory of Prime Minister Rabin, I certainly hope we will always reject that there is any alternative to making sure that the people sometimes called Palestinians, sometimes by others called Jordanians or Egyptians or some other term that would reduce them less than a nation, must have an ability to govern themselves. And if we can make Afghanistan a nation and we can make Iraq a stable and peaceful nation, at least for this Member, I have no doubt that it will take less work, less money to make a Palestinian State living in peace by its neighbors.

With that, I yield back.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. Berman.

Mr. BERMAN. I prefer to wait for the testimony and then questions, Madam Chair.

Ms. ROS-LEHTINEN. Thank you.

Mr. Boozman.

Ms. Berkley.

Ms. BERKLEY. Thank you, Madam Chairman. And my opening remarks are going to be very brief because I also would like to hear the testimony before we engage in some hopefully meaningful dialog.

It is very nice to see General Ward again. We met at the Ambassador's residence in Israel about a month ago, and it was a most enjoyable meeting.

I don't think there is a question anymore about a two-state solution. Prime Minister Sharon stated that fact just this past month at the United Nations, so I think we are long past that. I think the concern is Israeli security. And I don't—I was in Israel during the disengagement, and I am not quite sure that my fellow citizens or other people around the world fully appreciate how difficult disengagement was for the Israeli people. But as Prime Minister Sharon promised, he gave up the 21 settlements in Gaza, they evacuated four settlements in the West Bank, and now I think the time has come for the Palestinians to show good faith as well so we can move forward, get back to the roadmap and move toward a peaceful two-state solution, two nations living side by side in peace with defensible borders and secure borders, with Israel's right to exist recognized by all of its Arab neighbors.

We haven't gone quite far enough yet for Israel to feel secure within its own borders when next-door to them they have terrorists that continue to refuse to recognize Israel's right to exist. Mahmoud Abbas, while I welcomed him after Arafat's death, I would be less than candid if I say that I was dissatisfied with his performance. I think he is missing some golden opportunities to bring peace. The very notion that he would bring Hamas into the government, this is a terrorist organization that refuses to recognize Israel's right to exist. How do you bring them into your government and then say, "We want peace now, Israel"?

I think there is a number of steps that the Palestinians have to take especially in light of the disengagement and Israel's sacrifices in the interest of peace. But I am anxious to hear what you have to say, and I hope in your remarks you are going to follow up on some of the discussions we had, General Ward, about providing resources to the Palestinian Authority for their security forces. I will be interested to hear what you have to say today on that subject as well. I thank you both very much for being here.

Ms. ROS-LEHTINEN. Thank you, Congresswoman.

I would like to now introduce our witnesses.

Ambassador C. David Welch was sworn in as Assistant Secretary of State for Near Eastern Affairs this past March. Mr. Welch was U.S. Ambassador to Egypt from August 2001 to March 2005. From October 1998 to August 2001, Ambassador Welch served as Assistant Secretary of State for International Organization Affairs. A career Foreign Service officer, Ambassador Welch has served in postings in Saudi Arabia, Jordan, Syria, and Pakistan.

Our second witness is Lieutenant General William E. Ward, U.S. Army, who was recently recommended for appointment as Deputy Commander U.S.-European Command in Germany. General Ward is currently serving as Deputy Commanding General Chief of Staff at U.S. Army Europe and 7th Army Germany, in addition to ap-

pearing before the Subcommittee today as security coordinator for Palestinian peace negotiations.

We thank you both for being here.

Ambassador, your full statement will be made a part of the record.

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

Ambassador WELCH. Thank you, Madam Chairwoman. I am pleased to have the opportunity to appear before this Committee again. I apologize in advance for my voice; bit of a cold today.

I have just returned from New York where, among other things, I attended the President's meeting with Prime Minister Sharon last week, as well as the Secretary's meetings with many of her counterparts in the region for which I am responsible, and in particular with her counterparts in the Quartet just yesterday. Thus, this hearing, Madam Chairwoman, is very timely or gives us the opportunity to get your advice and views, for us to discuss our policy approach, and to endeavor to answer the questions that you have.

It has been an eventful month in a region that has been full of events. We have seen a truly historic event unfold in Israel's withdrawal from the Gaza Strip. Prime Minister Sharon deserves recognition and credit for his courage in bringing this process to a successful conclusion. The conduct of the Israeli Defense Forces, the IDF, and their police was remarkable. And the Palestinian Authority cooperated by providing the IDF the space it needed to complete its task of withdrawal. We worked extensively with the parties, their neighbors in the region and the international community in preparation for this disengagement.

Secretary Rice made her third trip to the region in July. And as you know, I have been there quite a few times myself. President Bush has raised this matter extensively, most recently during his meetings in the General Assembly, but before that as well.

We continue to coordinate very closely with our Quartet partners, as evidenced by yesterday's successful meeting, a meeting that produced international recognition of Israel's withdrawal and the moment of opportunity that it affords us. But the post-disengagement transition to Palestinian self-governance to Gaza has not been as smooth as we had hoped. Problems have emerged along the Egypt-Gaza border the first few days after the IDF's departure. We have been in constant touch with the Egyptians and the Palestinian Authority to ensure that those parties meet their commitments to secure that border. I believe as we speak today that that situation is stabilizing.

Much of the flow of people across the border was for purposes of family reunification and commercial activity, but we are concerned about the situation at the Rafa crossing in particular, about reports of possible smuggling into Gaza, and about the looting that occurred at some of the greenhouses inside of Gaza.

The events in the past few days underscore that there are very real challenges facing the Palestinian Authority as it takes on new responsibilities for governance. First and foremost is the task of security. Although President Mahmoud Abbas has taken some steps

to assert control, overall Palestinian Authority performance to date has been far from satisfactory. The PA must move quickly to establish order and to take steps to dismantle the infrastructure of terror. Regional states such as Syria and Iran must cease support for extremist Palestinian organizations that stand in the way of peace. Progress must continue on the critical task of reforming the PA security services under a unified civilian command.

We believe the rule of law through authorized security institutions is fundamental to democratic practice. Ultimately those who want to be a part of the political process should not engage in armed group or militia activities, for there is a fundamental contradiction between such activities and the building of a Palestinian State—of a democratic Palestinian State.

The United States, European Union, Egypt and others in the international community have taken a very active role in these efforts. In this regard the United States recently announced the provision of just over \$2.3 million in nonlethal assistance to the PA security services as directed by U.S. security coordinator General Ward, and another \$700,000 for community policing efforts, which will be administered by USAID.

I am pleased to be joined here today by General Ward, who can provide you with additional information on the Palestinian Authority's efforts in this area and our own efforts to support them.

