

15 June 2008

Dear Secretary Rice;

On the occasion of today's trilateral meeting, we would like to present to you our assessment of the current status of negotiations and our vision for the way forward. We recognize and appreciate the commitment that both President Bush and you have made towards helping to reach our common goals of two states based on the 1967 borders, living side by side in peace and security, and a just resolution to the refugee issue.

We have reached an important point in the negotiations; on some issues we have achieved some progress, but there remain many gaps and difficulties. As you know, the issues before us are extremely sensitive and difficult, all the more so given ongoing Israeli policies and practices, such as construction of the Wall on Palestinian land, continued settlement expansion and the intensification of the internal closure regime.

In short, we are facing two major difficulties in our negotiations with Israel. First, our **negotiations approaches** are fundamentally different. While our goal is to define where we want to go up front, namely to establish an independent sovereign state based on 1967 borders with all the rights and responsibilities that it entails, and to have a just resolution to the refugee issue, the Israeli approach is to start with the current situation and negotiate small and gradual improvements to the status quo. This allows Israel to use "security" as a catch-all to derogate from Palestinian sovereignty in a permanent status agreement.

Palestinians want the same rights and responsibilities enjoyed by other states, no more and no less: full sovereignty with all its attributes, including full control of our airspace, maritime space, territory, borders, water, electromagnetic sphere and other resources.

Any proposal that merely consolidates unilaterally imposed facts on the ground, or results in a "state with provisional borders", would necessarily contradict our fundamental rights and interests and would not be acceptable. The Palestinian people cannot be expected to acquiesce to a slightly improved version of the occupation that is then repackaged as a "state".

Second, as you know, Israel continues to build in and expand settlements on Palestinian territory in a manner which is meant to prejudge the outcome of permanent status negotiations. By continuing settlement activities, and building roads and other infrastructure throughout the West Bank, particularly in and around East Jerusalem, Israel is undermining the current negotiations, as well as the credibility of negotiating parties, the United States and the international community. More importantly, such activities threaten the viability of an independent sovereign Palestinian state and will soon spell the death of the two-state solution.

In the months since Annapolis, Israel has continued its assault on Palestinian national and individual rights, in violation of international law, while showing flagrant disregard for

virtually all of its obligations under the Road Map. Construction has continued in at least 101 settlements (not including Jerusalem-area settlements). Similarly, Israeli authorities have issued tenders for 1,731 new housing units since Annapolis, which is already more than 12 times the number of housing units tendered in the 12 months prior to Annapolis. Meanwhile, Israeli authorities demolished at least 185 Palestinian structures, including 85 homes, in the first four months after Annapolis. The number of checkpoints, roadblocks and other physical barriers to movement now exceeds 600. And, of course, Israel has yet to comply with the 2004 ruling of the International Court of Justice, which held that the settlements and the Wall that are built in the Occupied Palestinian Territory (OPT) are illegal, and which requires Israel to stop constructing the Wall, remove those parts already built and provide reparations.

Throughout all our meetings and negotiations we have never stopped demanding that Israel stop its ongoing violations with respect to the Wall, the settlements, the closure, the incursions into Palestinian territory, the demolitions, etc. Throughout the negotiations, Israel has in fact intensified its violations, as demonstrated by the figures noted above. These ongoing violations deprive our meetings and negotiations of credibility, and prevent the process from gaining the necessary support of the Palestinian people.

In any case, we have entrusted you, Secretary Rice, to facilitate these negotiations towards our common goals of the realization of two states based on the 1967 borders, living side by side in peace and security, and to a just resolution to the refugee issue and to assist us all in finding a constructive way forward that ensures that the interests and needs of both parties are satisfied. In furtherance of this goal, we outline below for you the status, as we see it, of each of the core issues currently being discussed in these negotiations.

Terms of Reference

Although we've agreed to several ground rules for the negotiations, we have yet to agree to the terms of reference by which any agreement will be governed.

The four key elements of the ground rules have been that:

1. Nothing is agreed until everything is agreed;
2. We will not involve the media in the discussions, and will keep all substantive aspects of the discussions completely confidential;
3. We will discuss all core permanent status issues, including Borders, Jerusalem, Refugees, Water, Settlements and Security; and
4. We are working towards a comprehensive agreement.

On the terms of reference, however, there is significantly less agreement. While Israel would like minimal terms of reference and relies heavily on agreeing to bilateral arrangements in a vacuum, we continue to insist on the universally accepted terms of reference for this conflict. Our baseline and terms of reference are those that the international community and international law have established, namely that any agreement must be based on the United Nations resolutions pertinent to the conflict, specifically UNSC 242, 338, 252 and 478 the Road Map as endorsed in UNSC Res. 1515, and the Arab Peace Initiative of 2002, reaffirmed in 2007; it must be based on international law; the agreement, based on the "land for peace" formula, must lead to the end of the Israeli occupation that began in 1967 and

end the conflict, thus establishing an independent viable and sovereign Palestinian State; and resolving the issue of the refugees in a just and agreed upon manner, in accordance with UNGA 194.

