



Prepared Statement of Michael J. Koplow, Chief Policy Officer of Israel Policy Forum

Before the Subcommittee on the Middle East, North Africa, and Central Asia
of the House Committee on Foreign Affairs

“No Incentives For Terrorism: U.S. Implementation of the Taylor Force Act and Efforts to Stop ‘Pay to Slay’”

September 27, 2023

Mr. Chairman, Mr. Ranking Member, and Members of the Subcommittee:

Thank you for the invitation to appear before you to discuss the important issue of terrorism against Israelis and the situation inside Israel and the West Bank. This issue has taken on greater salience this year, as more Israelis have been killed in terror attacks through the end of August than Israeli terrorism fatalities in all of 2022. Combating Palestinian terrorism directed at Israeli citizens and increasing stability and security for Israelis and Palestinians alike are clear interests and priorities of the United States and have been ongoing challenges for American policy. It is critical to continue holding the Palestinian Authority to account for its payments to prisoners and families of those killed in the course of committing terrorism, as these payments incentivize violence against innocent Israelis and run counter to any peaceful resolution to the Israeli-Palestinian conflict. In addition to enforcing the Taylor Force Act and fully implementing its provisions until its conditions are satisfied, it is also important to promote additional measures and policies that will counter the trend of increasing violence. This requires unwavering support for Israeli security and support for measures that will stabilize the West Bank and build toward a negotiated and viable political outcome that improves the lives of Israelis and Palestinians.

The Taylor Force Act was passed in 2018 with overwhelming bipartisan support as a signal of Congress’ commitment to holding the Palestinian Authority to account for its fiscal policies that create perverse and ugly incentives for Palestinians to commit terrorism and violence. The Taylor Force Act is both a statement about the repugnance of payments that escalate based on the severity of the violence that is undertaken and an important policy tool that seeks to shift Palestinian Authority behavior away from tying payments directly to violent acts. This payments system is an insidious initiative that encourages the murder of innocent Israelis and must be

stopped. The Taylor Force Act should remain in place until the Palestinian Authority meets its requirements, and the burden must be on Palestinian leadership to alter its policies and demonstrate compliance.

The Taylor Force Act contains a number of exceptions to its prohibition of Economic Support Funds (ESF) that will directly benefit the Palestinian Authority, in recognition of the fact that some funding that may incidentally directly benefit the Palestinian Authority has benefits that outweigh the harms. These exceptions—payments to the East Jerusalem Hospital Network, assistance for wastewater projects, and assistance for childhood vaccinations—are in line with the principles laid out in the act's findings that the United States continues to support programs that provide for basic human needs, peace, and development. This approach smartly recognizes the balance required between holding the Palestinian Authority to account for its misdeeds and ensuring that areas under the Palestinian Authority's control do not devolve into anarchy, while continuing to work toward peace between Israelis and Palestinians.

The Taylor Force Act is a critical tool in striking this balance. Other tools work in concert with the Taylor Force restrictions to reshape the environment so that better actors can be empowered and terrorism does not find such fertile ground. This holistic approach should continue so that the United States does not contribute to the Palestinian people suffering as a result of bad choices made by Palestinian leadership. While the Palestinian Authority must be held to account, the United States does not engage in collective punishment.

Support for the Palestinian people rather than support for the Palestinian Authority demonstrates the American commitment to improving lives and providing an alternative approach to violence. Economic support for water and sanitation projects, public health, private-sector development, good governance and transparency in municipal institutions, women's empowerment, vocational training, and food assistance all further the effort to better Palestinian lives under sometimes dire humanitarian conditions, while simultaneously laying the groundwork for a future functioning polity. These funds are not controlled or implemented by and do not directly benefit the Palestinian Authority. They demonstrate to a new generation of Palestinians the United States' commitment to their wellbeing, and ultimately to a future society that can be self-sustaining while living in peace alongside Israel.

Another important tool in the battle against terrorism is the funding allocated under the Nita M. Lowey Middle East Partnership for Peace Act (MEPPA) for peacebuilding and coexistence activities. This funding promotes active engagement between Israelis and Palestinians in support of a future two-state outcome, which will depend on dialogue and mutual understanding. If the incentives to terrorism are going to be stamped out, something else must replace them in order to create a sustainable alternative. People-to-people activities that receive funding through MEPPA provide pathways to peace while making terrorism less desirable. MEPPA was passed in both chambers by wide bipartisan margins and remains a shining example of bipartisan cooperation on efforts towards Israeli-Palestinian conflict resolution.