Returning the Palestinian economy to sustainable growth remains a top priority as well. Our efforts in this area continue to be led by Quartet's Special Envoy Jim Wolfensohn. To provide an immediate boost to the Palestinian Authority, Mr. Wolfensohn has identified \$750 million in international assistance expected to be disbursed between now and the end of the year. This total includes nearly \$160 million in United States funds for projects such as the rehabilitation of internal roads in Gaza and private-sector technical assistance. We believe these projects will provide a boost to the Palestinian Authority as it assumes a mantle of governance in Gaza.

There has also been much progress on the agenda that Mr. Wolfensohn has identified as critical to the longer-term revitalization of the Palestinian economy, but a number of key issues remain, such as the status of crossings, practical links between the West Bank and Gaza, addressing barriers to movement in the West Bank itself, and the Gaza airport and seaport. All of these matters must be addressed, of course, with careful attention to the balance that has to be struck between freeing up the Palestinian economy on one hand and addressing the legitimate security needs of Israel on the other hand. Mr. Wolfensohn is working with the Palestinian Authority and the international community on a medium-term development plan which will lay out a strategy and a budgetary framework for the Palestinian economy between the years of 2006 and 2008. But progress on these issues alone is not going to be likely to put the Palestinian economy back on a sustainable footing unless there is a coordinated effort between the parties and the international community.

Four years of intifada-induced economic decline have left over two-thirds of Gazans in severe poverty. Wage bill pressures will force the Palestinian Authority into a significant budgetary short-

fall this year. We believe the Arab States have a special responsibility in this regard to make good on prior commitments to the PA and to further increase their support at this critical time. For its part, the United States, thanks to the support of this Committee and others, will provide \$225 million in assistance to the Palestinians in fiscal year 2005 as well as an additional \$50 million for Israel to improve the flow of goods and people, and some money will be used at the crossings. We have requested an additional \$150 million for the next fiscal year, fiscal year 2006.

As a further statement of support for PA efforts, and in recognition of the much improved level of financial accountability and transparency, this year's assistance included the recent provision to the Palestinian Authority of \$50 million in cash for new infrastructure projects in Gaza. But most critical of all, we believe that the Palestinian leadership itself must accelerate the process of reform to improve the lives of the Palestinian people and put the economy on a path to self-sufficiency. Building transparent, accountable government institutions, strengthening the rule of law and anti-corruption efforts is necessary to create an investor-friendly climate and stimulate private sector development. The further consolidation of Palestinian democracy through the upcoming municipal and legislative council elections is an essential part of this process.

Over the coming months our focus will be on using what the Secretary of State has called the forces of momentum to spur greater cooperation and trust between Palestinians and Israelis as a way to renew action in accordance with the sequence of the roadmap. We need to ensure that there are channels of communication that grew out of the disengagement process; that these are used to advance the issues that remain before us, such as those agreed at the Sharm el-Sheikh summit between Prime Minister Sharon and Mahmoud Abbas. During disengagement President Abbas called Prime Minister Sharon. This was a positive example. We have encouraged the parties to continue their cooperation at all levels on all issues in front of them. We are encouraged by the intention of the two leaders to meet again on October 2nd.

Looking ahead, much depends on whether the Palestinian Authority governs in a way that gives confidence to Israelis, to the international community, and especially to Palestinians themselves. It will also be important for both sides to meet their obligations under the roadmap. Palestinians must confront violence and dismantle the terrorist infrastructure, and Israel must stop settlement expansion and dismantle unauthorized outposts.

We will continue to work with both parties to build on the success of disengagement, to reenergize progress along the roadmap and bring us closer to realizing Bush's vision of two democratic states, Israel and Palestine, living side-by-side in peace and security.

Finally, just a personal note. Though there is a little bit of time between now and the end of October, this may be the last time General Ward testifies in front of this Committee. He will be moving on, as the Chairperson mentioned. I would like to thank him and his team for their support and assistance to our diplomatic efforts during this very critical period.

Thank you very much. I am happy to take your questions.

[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

Thank you, Madame Chairwoman. I'm pleased to have the opportunity to address the committee today. I have just returned from New York, where I attended the President's meeting with Prime Minister Sharon last week and the Secretary's meeting with her Quartet counterparts just yesterday. This hearing is timely, for it allows us the opportunity to get your advice and views and also affords us an opportunity to discuss our policy approach.

It has been an eventful month in the region. We have seen a truly historic event unfold in Israel's withdrawal from the Gaza Strip. Prime Minister Sharon deserves credit for his steadfast courage in bringing the process to a successful conclusion. The conduct of the Israeli Defense Force and police was remarkable, and the Palestinian Authority cooperated by providing the IDF the space needed to complete its task. We have worked extensively with the parties, their neighbors in the region, and the international community during the run-up to disengagement. Secretary Rice made her third trip to the region in July, and I have traveled to the region numerous times as well. President Bush raised the issue extensively in his meetings during the UN General Assembly. And we continue to coordinate closely with our Quartet partners, as evidenced by yesterday's successful meeting, which produced international recognition of Israel's withdrawal and the moment of opportunity that it brings us.

But the post-disengagement transition to Palestinian self-governance in Gaza has not been as smooth as we might have hoped. Problems emerged along the Egypt-Gaza border in the first few days after the IDF departure. We have been in continuous communication with the Egyptians and the Palestinian Authority to ensure the parties meet their commitments to secure the border, and we believe the situation is stabilizing. Much of the flow of people across the border was for purposes of family reunification and commercial activity, but we remain very concerned about the situation at the Rafah crossing, reports of possible smuggling into Gaza, and looting of some of the greenhouses.

The events of the past few days underscore the very real challenges facing the Palestinian Authority as it takes on new responsibilities for governance. First and foremost is the task of security. Although President Mahmoud Abbas has taken some steps to assert control, overall Palestinian Authority performance to date has been far from satisfactory. The PA must move quickly to establish order and take steps to dismantle the infrastructure of terror. Regional states such as Syria and Iran must cease their support for extremist Palestinian organizations which stand in the way of peace. And progress must continue on the critical task of reforming the PA security services under a unified, civilian command. We believe the rule of law through authorized security institutions is fundamental to democratic practice. Ultimately there is a fundamental contradiction between such activities and the building of a democratic state.

The U.S., European Union, Egypt, and others in the international community have taken an active role in these efforts. In this regard, the U.S. recently announced the provision of \$2.3 million in non-lethal assistance to the PA security services as directed by U.S. Security Coordinator General Ward and \$700,000 in funds for community policing efforts, which will be administered by USAID. I am pleased to be joined today by General Ward who will provide more information on the Palestinian Authority's efforts in this area, and our own efforts to support them.