Territory

The Palestinian position is, and has always been, that the two state solution must be based on the 1967 border, which defines the borders of West Bank, including East Jerusalem, the Jordan Valley, the No Man's Land (including in the Latrun), and the Dead Sea, and the Gaza Strip. We are content with the 1967 line, which is the universally accepted baseline for the border. However, we are willing to consider minor modifications to the 1967 line, if those modifications satisfy Palestinian rights and interests, are on the basis of one-to-one land swaps equal in quality and size, which should not exceed 1.9% of the total area of the West Bank (including East Jerusalem) and the Gaza Strip.

Moreover, it is important to bear in mind that the percentage of swap alone, while important, is not a sufficient basis by which to evaluate the reasonableness of a proposal. We cannot accept any proposal that severs East Jerusalem from the rest of Palestine, harms Palestinian contiguity, involves the swap of Palestinians (regardless of their citizenship) or otherwise harms core Palestinian interests as determined by the PLO. In addition, we do not accept the concept of so called "settlement blocs", much less accept their wholesale annexation. We will only address possible swaps on a settlement by settlement basis. It is for these reasons that the settlements of Ariel, Givat Zeev, Ma'ale Adumim, Har Homa, Efrat will not be considered under any scenario.

The Palestinian proposal is in stark contrast to that of the Israeli side, which has refused to present a complete map (that includes Jerusalem) and has put forward a maximal proposal that undermines Palestinian viability, creates enclaves, and encompasses vast amounts of our vacant land and water productive areas. Their proposal largely mirrors the path of the Wall, which they had repeatedly assured the international community would not be used to pre-determine the border! In short, the map that Israel has thus far proposed in the discussions is incomplete, and does not address even the most basic Palestinian rights. It proposes annexing 7.3% of the West Bank (according to Israel's own calculations), in a manner which totally undermines the viability of the future state of Palestine, particularly with respect to the future of Jerusalem, and does not address Israel's territorial aspirations in Jerusalem at all.

In exchange, Prime Minister Olmert has offered the equivalent of 5% of Israeli territory in the desert areas adjacent to the southern West Bank and the northern part of the Gaza Strip. Prime Minister Olmert has also suggested as part of the "compensation" for the swap, Palestine would get a dock at Ashdod port, ***in lieu of our own sovereign port in the Gaza Strip***, as well as a territorial link between the West Bank and the Gaza Strip under Israeli sovereignty but purportedly under full, uninterrupted and complete Palestinian control.

To summarize, any discussion on borders must be address the border as a whole, including in Jerusalem, without gaps or omissions. A piecemeal approach will neither

meet the interests of both sides, nor result in an acceptable border. Therefore, it will not be possible to agree on a final border whilst Israel refuses to put forward a more reasonable proposal, which must include its vision for Jerusalem and for swaps on its side of the 1967 line.

Jerusalem

Jerusalem is the key to successful negotiations. The realization of Palestinian rights and sovereignty in East Jerusalem, as the capital of the Palestinian state, is essential to any lasting peace agreement. Postponing the issue of Jerusalem (or agreeing to a border that excludes Jerusalem) would not be credible, realistic or acceptable, since this would merely allow Israel to continue creating additional facts on the ground. Moreover, it is illogical to believe that an issue as difficult as Jerusalem is today would be anything but more difficult later.

Although we have put forward our position on Jerusalem several times, Israel has yet to present anything meaningful on the issue. In order for us to reach an agreement, it must be comprehensive and must address all issues.

On Jerusalem, although sovereignty must be divided along the 1967 lines (with whatever modifications are agreed to as part of swaps, in accordance with the above principles and not including sites holy to Muslims or Christians), modalities may be agreed to that do not necessarily conform to the same lines.

Palestinians are tied to Jerusalem through strong historic, moral, religious, social and economic links. These links cannot be severed without significant economic and social hardship which will in turn generate greater instability within East Jerusalem, and within the West Bank as a whole.

Despite its clear obligation under Phase I of the Road Map, Israel continues to reject calls by the Quartet and the international community to reopen Palestinian institutions in East Jerusalem. The immediate reopening of Orient House and other Palestinian institutions would serve as a critical first step to rebuilding Palestinian trust and confidence in Israel's desire for peace and in the peace process and its seriousness in addressing all core issues.

Water

There is a fundamental disagreement between the Palestinian and Israeli approaches to resolving the issue of water. Palestinians insist that the only reasonable first step is to determine the issue of both parties' water rights – the Palestinian and Israeli percentage of the shared conventional water resources determined in accordance with international law – regardless of the available amount of shared groundwater and surface water year to year. Only then can the parties turn to discussing methods of cooperation to maximize existing water resources for both parties. To consider fully their respective water rights consistent with accepted international practice, the parties must analyze and discuss all shared transboundary watercourses (surface and ground waters), including the Jordan River, which Israel refuses to consider for political reasons.

