

RELEASE IN PART  
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**From:** Sullivan, Jacob J <SullivanJJ@state.gov>  
**Sent:** Thursday, October 14, 2010 10:18 PM  
**To:** H  
**Subject:** Fw: East Jerusalem

Mitchell team thinks this is largely accurate but details are sketchy. There will be competing views on how to respond. Will know more in am.

----- Original Message -----

**From:** Pelton, Erin  
**To:** Sachar, Alon (NEA/IPA); Walles, Jacob; Sullivan, Jacob J; Feltman, Jeffrey D; Hale, David M; Cunningham, James B; Rubinstein, Daniel H; 'Prem\_G.\_Kumar' <Prem\_G.\_Kumar >; 'Daniel\_B.\_Shapiro' <Daniel\_B.\_Shapiro >; Rudman, Mara; Schlicher, Ronald L; 'jmprince' <jmprince >; Goldberger, Thomas H  
**Cc:** Sutphin, Paul R; Djerassi, Alexander M  
**Sent:** Thu Oct 14 20:42:18 2010  
**Subject:** Re: East Jerusalem

YNET: E. Jerusalem construction bid underway New Housing Ministry tender includes 240 homes slated for construction in east Jerusalem.

Prime Minister Netanyahu reportedly okays bid. PA says act will be 'final nail in negotiation's coffin' Attila Somfalvi

Prime Minister Benjamin Netanyahu authorized a construction bid for 240 new housing units in the northeastern Jerusalem neighborhoods of Pisgat Ze'ev and Ramot, Ynet learned Thursday. The future homes were included in a Construction and Housing Ministry tender which listed 3,500 housing units across Israel.

The fact that 240 of the units are to be built in east Jerusalem was made as inconspicuous as possible.

Despite Netanyahu's statements to the contrary, similar bids were held back during the settlement freeze, mostly to prevent tensions with the United States and the Palestinian Authority.

Netanyahu also instructed the interior and housing ministers to inform him of any planned construction of sensitive political nature.

Once the West Bank settlement moratorium ended, Atias was quick to say that the decision's true test would be construction in east Jerusalem. The prime minister has been under great political pressure to grant such construction permits, but has resisted for the most part.

Though surprising, Thursday's decision – which comes in the midst of a settlement-prompted crisis in the peace talks – is meant to signal to right-wing elements that Netanyahu will not succumb to pressure to extend the settlement freeze.

Sources familiar with the decision told Ynet that "There is no settlement freeze in Jerusalem. The Prime Minister's Office is monitoring such tenders, to prevent him from being surprised by them when the timing is sensitive."

Meanwhile, Minister Atias said behind closed doors, that he believes that Washington will tolerate the tender and will not turn it into a full-blown crisis.

'Netanyahu's statements a fraud'

Jerusalem portfolio holder in Fatah Hatem Abdel Kader said Thursday that Israel's decision to go ahead with construction projects in east Jerusalem undermines the US' efforts to stop the peace talks from deadlocking and "hammers the final nail in the negotiation's coffin."

Abdel Kader added that the decision indicated that Netanyahu has chosen "his radical coalition" over trying to strike a peace deal.

The decision, he said, also explains why Israel has been reluctant to address the issue of border, as it is acting to form facts on the ground, away from the negotiating table.

"Some areas will remain under Israeli sovereignty when there is land swap, but Israel is trying to force the facts before this matter is settled, which only proves that all of Netanyahu's talk about agreeing to a two-month freeze for our recognition of the Jewish state is a fraud.

"If we agree to Israel's definition as a Jewish state now, in exchange for two months, he will next suggest we agree to recognize it as a Torah state for two additional months. We'll never see the end of it," the senior Fatah member said.

Reiterating a previous statement by Palestinian President Mahmoud Abbas, Abdel Kader said that the PA will never agree to recognize Israel as a Jewish state: "As far as the Palestinian law and norms go, that would constitute treason. It will not happen."

----- Original Message -----

From: Sachar, Alon (NEA/IPA)

To: Walles, Jacob; Sullivan, Jacob J; Feltman, Jeffrey D; Hale, David M; Cunningham, James B; Rubinstein, Daniel H; 'Kumar, Prem G.' [redacted]; 'Shapiro, Daniel B.' [redacted]; Rudman, Mara; Schlicher, Ronald L; 'Jonathan prince' [redacted]; Goldberger, Thomas H

Cc: Sutphin, Paul R; Pelton, Erin; Djerassi, Alexander M

Sent: Thu Oct 14 19:36:58 2010

Subject: RE: East Jerusalem

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This is out in Yediot Hebrew.

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-----Original Message-----

From: Walles, Jacob

Sent: Thursday, October 14, 2010 3:07 PM

To: Sullivan, Jacob J; Feltman, Jeffrey D; Hale, David M; Cunningham, James B; Rubinstein, Daniel H; 'Kumar, Prem G.'; 'Shapiro, Daniel B.'; Rudman, Mara; Schlicher, Ronald L

Cc: Sachar, Alon (NEA/IPA); Sutphin, Paul R; Pelton, Erin; Djerassi, Alexander M

Subject: FW: East Jerusalem

FYI. We'll need to prepare a response if this breaks.

-----Original Message-----

From: Pelton, Erin

Sent: Thursday, October 14, 2010 2:50 PM

To: Sachar, Alon (NEA/IPA); Walles, Jacob

Subject: FW: East Jerusalem

Are you guys aware of this? From Yedioth Ahronoth. -E

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-----Original Message-----

From: orly azoulay [mailto:  
Sent: Thursday, October 14, 2010 2:39 PM  
To: Pelton, Erin  
Subject: East Jerusalem

Hi Erin

We are going to publish tomorrow that the government of Israel approved new building in East Jerusalem: 150 apartments in "Ramot" and 80 in "Pisgat Zeev".

I would like to ask you for your comment, and if the you aware of that.

Thanks Orly

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Orly Azoulay

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