Returning the Palestinian economy to sustainable growth remains a top priority as well. Our efforts in this area continue to be led by Quartet Special Envoy Jim Wolfensohn. To provide an immediate boost to the Palestinian Authority, Mr. Wolfensohn has identified \$750 million in international assistance expected to be disbursed between now and the end of the year. This total includes nearly \$160 million in U.S. funds for projects such as the rehabilitation of internal roads in Gaza and private sector technical assistance. We believe these projects will provide a boost to the Palestinian Authority as it assumes the mantle of governance in Gaza.

There has also been much progress on the agenda Mr. Wolfensohn has identified as critical to the longer-term revitalization of the Gaza economy. But a number of key issues remain, such as the status of crossings, practical links between the West Bank and Gaza, addressing barriers to movement in the West Bank, and the Gaza airport and seaport. All of these matters must be addressed, of course, with careful attention to the balance that must be struck between freeing up the Palestinian economy and addressing Israel's legitimate security needs. Mr. Wolfensohn is also working with the Palestinian Authority and the international community to formu-

late a Medium Term Development Plan which will lay out a strategy and budgetary framework for the Palestinian economy from 2006–2008.

But progress on these issues alone is unlikely to put the Palestinian economy back on a sustainable footing without the coordinated efforts of both the parties and the international community. Four years of intifada-induced economic decline left over two-thirds of Gazans in poverty, and wage bill pressures will leave the Palestinian Authority with a significant shortfall in its budget this year. The Arab states have a special responsibility in this regard to make good on their prior commitments to the PA and further increase their support at this critical time. For its part, the U.S. will provide \$225 million in assistance to the Palestinians in FY05, as well as \$50 million for Israel to improve the flow of goods and people. We have requested an additional \$150 million for FY06. As a further statement of support for PA efforts, and in recognition of the much-improved level of financial accountability and transparency, this year's assistance included the recent provision to the Palestinian Authority of \$50 million in cash assistance for new infrastructure projects in Gaza.

But most critical of all, we believe that the Palestinian leadership must accelerate the process of reform to improve the lives of the Palestinian people and put the economy on a path to self-sufficiency. Building transparent, accountable government institutions, strengthening the rule of law and anti-corruption efforts is necessary to create an investor-friendly climate and stimulate private sector development. The further consolidation of Palestinian democracy through upcoming municipal and Legislative Council elections is an essential part of this process.

Over the coming months, our focus will be on using what the Secretary has described as “forces of momentum” to spur greater cooperation and trust between the Israelis and Palestinians as a way to renew action in accordance with the sequence of the Roadmap. We need to ensure the channels of coordination which grew from the disengagement process are used to advance the issues which remain before us, such as the Sharm el-Sheikh agenda. President Abbas' call to Prime Minister Sharon during disengagement was a positive example, and we have encouraged the parties to continue coordination at all levels on the range of issues before us. And we are encouraged by the two leaders' intention to meet again on October 2.

Looking ahead, much depends on whether the Palestinian Authority governs in a way which gives confidence to the Israelis, the international community, and the Palestinians themselves. It will also be important for both sides to meet their obligations under the Roadmap: Palestinians must confront violence and dismantle the terrorist infrastructure, and Israel must stop settlement expansion and dismantle unauthorized outposts. We will continue to work with both parties to build on the success of disengagement to re-energize progress along the Roadmap and bring us closer to realizing the President's vision of two democratic states—Israel and Palestine—living side by side in peace and security.

Thank you, and I will be happy to take your questions.

Ms. ROS-LEHTINEN. Thank you so much.

I am going to give you this, courtesy of Congressman Rohrabacher. He says that he gets these from Costco: Vitamin C, vitamin B-12. Maybe you will feel better.

General, thank you.

**STATEMENT OF LT. GENERAL WILLIAM E. WARD, DEPUTY
COMMANDER, UNITED STATES ARMY EUROPE, U.S. COORDI-
NATOR FOR SECURITY TO THE PALESTINIANS**

General WARD. Madam Chair, Members, thank you for this opportunity to provide you my thoughts on disengagement and to reflect a bit on the way ahead.

As was stated, disengagement did occur, and I think we should all take note of the fact that it occurred in an organized manner and very substantially not under fire, as many feared that it would.

In my opinion, there are five factors that contributed to the character of this disengagement from a securities perspective. First, as was pointed out, the conduct of the Israeli Security Forces, who were superbly prepared for disengagement in many ways, from training to equipping, and in the careful planning that went into identifying the tasks that would be involved in the execution of

those tasks in a very precoordinated, well-coordinated, and preconfirmed way.

Second, the political agreements that were reached between the Palestinian Authority and the Palestinian factions were also a substantial contributing factor to this disengagement not occurring under fire. In the buildup to disengagement, as you all know, factions were firing indiscriminantly at Israeli targets and clashing with the legitimate Palestinian security forces, all seeking to bolster their claim that the Israeli departure was a victory from armed struggle and in their jockeying for power. President Abbas succeeded in reaching agreement with all the factions to stop the volume of firing at Israeli settlements and the security forces during disengagement and to maintain an internal calm between the factions and the Palestinian Authority.

Thirdly, I think the coordination between the Palestinian security forces and the Israeli Defense Force was a highlight of the disengagement occurring in the manner in which it did. Bilateral coordination at all levels, ministerial, the planning level and on the ground, played a vital role throughout disengagement. What was most encouraging is the increasing cooperation at the field commander level where Palestinian and Israeli Defense Force commanders conducted joint inspections, planning meetings, and terrain walks of the areas to be handed over. While both sides required a certain amount of encouragement to take forward this coordination, they have both reported very positively on it. And, importantly, the two sides have agreed to maintain their combined IDF and Palestinian security sector coordination efforts and notably the continued operation of their joint operation centers.

Fourth, the deployment of the Palestinian security forces. The Palestinian security sector in conjunction with the Israeli Defense Force prepared a plan for disengagement, and this was supported by international planners, and despite little training and despite poor equipment and variable leadership, along with an improvement in their morale, the Palestinian forces deployed according to their plan while Israel evacuated the settlers and the settlements.

Fifth, the support provided by Egypt and the international community likewise factors in the conduct of this disengagement. Egypt has played a very significant role throughout this disengagement, helping to broker agreement between the Palestinian authorities and the factions and providing advice, mentoring and equipment to the Palestinian security forces.

As we look to the future first, the restructuring, reequipping and retraining of the Palestinian security forces, no matter how sound or well-intentioned, would not take root absent a long-term vision with concurrent political, as was noted, economic, social reform and development. Accordingly, long-term progress and security sector reform must continue to coincide with the Palestinian Authority's broader reform efforts of promoting accountable governance and stopping corruption.

Having gone through the disengagement period, the Palestinian focus on governing the areas under its control must be a priority. This is crucial in moving both sides back on the roadmap and toward establishment of a Palestinian State that has been character-

ized by the Ambassador and others, as well as stated by the President, living side-by-side in peace with the State of Israel.

