

MIDDLE EAST

U.S. Finalizes Deal to Give Israel \$38 Billion in Military Aid

By PETER BAKER and JULIE HIRSCHFELD DAVIS SEPT. 13, 2016



President Obama and Prime Minister Benjamin Netanyahu of Israel in the Oval Office last year. The agreement represents a major American commitment to Israel's security after years of fractious relations. Doug Mills/The New York Times

JERUSALEM — The United States has finalized a \$38 billion package of military aid for [Israel](#) over the next 10 years, the largest of its kind ever, and the two allies plan to sign the agreement on Wednesday, American and Israeli officials said.

The State Department scheduled a ceremony to formally announce the pact, which will be signed by Jacob Nagel, the acting national security adviser to Prime Minister [Benjamin Netanyahu](#) of [Israel](#), and Thomas A. Shannon Jr., the under secretary of state for political affairs. [Susan E. Rice](#), [President Obama](#)'s national security adviser who handled negotiations, plans to be on hand.

The package represents a major commitment to Israel's security in the waning months of Mr. Obama's presidency after [years of fractious relations](#) with Mr. Netanyahu over issues like the [Iran nuclear agreement](#). Mr. Netanyahu agreed to several concessions to cement the deal rather than gamble on winning better terms from the next president.

The package will provide an average of \$3.8 billion a year over the next decade to Israel, already the largest recipient of American aid, including financing for missile defense systems that defend against rockets fired by groups like [Hezbollah](#) and [Hamas](#). Under a previous 10-year agreement that expires in 2018, the United States provides about \$3 billion a year, but lately Congress has added up to \$500 million a year for missile defense.

"The United States has invested significantly in many of Israel's most effective defenses against terrorist threats," Daniel B. Shapiro, the American ambassador to Israel, [said in a speech](#) this week. He cited the Iron Dome antimissile system and the delivery by the end of this year of the first [F-35 Joint Strike Fighter](#).

Looking ahead to the next decade, Mr. Netanyahu initially sought as much as \$45 billion, but Mr. Obama refused to go that high. Money for missile defense is included in the package, and the two sides agreed not to seek additional funds from Congress over the next decade unless both agree, such as in case of a war.

The new deal will also [phase out a special provision](#) that allowed Israel to use about a quarter of the money to buy Israeli arms, an exception once intended to strengthen the small state's defense industry. Now, with Israel a robust arms exporter competing with American firms, it will have to use the American money to buy American military systems, just as other aid recipients are required to do.

"The most important thing about this is the strategic message," said Ilan Goldenberg, the director of the Middle East Security Program at the Center for a New American Security. "The fact that Obama and Netanyahu are able to get this done even when they don't agree on a lot of things and they don't have a very good personal relationship is a very strong signal that this is a vital alliance and each side recognizes it transcends politics and personalities."

Dennis Ross, a former Middle East adviser to Mr. Obama and other presidents, noted that the agreement follows one negotiated by George W. Bush. "If nothing else, it shows the basic American approach to Israel is, in fact, bipartisan," said Mr. Ross, author of ["Doomed to Succeed,"](#) a history of Israeli-American relations.





Susan E. Rice, President Obama's national security adviser, said the 10-year, \$38 billion military aid package to Israel was the single largest pledge of military assistance to any country in American history. By REUTERS on September 14, 2016. Photo by Gary Cameron/Reuters. [Watch in Times Video »](#)



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But the completion of the deal after nearly a year of discussions comes against the background of continuing friction between the two nations' leaders. Just in recent days, the Obama administration publicly chastised the prime minister for [a provocative video](#) in which he accused [Palestinian](#) leaders of favoring "ethnic cleansing" by demanding a Jew-free [Palestinian](#) state through opposing Israeli settlements in the West Bank. Palestinians said he twisted reality.

The aid package hardly signals the end of such tension. Mr. Obama's foreign policy team is debating whether he should make a final effort after the November election to [lay out terms of a possible peace agreement](#) between Israelis and Palestinians. Such a move could come in a presidential speech or potentially, though less likely, a resolution at the [United Nations Security Council](#).

The idea would be to break out of what American officials consider the trap of waiting for one or both of the parties to step forward. While Mr. Obama's statement would hardly settle the issue, some advisers argue it might break the logjam or at least lay down a marker. Other advisers doubt it would be worth Mr. Obama's political capital in the lame-duck period after the election and worry it would be unwelcome if [Hillary Clinton](#) wins.

Mr. Netanyahu strongly opposes such an American move, especially if it were made at the United Nations. His camp has expressed concern that once the aid agreement was finalized, Mr. Obama might feel emboldened to go ahead over Mr. Netanyahu's objections because the president could argue he had already addressed Israel's security needs.

As a result, the finalization of the aid package may not leave either side feeling especially satisfied. "My take is, given the context, nobody feels like throwing a big party," said Aaron David Miller, a longtime Middle East peace negotiator now at the Woodrow Wilson International Center for Scholars.

Critics of Israel's policy toward the Palestinians said the United States was effectively subsidizing operations it regularly criticized.

"We are helping the Israelis sustain the costs of the occupation we claim is unsustainable," said Yousef Munayyer, the executive director of the U.S. Campaign to End the Israeli Occupation, a group advocating Palestinian rights.

"The whole policy is outdated," he added. "It goes back to an era when there were major Arab-Israeli wars and when Israel was in a very different place economically. Those conditions no longer exist, even though the occupation does, and it is high time we address our complicity in it."

Mr. Obama, however, promised to bolster Israeli security last year when he sealed an international agreement with Iran intended to curb its [nuclear program](#). Mr. Netanyahu [vociferously opposed](#) that deal, describing it as a naïve capitulation to Tehran that will ultimately free it from international sanctions without effectively restraining its hostile

ambitions.

Negotiations on a security package since then have progressed fitfully, but White House officials insisted the aid would underscore unparalleled American support for Israeli defenses. “Through word and deed, this administration has done more for Israel’s security than any other in U.S. history,” [Ms. Rice told Congress](#) over the summer in a letter also signed by the budget director, Shaun Donovan.

Peter Baker reported from Jerusalem, and Julie Hirschfeld Davis from Washington.

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