In contrast to the Palestinian approach, Israel refuses to engage in any discussion of water rights and frames the negotiations in terms of regional water scarcity with the view to cooperate on extending use of current allocations through brackish and wastewater treatment, as well as developing new non-conventional sources of water.

Finally, it is important to note, at the June 12, 2008 meeting of the Trilateral Water Committee chaired by the United States, members of the Israeli delegation put forward an interpretation of the Oslo Interim Agreement asserting that the additional 80 Million cubic meters of water agreed and to be developed by the Palestinians under the agreement reflects future Palestinian needs regardless of the interim period. Thus, the Israeli position is that allocations and development of additional waters under the Interim Agreement are to be the *de facto* permanent status allocations, regardless of our actual water rights or long-term needs.

Refugees

The issue of the refugees is one of the core issues of the conflict: without its just resolution, there can be no end of conflict. Any agreement that does not address the issue of refugees completely and comprehensively, in accordance with international law and international best standards, would be just another interim agreement and would only prolong the conflict.

There are four aspects to the issue of refugees. First, Israel's **recognition of responsibility** for the creation and perpetuation of the problem is a crucial part of any solution in order to give people a sense of satisfaction that their overall historical experience have been acknowledged and addressed and to facilitate any possible compromise on implementation, and is therefore essential to enable the establishment of a *real* peace with Palestinian refugees. Israel thus far has refused to recognize its responsibility with respect to the issue of the refugees.

Second, although we understand that full implementation of the **right of return** is unlikely, in order for there to be a solution, the return option will have to be perceived as a real option. The right of return is a recognized right under international law and it has been a core aspect of the Palestinian struggle for the last 60 years. Therefore, it must be addressed in a reasonable manner that takes into account the existence of this individual right, its centrality in refugee experience, as well as Israel's capacity of absorption. As the PLO, we are not the holder of refugees' individual rights but we have a mandate to pursue the recognition and implementation of these rights, and can only seek to maximize the choices for the refugees. Israel thus far has insisted that refugees be entitled to Palestinian citizenship and/or provided with resettlement and integration options only (no return to Israel).

Third, on **reparations**, the Palestinian position remains that refugees shall be granted restitution and compensation for the material and non material damages they have suffered (including loss of livelihood and opportunities and human suffering, as a result of refugees' protracted displacement). Therefore, compensation is only one part of reparations due. In addition, states that have hosted Palestinian refugees shall be entitled

to remuneration. Israel thus far has been willing to consider only compensation for the refugees. Their position on the other aspects of reparations remains unclear.

Finally, the **international implementation mechanism** must include all of the stakeholders that are part of the implementation process in order for it to work effectively. The international community will have to be represented in the mechanism to guarantee the efficiency and durability of the implementation process. In addition, all of its aspects must be agreed (in other words it must have full parameters) in order for it to be operational. Israel agrees to an international implementation mechanism.

Security

As regards security, we have presented reasonable and flexible proposals in response to the blanket demand for “full demilitarization” by Israel. In short, we have made clear that we are willing to look at any fair solution to meet Israeli security interests ***short of a continued Israeli presence on Palestinian territory***. More specifically, we have said that Palestine will be a sovereign, independent state with limited arms – not limited dignity. As a sovereign and independent state, Palestine will have sovereignty and full control over its territory, including airspace and territorial waters.

To meet our internal security needs, our security forces will need all appropriate weapons and equipment to perform their duties and responsibilities. We have agreed to a third party role to take care of our defense needs for a limited agreed period.

However, following decades of Israeli military occupation, Palestine cannot accept any Israeli military presence or control over its territory whatsoever. Our people will not buy into any agreement that includes a continuation of Israeli control over their land. Israel continues to insist on a presence in Palestinian territory, post-agreement, and has thus far been unwilling to accept a third party role that would be more extensive than that of purely capacity building.

Prisoners

The signature of an agreement resolving the permanent status issues between Palestinians and Israelis will mark a historic reconciliation, and as such, all Palestinian and Arab prisoners detained or arrested by Israel as a result of the Israeli-Palestinian conflict must be released. While Israel has not presented a formal position on this matter, it has agreed to discuss this issue in the current round of negotiations.

The Israeli approach shows that Israel is trying to secure our agreement for a state with provisional borders, or some form of protectorate or trusteeship, and to call that a “state”. This, as you can imagine, is not, and will never be, acceptable to us; nor would it end the conflict. In order for the conflict between us and the Israeli government to be ended, an agreement must be just, comprehensive and address the interests of both sides.

With this letter, we ask you to kindly assist us in reaching a peace agreement; one that is sustainable and lasting and that will finally end this decades-long conflict.

Please accept, Madame Secretary, the expression of my highest consideration.

Sincerely,

**Ahmed Qurie
Head of Palestinian Delegation to
Permanent Status Negotiations**

**H.E. Condoleezza Rice
Secretary of State
Washington, DC**

**Cc:
Foreign Minister Tzipi Livni**