Earlier in the year the Palestinian Authority took some important initial steps toward reforming its security sector. Much more needs to be done, and it is important that the upcoming elections do not stall that progress. The reform of the security sector needs to be seen within a context of Palestinian broader reform efforts. And as I said, the highly political activity of these power centers within Palestinian politics must be neutralized.

I would like to highlight five areas in which I believe the PA must take important steps during the upcoming months. First, in generating a vision for security, Palestinians require a strategic vision of security relevant to their aspirations for statehood. This requires a national debate, focus on promoting and protecting the rights of the Palestinian people, and in securing the security of its neighbors.

The vision needs to be developed into a national security strategy that sets out the mission of the Palestinian security sector and identifies the forces and organizational structures required to deliver. The vision should also be submitted in firm security legislation.

Second, assessing the needs of the Palestinian security sector through a forced review undertaking that would set out the structure and capabilities of that desired force; once that review is completed, plans drawn up for moving the Palestinian security sector from its current situation toward its in-state structure as professional, apolitical security forces whose primary mission is a policing function.

This will require the analysis and identification of the training needs of the Palestinian securities forces to ensure that they are able to carry out those duties that have been assigned to them.

The disarming of the militias. President Abbas has spoken on the need to disarm the militias, and while he examines ways to encourage the participation of the factions and political process, he must also explore concrete measures to ensure the disarmament of the militias. This will require developing a strategy for the demobilization, disarmament and reintegration of these Palestinian forces.

Fourth, the right-sizing of the Palestinian security sector. Earlier in the year President Abbas passed a decree that instructed the retirement of Palestinian security officials over the age of 60. While a few of those senior officials did retire, the majority have not. Steps are required to ensure that those senior officials are able to retire as has been outlined in the decree.

Fifth, the strengthening of the capacity of the Ministry of the Interior. Having been identified as the single address for the Palestinian security sector, the Ministry requires strengthening of its capacity to better manage the security forces and provide the effective oversight that all want to see. Palestinians must take full responsibility for the reform of their security forces.

I believe the United States Government and the international community have a role to play in assisting the Palestinians in developing this strategy for reform and providing the assistance for restructuring, reequipping and retraining of this Palestinian security force.

I would like to make special mention of the work of the European Union's Coordinating Office for Palestinian Police Support, EU COPPS, which is leading the effort on providing support to the professionalization of the police. And I might note that during disengagement, throughout Gaza the deployment of the Palestinian police force and the national security forces, as I mentioned, was done in accordance with the plan and proved—and demonstrated an ability to do that if properly equipped, motivated and led.

Among other things, the assignment of the U.S. security coordinator and plans providing additional nonlethal support signal the United States Government's support for this security sector reform. This complements the international assistance being provided as a way to improve public confidence in the security sector on both the Israelis—from both the Israeli perspective as well as the perspective of the Palestinian people. Palestinian communities have been enhanced so they can better command and control their forces, the legitimate security forces, and transportation has been provided, they have assets provided to make the mobility that is required to ensure tactical coverage.

The capacity of the Palestinian security sector has been increased, particularly with the police. The support provides a significant and much-needed boost to the morale of the Palestinian security forces. Further, the United States Government assistance will be used to help the PA to develop its national security strategy as well as to professionalize the security forces and rebuild a destroyed infrastructure.

We have worked very hard with the international community to increase the capacity of the Palestinian security forces. Since the Secretary of State sent out a demarche, an additional \$2.4 million has been donated to the security sector. This includes \$1.8 million of international donations from the U.K., Germany, Denmark, and Norway for providing and establishing radio communication systems in Gaza and in the West Bank. Spain has played a leading role in providing mobility as well as riot control gear to the police. And the United Kingdom has provided training and equipment to the national security forces.

Our team continues to work closely with the European Union as they have imported additional vehicles to the Palestinian security sector, and the vast majority of this equipment was delivered to Gaza on the eve of disengagement, and we are now looking at distributing this equipment as well in the West Bank.

In closing, as highlighted earlier, it is important to stress that restructuring, reequipping and retraining the Palestinian security forces will occur in a complete environment of economic, social and political reform. From my experience over in the region in the past half year, I still believe that the legitimate Palestinian leadership as well as the Israeli leadership are committed to long-term peace. To be sure, there is a long way to go. The path ahead will be fraught with challenges. Yet if both sides make good on their commitments as they have done through this disengagement, it will help build trust and confidence. As a trusted partner to both sides, the United States Government, I believe, has a key contribution to helping ensure effective security coordination between the Israelis and the Palestinians in helping to bring about the reform of the

Palestinian sector that will help guarantee peace and stability in the region for its people and for citizens of Israel.

Thank you very much.

[No prepared statement was submitted.]

Ms. ROS-LEHTINEN. Thank you so much. Thank you, General. Thank you to both of our witnesses.

To begin our round of questioning, I would like to turn to Mr. McCotter.

Mr. MCCOTTER. Thank you, Madam Chair.

I think Mr. Ackerman's remarks were pretty strong, and I think I concur with the vast majority of them. It seems to me that if you are rife with corruption in the process of building your nation, securing it and ensuring its future, that does not bode well for the future of your nation.

Which brings me to my large concern. As we talk about the people, I think it was Ms. Berkley that said everybody seems committed to a two-state solution. I don't know that everybody is. Maybe everybody in this room is, but I think there are people out there who might not be so committed to a two-state solution.

What happens in a democratic Palestinian Authority were terrorist groups allowed to participate in the political process and then be elected to political positions would seem to me to be a particular problem down the road, especially if we are talking about increasing security and other measures. It would allow them to play both sides and would put us in a precarious situation having to choose whether to represent a duly-elected government of a Palestinian Authority if it were run by terrorists or their associates. What are we going to do to preclude that eventuality from occurring? That is the nightmare scenario I have. And all the training and security assistance that we give them will be run by them.

Ms. ROS-LEHTINEN. My remarks were full of pithy comments. You don't want to make any reference to anything I might have said in my opening remarks.

Mr. MCCOTTER. It was the novelty of agreeing with Mr. Ackerman.

Ms. ROS-LEHTINEN. Thank you.

Gentlemen.

Ambassador WELCH. Congressman, thank you for opening with this particular aspect of one of the key concerns that we have about establishing good governance in the Palestinian areas. Palestinian people, as Congressman Issa suggested, do consider themselves a nation, but they have few of the attributes of statehood. Now that Israel is out of Gaza, you have the first substantial test in decades of the proposition that the institutions of statehood can be constructed in a responsible way by Palestinians themselves, and at the heart of that is this question of law and order and security.

In any accountable democratic society, the monopoly on the use of force rests with the state, and societies all over the world now expect that of their governments. That is the standard of international behavior and the standard of accountability that the international community imposes.