Perhaps most saliently, it remains vital to support the efforts of the United States Security Coordinator (USSC) in ensuring that security cooperation between Israel and the Palestinian Authority continues and that the Palestinian Authority Security Forces (PASF) are properly trained and prepared for counterterrorism and law-enforcement activities. The drop in organized terrorism against Israelis since the first decade of the 21st century is attributable in a large measure to the success of the USSC mission. The future success of stabilizing Palestinian cities with large militant presences—such as Jenin and Nablus—without excessive and risky intervention by the Israel Defense Forces hinges on continued support for the USSC. An effective and well-trained PASF provides both severe risk mitigation for Israel’s defense architecture and a key building block for future Palestinian statehood. The USSC’s support for security coordination between Israel and the Palestinian Authority also ensures that the counterterrorism architecture that exists inside the West Bank remains robust and that Israeli security needs are met. The PASF have a track record of suppressing Hamas and Islamic Jihad terrorism and activities inside the West Bank, and the U.S. and its NATO partners must continue training the PASF and equipping them with non-lethal weaponry. Concerns about the PASF’s performance and willingness to confront terrorist elements in Palestinian cities are warranted, but the PASF remains an important security partner for Israel, as Israeli political and security officials routinely attest. Unless the USSC has the funding and support to continue building a professional PASF and pushing for Palestinian security sector reforms, an important tool in combating Palestinian terrorism will be severely handicapped.

There are measures that the United States should take in partnership with Israel as well in order to choke off incentives for Palestinian terrorism. The number of attacks against Palestinians by Israelis in the West Bank is up sharply this year, as are the number of Palestinian fatalities in the West Bank. Security for Palestinians must be restored in order to prevent loss of innocent Palestinian life, and in order to prevent ordinary Palestinians from resorting to taking up arms against Israelis in response. The United States should urge the Israeli government to do whatever is necessary to combat growing settler violence and lawlessness in order to prevent friction between Israeli and Palestinian residents in the West Bank, and it should support the Israeli government in tackling this problem.

Another flashpoint is Israeli settlements deep inside the West Bank adjacent to large Palestinian population centers. While roughly 85% of Israelis living beyond the 1949 armistice lines—popularly known as the Green Line—are on approximately 8% of the territory of the West Bank, the remaining 15% live in places where the demographic balance is weighted overwhelmingly toward the Palestinians. There is no justification for terrorism against Israeli civilians no matter where they live, but limiting the friction that inevitably arises between Israelis and Palestinians in places where Israeli settlements are more isolated will reduce Israeli fatalities and the IDF’s security burden. As much as possible, the United States should encourage Israel to limit growth in Israeli settlements to large settlement blocs rather than in isolated settlements or in settlement outposts that are illegal under Israeli law, as part of the effort to reduce Israeli fatalities and make

it easier to combat Palestinian terrorism. Building settlements that purposefully seek to erode the possibility of a future Palestinian state by disrupting territorial contiguity undermines any remaining Palestinian confidence in a negotiated process to establish a future state living alongside Israel in peace. Such lack of hope for the future and despair at the absence of a political horizon contribute to an escalating climate on the ground where terrorism festers. I reiterate that there is no excuse for terror and no actions that justify its use. Yet all those who live in the region have a responsibility to avoid inflammatory behavior that can lead to escalating tension on the ground.

The United States should also embrace the opportunity created by the Abraham Accords to use the expansion of regional normalization to incentivize the Palestinian Authority to institute necessary reforms. The Palestinian Authority is in the midst of a financial crisis driven in part by the cessation of direct budgetary support from Sunni states, which are frustrated by Palestinian Authority corruption, waste, and malfeasance. The United States and Israel can both encourage states that have normalized relations with Israel, such as the United Arab Emirates, and potential future normalizers, such as Saudi Arabia, to engage with the Palestinian Authority on reforming its institutions and policies, including payments to prisoners and families of terrorists, in return for the resumption of economic assistance. Doing so will benefit Israel's security, which is in the interest of states with new diplomatic relationships with Jerusalem, and will also benefit Palestinian stability and quality of life.

As the Biden Administration seeks to deepen the Abraham Accords and expand the circle of normalizers, it will both lower barriers for potential future normalizers and help ensure the future sustainability of agreements if there is a role for the Palestinians within the context of normalization. Inclusion of the Palestinians will also benefit regional stability and advance the goal of a peaceful future for Israelis and Palestinians. Heightened tensions around the Israeli-Palestinian conflict in recent months, including settlement announcements in areas that would challenge the contiguity of a future Palestinian state, have caused needless bumps in the relationships between Israel and other Abraham Accords states, including postponements of ministerial convenings of the Negev Forum. Ensuring a Palestinian role and tangible benefits for the Palestinian people in the normalization process helps inoculate these historic agreements from the instability that is endemic to the Israeli-Palestinian conflict, and can also incentivize Palestinians to embrace a political and diplomatic process rather than turn to terrorism.

As the Palestinian Authority loses more credibility, legitimacy, and popularity, the leadership and institutional vacuum is contributing to more terrorism, more violence, and more instability. The Taylor Force Act must continue to be utilized in order to create pressure on Palestinian leadership to stop its incentivization of terrorism, which is neither improving Palestinian lives nor bringing Palestinian statehood any closer to fruition. The United States must use the other tools available to it as well in order to support the Palestinian institutions and the Palestinian people working toward positive change, contributing to a more peaceful and fruitful political and societal environment, and acting as a force for stability and against Iranian-backed malignant actors. All

financial and political incentives for Palestinians to turn to terrorism must be combated, which means holding the Palestinian Authority to account while improving stability and security in the West Bank and the quality of life for Palestinians.