

**Senate Foreign Relations Committee
Chairman Richard G. Lugar
Opening Statement for Hearing on
The Road Map: Detours And Disengagements
July 20, 2004**

The Foreign Relations Committee meets today to examine new dynamics in the Middle East and their impact on the Israeli-Palestinian peace process. Last February, the Committee held a hearing on the Road Map that challenged the notion that progress toward peace could not be achieved before the U.S. election in November. Advancement of the peaceful two-state solution envisioned in the Road Map is urgently needed by the Israelis and Palestinians and is critical to our own success in the global war on terrorism. Al Qaeda and other terrorist organizations use the Israeli-Palestinian conflict to enlist fresh recruits to conduct terrorism across the globe. We should continue to pursue without delay every opportunity to resolve this long-standing conflict.

The violent Palestinian uprising against the Israelis since September 2000 has cost both sides dearly. Nearly 1,000 Israelis and 3,000 Palestinians have died in the cycle of violence during the past three years. The economies of both Israel and the Palestinian Authority have been decimated. In Israel, exports have fallen from \$2.7 billion in 2000 to \$1.3 billion in 2003. The Palestinians' Gross Domestic Product dropped 40 percent during the period, and unemployment rates have soared from 15 percent to between 20 and 30 percent in the West Bank and Gaza.

Recent developments in the region, however, have created the possibility for movement in the peace process. Israel's plan for unilateral withdrawal from Gaza and some West Bank settlements has changed calculations about what is possible. Egypt has taken a more active role in coordinating the disengagement plan with the Palestinians. Other nations, such as Jordan and Turkey, also have offered to facilitate the process. Today, we want to examine in detail how the United States and the international community can take advantage of the Israeli disengagement plan and other openings to make real progress on the Road Map.

The United States must determine how we can strengthen Israelis and Palestinians who are willing to support the disengagement plan. Surveys indicate that 65 to 70 percent of the Israeli population supports the disengagement plan, but others in Israel consider it "rewarding Palestinian terrorism." Internal Israeli politics have been thrown into upheaval over this question. Prime Minister Sharon has risked his government to keep the disengagement plan alive and is trying to form a new Coalition with the Labor Party to gain the Israeli parliament's approval of the plan. Internal conflicts among the various Palestinian factions also are intensifying, as they cannot agree on who takes control when the Israelis leave.

The Egyptians, fearing instability on their border, recently have renewed their efforts to work with the Palestinians on a cease-fire, as well as help restructure Palestinian security forces. The Egyptians cannot succeed in these efforts alone. The United States and the other members of the Quartet--the European Union, Russia and the United Nations--must do more to buttress Egyptian efforts and ensure that the disengagement plan can be implemented. Jordan, Saudi

Arabia, and perhaps other Arab nations also should contribute funds or personnel to help train and equip the Palestinians to take authority over areas from which the Israelis withdraw.

A sustainable peace settlement is likely to require additional international resources. We should explore how organizations such as the World Bank might develop a comprehensive settlement package as an incentive for the Palestinians and Israelis to move forward with the Road Map. In addition, the U.S. must work with our allies to stop the flow of weapons and financing, particularly from Syria and Iran, to those who continue suicide bombings and terror attacks.

Although many recent developments have the potential to help the peace process, the International Court of Justice's non-binding advisory opinion condemning the Israeli security fence is not one of them. This decision does not help move the peace process forward, because it does not consider the realities of terrorism on the ground.

We welcome two distinguished panels to discuss ongoing efforts to advance peace. First we will hear from Ambassador David Satterfield, the Deputy Assistant Secretary of State for the Near Eastern Affairs Bureau. He was recently confirmed by the Senate as our new Ambassador to Jordan. On our second panel, we will hear from Ambassador Dennis Ross, Director and Ziegler Distinguished Fellow of the Washington Institute for Near East Policy. Ambassador Ross has written a new book on his experience as the chief Middle East peace negotiator for both President George H. W. Bush and President Clinton, and we look forward to his insights. Also on our second panel, we welcome Dr. Abdel Monem Said Aly, Director of the Al-Ahram Center for Political and Strategic Studies in Cairo and a visiting fellow at the Saban Center for Middle East Policy at the Brookings Institution; and Mr. Aaron Miller, President of Seeds of Peace and formerly Senior Adviser to the Secretary of State for Arab-Israeli Negotiations.

We look forward to the insights and recommendations of our witnesses.

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