Yesterday in the Quartet meeting, it was really quite a lively discussion of this issue, Congressman, really very, very interesting discussion. There is a democratic process under way in the Pales-

tinian areas where municipal elections have been held, and some members of extremist groups have been elected in that process. The majority elected have not been members of such groups. There are further municipal elections that will occur very shortly, and then the Palestinians have announced they will have legislative elections in January. That transition is now well under way, since the death of Chairman Arafat until now.

That is a Palestinian process, but the thing that was interesting about the Quartet discussion yesterday is the observation in unison from the members of the Quartet that includes us, Russia, European Union, Secretary-General as formal members, but also the British participating now because they are the presidency of the European Union. There was a long discussion of, How do you grapple with the role of armed groups of militias in a political process?

There was—I do not want to speak on the behalf of other governments, but I would say there was a consensus view that there is no precedent of no regulation in a period of transition in the role of militias and armed groups. It may come before elections, may come after elections, may come during them, but there is usually, and particularly more and more these days, an effort to deal with this matter, whether it is in the Balkans, in other places in Europe, or in other conflict areas that we have seen.

Everybody agreed that those situations may differ because of the political context at the time, the status of state instruments. But everybody agreed on one principle, and I think it is important that I get that out here in public in full view of the Committee and its membership because I believe this is a substantial statement on behalf of the Quartet that was made yesterday.

Secretary-General summed it up afterwards in the following way. He said ultimately those who want to be part of the political process should not engage in armed group or militia activities because there is a fundamental contradiction between such activities and the building of a democratic state.

I believe that is an important step forward, not just representing our position. We, of course, agree with that, or it would not have been said in that fashion, but as a statement of where the international community led by the Quartet is now in its expectation of what Palestinian governance would look like.

As secretary of states explained, this is a process of transition, and we will have to see how the Palestinians build it, but this is our expectation. And it represents the views of many others in the international community as well.

Mr. McCOTTER. I appreciate that. Both you gentlemen, I appreciate your work on behalf of our country. My question to the Quartet would be the recognition of that statement to me in the 21st century really doesn't constitute progress, it constitutes a statement of the obvious. And what I worry about as—we are all policy wonks, but one time or another we were political hacks to get here—is that when you have a corrupt government that cannot meet the needs or expectations of its people, eventually that corrupt government gets thrown out of office through the electoral process unless it resorts to the use of force to keep itself in place. And when you see some of the victories by some of the extremist groups at the grassroots level, it is not necessarily based on an ide-

ology, it is based on fixing a street light, a road, loaf of bread, or the prospect of some type of economic transactional change between you and the elected official you are putting into office. The New York example, since it is Mr. Ackerman's day, would be Tammany Hall, a machine nobody cared for, but it certainly did attend to the details of its constituents' life, much like Chicago under the Irish.

My concern is, what are we going to do at that very basic level to stop the extremist elements from utilizing that discontent to build an electoral base and hence achieve an electoral mandate within what ostensibly is a nation-state?

Ambassador WELCH. I agree with you, Congressman. I think this is one of the most substantial and difficult challenges for the current leadership of the Palestinian Authority. They have been in office, what, about 9 months now. I believe they have a focus and a direction to tackling the issues of corruption and law and order. But you are quite right that that is a work in progress at best, and that the weaknesses in Palestinian society that were there from before and not yet fully corrected are vulnerable to exploitation by others who argue that they run on a platform of clean government. We are for clean government and accountability, but we don't believe people should run for or serve in elective office and get there by force of arms.

So I think it is still important for us to put out the issue of principle there about our expectation for participation in the political process regardless of whether they claim they are representing clean government or not.

Mr. McCOTTER. I have to run. I don't mean to monopolize, Madam Chair, but that is my concern. If they are not using the force of arms to get these people to vote for them, they are using the ability to point at the corruption of people who are not fulfilling their needs or expectations, and they aren't getting any, and so they are then coming in and could be using money from who knows where to provide for those means. That is where you lose your electoral mandate. My concern is we are staring at Weimar, Germany, to a certain extent, and the PA, if we are not careful. I thank you.

Ms. ROS-LEHTINEN. Thank you, Mr. McCotter. I think the point has been made.

Speaking of policy wonks, not a political hack, Mr. Ackerman.

Mr. ACKERMAN. Thank you, Madam Pithy.

I want to agree wholeheartedly with Mr. McCotter except for the bad things he said about the Irish. Crowley was getting exercised. I think Mr. McCotter hit the nail on the head about what most of our concerns are really all about.

First, congratulations and thank you, General Ward, as you will be moving on, for the good work that you have done, and, Mr. Secretary, thank you for the great job that you always do.

Mr. Secretary, in your remarks, and I didn't count the number of times, but there is quite a few times it says, "We believe," followed by strong statements. I fail to see the transition in what we believe, and I know what we believe, and what we want to effect and what the plan is to get from A to B, and there seems to be no plan other than it is pretty faith-based in its approach. In one sentence you say, "We believe the rule of law through authorized

security institutions is fundamental to democratic practice. Ultimately, those who want to be part of the political process should not engage in armed group militia activities,” et cetera, et cetera.

Hamas is vying for office. What do we do about it? Have we told them what happens if they get in? Is there a price that they have to pay? I mean, this dance has been going on for quite some time, and treating both sides kind of equally for some reason, I am not sure why, and we tell the Israelis, you guys have to move in tandem or incrementally or one at a time, and you tell the Israelis they have to stop the settlements, and you tell the PA they have to get control of the people and not participate in violence. And the Israelis pull out of Gaza, and you turn to the Palestinians and you say, Its your turn; and they say, Pass. You go back to the Israelis and say, What about the West Bank? So now they pulled out in four places in the West Bank. Then you turn to the Palestinians and say, You have to renounce your violence, what is your next step? And they say, We are busy. Turn to the Israelis, say, Okay, it is your turn.

This has been going on for a long time. What do we do about it? There is no price that the Palestinians pay for their continuous failure. It is fine. The leadership in Mahmoud Abbas has their heart in the right place, I am sure, but he is not enforcing anything. They have completely failed at this. The Israelis made a courageous stand. They had people who could be violent, they had people who had their heart and soul and lives sunk into where they lived. And he put the force of his words behind what he did, and he said, Your government has made a decision, you are out of here; and that is what happened. And Mahmoud Abbas says, Lay down your arms, pretty please; and nothing happens.

Where is our plan?, is my real question. I have asked this in a lot of forums, in this Committee, and I am told there is a plan and it goes way back. Without going into the history of where is the plan, but where is the plan?

Ambassador WELCH. Thank you, Congressman. I admit I do go to work every day taking a deep breath. I have to have a lot of faith in what I do, but I don't plan based on faith alone. What we have here is a situation which, despite its incredible difficulties, does show some opportunity. When Israel conceived the idea of—

Mr. ACKERMAN. Opportunity means somebody didn't do something.

