

**RELEASE IN FULL**

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**From:** Sullivan, Jacob J <SullivanJJ@state.gov>  
**Sent:** Wednesday, December 21, 2011 7:08 PM  
**To:** H  
**Subject:** FW: Israel backs aid to Palestinian Authority

A small piece of good news.

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**From:** Carl Yoder, Samantha A  
**Sent:** Wednesday, December 21, 2011 6:23 PM  
**To:** Walles, Jacob; Sutphin, Paul R; Rudman, Mara (ME/AA); Lempert, Yael; Shapiro, Daniel B (Tel Aviv); Rubinstein, Daniel H; Hale, David M; Sullivan, Jacob J; Adams, David S; Goldberg, Robert H  
**Cc:** Grantham, Chris W; Sawyer, Julie L; Williams, Rebecca; Borodin, Sara (ME/MEA); Rangaswamy, Roopa; 'robert.waller@nss.eop.gov'; Seiden, Maya D; Sullivan, Stephanie S  
**Subject:** Fw: Israel backs aid to Palestinian Authority

Hot off the presses. It is as we suspected - linked to the punitive measures. You'll notice no \$ figure mentioned. We will be pushing for the full \$187 million. H and Nides will gave action on that.

NEA is preparing press guidance. I know Jake and Post previewed the language with the Pals so the FY12 language wouldn't be a surprise. I welcome your thoughts on how and when to talk to the Pals about this press statement by the Is.

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**From:** Merav Horsandi [mailto:cs@washington.mfa.gov.il]  
**Sent:** Wednesday, December 21, 2011 05:08 PM  
**To:** Carl Yoder, Samantha A  
**Subject:** Israel backs aid to Palestinian Authority

Samantha,  
Here is the release.  
Merav

## **Israel backs aid to Palestinian Authority**

By BEN SMITH |  
12/21/11 4:47 PM EST

In a dramatic public shift that appears to lower the intensity of the simmering diplomatic conflict between Israel and the Palestinian Authority, the Israeli government is backing a strings-attached **compromise** that would restore American aid to the Palestinian Authority.

House Republicans have called for cutting off the P.A. over its push for international recognition through the United Nations, over the objections of many Democrats and the White House, and over the reported private objections of Prime Minister Benjamin Netanyahu.

The compromise proposal would restore the aid as long as the Palestinians ramp down their diplomatic efforts.

And in a statement from Ambassador Michael Oren today, the Israeli support for continued aid to the Palestinian Authority -- its day-to-day partner in governing the West Bank -- has become public. Oren said in a statement provided POLITICO by an aide:

The Israeli government would welcome the decision to lift the congressional hold on U.S. funding for the Palestinian Authority in the West Bank. We appreciate that the hold was placed to demonstrate to the Palestinians the consequences of their attempts to declare statehood unilaterally at the United Nations, without making lasting peace with Israel. The Israeli government's position follows a decision by the Obama administration and Congress to declare specific consequences, including the closure of the PLO office in Washington and the withholding of future funding for the Palestinian Authority, and the fact that the Palestinians have refrained from additional U.N. initiatives.

We view these measures as essential for returning the Palestinians to direct talks without preconditions, as endorsed by the Quartet. Israeli Prime Minister Benjamin Netanyahu stands by his commitment to negotiate all core issues leading to a viable and permanent two-state solution.

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