Ambassador WELCH. Well, things are happening, Congressman. I don't agree that there is nothing being done. When Israel conceived the idea of disengagement from Gaza, it was conceived as a unilateral step. It ended as a coordinated, as General Ward has just mentioned. This took place in an environment where there was no trust or confidence between the parties whatsoever, when Chairman Arafat was still in charge. There was a leadership transition during the period of planning for disengagement on the Palestinian side, but still there isn't that degree of confidence and partnership yet that we feel can sustain really bold advances. Now the question is whether disengagement could change that.

Mr. ACKERMAN. No, no. We have limited time, so let me be very specific. I want to know what the plan is.

Ambassador WELCH. With respect to disengagement, what we have tried to do is weave together three different things: Political support for both Israel and the Palestinians as they go through this difficult chore of getting out of Gaza and some parts of the northern West Bank; second, to look at security reform, because this can't happen unless there is an atmosphere of calm and security that is composed of several different components, not just the work we are doing on the Palestinian side, but the effort of other countries; third, there is economic support needed because—

Mr. ACKERMAN. Let me rephrase the question if I might. I don't mean to be rude, but I am trying to get an answer. If there is no answer, I will go on to the next question. But the question is: We look at, we hope, we want, we provide. If none of that works, and I pray that everything works, I pray, too, sometimes, but when it doesn't work, because I am looking at history too sometimes, when it doesn't work, what do we do? What do we do if Hamas takes half of the parliamentary elections or legislative elections? Do we not recognize them, do we not talk to the government that has not enforced what they said they wanted to do? Do we isolate them the way we did Arafat? Or do we—I will go on to the next question.

The second anniversary of the murders of three American security personnel is just about upon us. Secretary Rice, when she returned on February 2nd, held a press conference, said she was assured by Abbas that he would—I am quoting her: "His intent is to bring justice to those who murdered the American personnel in Gaza in 2003." My question is: I didn't see it happen, is it going to happen? Did he lie to the Secretary? Are we pressuring him to do it?

Ambassador WELCH. Congressman, that case concerns us deeply. It has been a matter of discussion between us and the Palestinian side for some time now. There has been regrettably little progress in the investigation that we know of. We asked President Abbas, some of his colleagues in the security establishment of the Palestinian security side, several times about the status of the investigation. They continue to say they have difficulties pursuing it, that they have not relinquished the pursuit of the investigation.

Mr. ACKERMAN. I will go on to the next question. They are in the OJ position. They are pursuing the investigation. They will find the real killers.

The last time that you were with us, which I think was last July, was to discuss our policy in Lebanon. And I asked you at that time why Al-Manar, Hezbollah's TV station, had not been put on the specially designated terrorist list even though it had been put on the terrorist exclusion list. Your response was, as it always is, an honest one, that you didn't know, and that you will get back to me with an answer. I am hoping today is the day that you might have that answer.

Ms. ROS-LEHTINEN. Mr. Ackerman, OJ is a constituent of mine, and I can vouch he is frantically searching for the killers all throughout the golf courses of Miami-Dade County.

Mr. BERMAN. The difference is Secretary Welch did not kill those people.

Ambassador WELCH. Well, just back on that question in the investigation in Gaza. I want to be very clear about this. Whenever

American personnel are injured or killed, it is our responsibility and obligation to see that the maximum is done to bring to justice those who did that.

Mr. ACKERMAN. This is my problem, if I can just take another minute. We have a policy, but we have no enforcement of that policy. It is our policy to do everything besides asking them, then they ask us for something, then we give them something, then we understand their position, sympathize with it, and give them something else to better their position. They never deliver anything. That is the problem I am having, and one of the reasons why, is because they come to the conclusion that we are nothing but a bunch of paper tigers. We are not going to demand that they do something in this investigation. Even though it is at the very beginning of the Secretary's press conference, nothing has been done to follow up; too busy, we are doing other things. And we get nowhere.

Anyway, has anything been done with Al-Manar?

Ambassador WELCH. I guess I am 0 for 3, Congressman. I don't know the answer to that question.

Mr. ACKERMAN. We will continue to be patient.

Ms. ROS-LEHTINEN. Thank you.

Ambassador WELCH. I apologize it has taken so long. You will get your answer.

Ms. ROS-LEHTINEN. Thank you, Mr. Ambassador.

Mr. Issa.

Mr. ISSA. Thank you, Madam Chair.

There is no question that one of the vexing problems for the Palestinians is what to do with Hamas, Palestinian Islamic Jihad, and other groups that don't believe in the process. Anecdotally, I will mention that I had a catered dinner with Dore Gold's group while I was in Israel, and the Ambassador, I know, and actually, General, you probably know, they don't believe in the two-state solution, and they have an interesting map that carves out a little piece of the West Bank and says it is now part of Jordan, with a little corridor. So unfortunately on both sides there are people who are unrealistic about the inevitable two-state solution.

I think I should correct the record if I can for Mr. Ackerman, and that is that if you were to be a Palestinian looking at that back and forth, you would say we tried to deliver this, they did this. You tried to deliver this, did this. They would say we delivered this. And settlements have never stopped through four Presidents. Settlements have continued.

With all fairness, I am thrilled with Prime Minister Sharon pulling out of Gaza, but the net number of settlers in areas not recognized as Israel under international law is greater today than it was last year or the year before, the year before, the year before, the year before. It has never gone down, has only gone up; 7,500 settlers pulled out of Gaza does not make a net reduction in settlers.

Having said that, I believe both sides know about the inevitable. My question is on a couple of key issues, how do we get there? The question you were asked earlier about Hamas getting seats in Palestinian Government, Hamas gets its money from Iran, a terrorist nation, a nation that we have the strongest levels of embargo and the greatest concern for. That amount is huge, officially classified,

but in unclassified terms certainly hundreds of millions of dollars between Hezbollah and Hamas and other groups. Do you have, Ambassador, enough money to simply give the equivalent opportunity to pay for that light bulb, to pay for that street improvement, to pay for those things which are recognized as government to compete against money coming out of a terrorist state? If not, we need to know when and how we are going to get it and whether we should be doing more of it through USAID or more through the Palestinian Authority or more of it through both.

General, I would like to give you each a question. You are nearing the end of your time. You and the Ambassador have had the opportunity to work both with the Jordanians and with the Egyptians in the process of bolstering the Palestinians' fledgling new Defense Force. Can you comment, particularly on the Egyptians, about whether you feel that they are giving their best effort and if there are areas that need improvement either because they don't have the capability or because they are unwilling? Could you please elaborate on that?

Last but not least, because I am not going to ask any follow-up questions, I hope, Ambassador, in the case of our three murdered security forces, is the Palestinian Authority giving us full cooperation in our investigators operating there, being able to do their investigation? I understand they have not delivered on a platter, as I would love them to, the people who did this, but are they cooperating when it comes to allowing us access, freedom of movement and so on that would at least lead to us participating in the investigation? Thank you.

Ambassador WELCH. Congressman Issa, let me try and quickly answer your question. I believe personally that the support of Congress for our assistance programs to the Palestinian people has been good and substantial. This is now a significant assistance program. As you look at worldwide, I am sure when you look at the dollars, sir, that you see that there are ones that are much larger. But I look at it—

Mr. ISSA. Just to Louisiana.

Ambassador WELCH. A worthy cause.

I look at it in regional terms, and this is big money for an important target, and we thank you for that.

The object here is simple. First, there is a need ranging from humanitarian concerns on the one hand to significant economic and infrastructure requirements. Number two, you hit it right on the head, sir, there is a political issue and an imbalance that needs to be addressed, and there is no question the international community is now unified in its purpose here. And part of the plan that I was trying to answer Mr. Ackerman on is to marshal that international support in a direction that helps the moderate center of the Palestinian community. We try to do that in a responsible, accountable way, sir. It is not easy to operate in places like Gaza.

This gets to your third question: Have the Palestinian Authority's security organizations cooperated with us by allowing our investigators access? Yes, sir. That does not mean that the investigation itself has produced to our satisfaction results. It has not, sir. That said, within the security constraints that we have for

moving into Gaza, which are very considerable, Congressman, we are able to go and talk to them about it.

We have other ways of dealing with the investigation, too, as well. We are pursuing each one of those avenues.

You asked about the help of Egypt and Jordan. General Ward will answer you about Egypt because he has a great deal of experience working with them on the ground. Let me just talk in general terms about those two countries. Their political support is considerable. And I think that is enormously important to us as we try and rally other Arab States to do what we believe is the right thing at this critical moment, to help the Palestinian Authority during a unique opportunity when Israel has gotten out of Gaza so they can show their people that this is an achievement. I believe that while their resources are not considerable, their ability to talk to and convince other Arab States is enormously helpful to our efforts.

Insofar as the practical steps on the ground with respect to that, I will turn to General Ward for that.

General WARD. Thank you, Congressman.

The Egyptian effort has been substantial in, I will call, two material ways; firstly, with respect to the advisers they have placed on the ground within Palestinian security formations. The number, around 30-plus, I think, has been a very important role in causing a performance to occur on the ground that was more in line with what we would like to see, professional performance, by Palestinian security forces, performance that Israelis whom I speak with, field commanders also, were complimentary of, from the standpoint of forces going out, deployed, being in place. Was performance always where it needed to be? No, it was not. But I think there is a training deficiency there. Part of what needs to be addressed is included in that equation.

Secondly, the provision of material assets from transportation, mobility. There is a requirement to move Palestinian forces throughout Gaza to ensure coverage as best as possible. Egyptians were able to provide with that mission, as well as basic uniforms, so that you saw a formation of forces that kind of looked like soldiers as opposed to looking like something else that wasn't too professional. Those are helpful.

Feeding, that was included in the package of things that the Egyptians have provided to the Palestinian security sector. Important again for the morale of the force, and, quite frankly, we saw over the past 30 to 45 days an increase in the morale of those, again, the security forces that are, in fact, legitimate ones, those who when the minister of interior asked them to do something, they, in fact, go and do it. And so that was all enhanced by the contributions made by the Egyptians both from the standpoint of advisers on the ground and the material assets that were provided.

Mr. ISSA. General, did you get a chance—because it was after the last time I was in the region—to observe the 750 border patrol that, because of the action of the Knesset and the Egyptian Government, are now at the border of Gaza and Egypt, and their role?

General WARD. I have not seen those forces. Since the deployment of those forces, which happened just this past week, I have not seen them. But I am now being told their performance is as

was expected had they been deployed initially, which did not occur given the time lines that were followed.

Ms. ROS-LEHTINEN. Thank you, General.

Because Ambassador Welch is on a limited time frame due to other meetings, I will ask the remaining Members to address their questions, if we could, to you, Mr. Ambassador, so you can finish up, and we will start another round of questions for the General. Thank you.

Mr. Berman.

Mr. BERMAN. Thank you, Madam Chair.

Secretary, it is good to have you here. This is a very difficult situation. There has been some discussion of what happens if Hamas wins those elections in January and has a majority of the legislative council seats. I am not sure it makes sense for you to reveal what the United States position would be at this point if that were to occur, because that might make your job more difficult than it otherwise would be, but we certainly would hope that the Administration is thinking about that issue, and there has been enough in the context of our actions in Iraq and inevitable failure to think through bad alternatives beforehand carefully enough that makes us worry. So just knowing that you are thinking about that contingency and how you will respond to it, I think, would be helpful to know.

I want to get to an issue that comes up between now and January. I just read a piece by David McCovey and Elizabeth Young. These are not rightists with visions of a greater Israel. These are pretty sober analysts. They start out the piece: "A key issue in the run-up to the January's Palestinian parliamentary elections is whether the radical Islamist party Hamas will be allowed to participate and under what conditions." They then go through an analysis of Oslo, which says that essentially parties committed to advocating and engaging in violence and candidates who pursue those goals will not be allowed in the political process as part of the Oslo agreement. It then runs through a series of actions by European countries to disallow extremist parties to participate, parties committed to either racism or violence to participate in the political processes in democratic countries in Europe, and indicates and makes a compelling case for why Hamas—that if you apply its standards or the Oslo standards, the Palestinian Authority would be required to enact eligibility rules requiring Hamas and any other party wishing to participate in the January ballot to disarm, disband militias, forswear violence and end all forms of incitement to violence.

Then the question which I ask you is to respond to—or the issue is if the Quartet fails to grasp—the Quartet that met yesterday and which you said expressed a unified position of what should happen, not what will happen or what they will intend to make happen, but what in a nice idealized world should happen—but the question is, If the Quartet fails to grasp the opportunity for setting down markers now for participating in Palestinian electoral politics, would it in effect acquiesce in the legitimatization of a terrorist group? The implications could reverberate in the electoral politics throughout the Middle East and even in Europe.

You have in this context the clash of two very important principles, principles this Administration holds dear and which I support. One is a foreign policy engaged on the promotion of democracy and people's right to select and choose their government; and secondly, a war on terror, which has tremendous security implications for us and for much of the world. What is our pre-January marker on this issue?

Ambassador WELCH. Thank you, Congressman.

The position of the Palestinian Authority is that there should be one law, one authority, one gun, to quote President Mahmoud Abbas. We would like to see that position translated into reality.

Second, it is an obligation under the roadmap that the Palestinian Authority should take steps to dismantle terror organizations, if we consider Hamas to be a terror organization. So regardless if they were having a municipal election next week or legislative elections in January, that obligation is there and before them.

Third, there is our own position, and as I tried to say earlier, I think we enjoy considerable international support for this position and principle, and that is that having armed groups or militias outside the structure of state control, outside the rule of law is fundamentally contradictory to the democratic process.

Again, I think you are quite right, and thank you for observing, that we may actually be thinking about these things. We are, and we are trying to marshal the support of others to direct the maximum attention to this problem, because we would not want to see armed militias taking advantage of their strength right now, participating in the political process with no impediment to that, enjoying this unbridled freedom to that access without a consequence. And I think what we achieved in the Quartet statement this week was a substantial indication of the international communities' views.

Now, how will it translate for the Palestinians? Sir, I am not entirely sure. As you know, some parts of their own political process are still under discussion; political parties' law, for example. There is a debate within their own community: How do they apply this position of one authority, one law, one gun, how do they start that? We think they should start it, obviously, between now and January, for sure. We can't prejudge for them how they may make it work, but we would like to see it work.

And I think the point I have been trying to make all along, in coming back to what the Quartet spoke to here, is the destination is now for us much more clear. Hamas is in government already in the Palestinian Territories. There are Hamas members who have been elected to municipal councils. As you know, sir, as an American law, we can't deal with them. So between now and January or after January, I don't think you are going to change this law, and we would continue to observe that law. We do not have contact with Hamas; we are not pursuing contact with Hamas.

Mr. BERMAN. The issue is less what we are pursuing and more what the Palestinian Authority is doing. I mean, 9 months has not established a track record that the concept of cooptation is working. If it works, if it would work, I am open to it. But is there any evidence at all that President Abbas' strategy is in any way whatsoever in any part of the West Bank or Gaza succeeding?

Mr. BOOZMAN [presiding]. Secretary, will you answer quickly? We have a very long series of votes. I am going to quickly ask a question, but rather than us going back and forth, I am going to ask Ms. Berkley and Mr. Crowley also to ask a question, and then we will get a quick response to each question.

Ambassador WELCH. Thank you.

Congressman Berman, I think there is a substantial accomplishment in that the period since the election of Mahmoud Abbas, while it has not been free of incidences of terrorism, the incidences of terrorism have been substantially lower than in the past. Whether that is a consequence of the policy of cooptation, whether it is a consequence of the marshaling of the support for a cease-fire, I can't answer. But whatever the reason, that is a result that is substantially better than obtained in the past.

Mr. BOOZMAN. I would like to say again that I appreciate what you all are doing. I know you are working very, very hard to address a very difficult situation. Recently, my constituents in the Third District of Arkansas, saw on the television after Arafat's death the fact that he squirreled away tens of millions of dollars, perhaps hundreds of millions of dollars, and that makes things very difficult. Certainly we are very supportive of Israel working with the Palestinians to broker a fair deal, but there must be accountability and transparency with regard to money. It makes it very difficult in the future for us to fund things as we need to. Plus, it is just the right thing to do.

Ms. Berkley.

Ms. BERKLEY. Thank you.

I also want to tell you how much I appreciate your efforts toward peace.

Let me just capitalize on what Mr. Boozman said. I was not in favor of giving \$200 million to the Palestinians now because I know Yasser Arafat has stolen hundreds of millions of dollars from his people while these people lived in further degradation. I think that isn't what the United States should be doing. The fact that Arafat's wife lives a rather good life in Paris with American taxpayers' dollars doesn't exactly sit well with me. I am also very concerned that before we even know where the \$200 million is going and whether there is transparency and accountability, now we are talking about giving another \$150 million before we know how wisely the \$200 million is going to be spent. So I have serious concerns about that.

The entire atmosphere is so terribly polluted. Aside from the security forces, lack of transparency, no economy, so many other problems, the Palestinian Authority who, as far as I am concerned, is a creation of the United States of America, they continue to create an atmosphere that is not conducive to a good partnership for peace.

Let me give you very, very quickly a couple of quotes that have just taken place and said in the last couple of months from some rather important Palestinians. The chief of the Palestinian Environmental Authority accused Israel of selling Palestinians carcinogenic canned juice. It claimed that the Egyptian authorities seized two Israeli trucks containing children's toys that also contained carcinogenic and radioactive substances.

In March, the Palestinian health minister declared that Israelis dumped 80 tons of nuclear waste around the city of Nablus.

They still haven't done anything about the textbooks. Tenth-grade students in the Palestinian Authority schools are about to begin studying the Protocols of the Elders of Zion.

If the Palestinian Authority can't stop this, it does not matter what the security forces are doing, it doesn't matter about the economy. We are creating another generation, generation upon generation, of anti-Semitic young Palestinians that, rather than think of the Israelis as potential partners in peace, think of them as the enemy.

The United States simply must do better with all the money that we are spending propping up the Palestinian Authority and Abu Mazen. There has to be a way of imposing our will so that they could move in the direction of being a true partner for peace, because what is going on isn't making any sense to me. We are spending a fortune; we are no further along now than we were years ago. That was the first thing.

General Ward, I have a number of questions. We are going to have to go and vote. May I submit them to you for answers?

Mr. BOOZMAN. Let us do that.

[The information referred to was not received prior to printing.]

Mr. BOOZMAN. Mr. Crowley.

Mr. CROWLEY. I will be brief. I see we have less than 2 minutes to get there.

I have a lot of concerns as well about the allocation directly to the Palestinian Authority, and especially as it pertains to the reconstruction of Gaza after the pullout by the Israelis, all the infrastructure that was destroyed, all the buildings that needlessly were destroyed simply out of hatred. But be that as it may, that is unfortunate, but what is done is done.

I am concerned about the level of American presence within the Gaza as well so as to ascertain as to how American tax dollars are being spent. My understanding is that their presence is still considered by State to be one of danger on the ground. I wonder if—maybe you can't comment now, but you could—how come you actually have a real assessment of how our dollars are being spent when American citizens who are best there to judge how American citizens' dollars are being spent are endangered by simply being in that area? And I would also like to know if there is a time line for infrastructure construction and how we get these folks who are living in squalor because of their own authority maintaining that, how we get them out of that condition so we can further the peace process?

Secretary Welch, Ambassador Welch, on Mahmoud Abbas' decision to bring in Hamas potentially into government or participate politically in the event that they don't ultimately give up the arms, I guess they can be kicked out of the political process. I would say once you have opened the door, it is much more difficult to kick someone out of the political process once they are already in it. I am just making that comment, not that you can stop it, but I am making the general comment anyway.

With that, I yield back.

Mr. BOOZMAN. Thank you again. We appreciate you being here, and we are going to leave the record open for 5 days for other questions that Members might have. And, like I said, thank you for your hard work. The meeting is adjourned.

[Whereupon, at 3:50 p.m., the Subcommittee was adjourned.]

