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A Two-State Solution: Defining U.S. Principles or Ideas¹

An Israeli-Palestinian settlement must be seen in the overall context of peace and security in the broader Middle East.

Regional Context

A negotiated final status settlement between Israelis and Palestinians (and between Israel and its Arab neighbors) is fundamental to U.S. national security interests. The United States recognizes that to reach a negotiated settlement on all final status issues will require significant and difficult decisions for Israeli and Palestinian leaders and publics. The United States perceives the status quo as unsustainable for all sides.

The United States knows that decisions required by the parties for a peace agreement are great, but the risks involved in not taking those decisions are greater. The U.S. is committed to helping to create the conditions that make an agreement achievable and its implementation effective.

The parties also have a fundamental strategic interest in a comprehensive peace settlement. For Israel, an agreement offers the opportunity to finally bring an end to conflict and to provide secure and recognized boundaries, international recognition of Jerusalem as its capital, international legitimacy for a Jewish State, security arrangements that protect Israel from threat but enable it to redeploy troops outside the West Bank, and a new strategic and regional environment in which Israel is an integral and accepted part of the Middle East and radical forces in the region are decisively setback. For Palestinians, an agreement would secure the long awaited sovereignty and self-determination of the Palestinian people in a state of their own, bring an end to Israeli occupation, refugee status, and suffering and grant international recognition of a Palestinian capital in Jerusalem. It provides a chance to free the Palestinian people from the cycle of conflict and become a modern and prosperous Arab State in the Middle East. None of these interests can be achieved, however, without a negotiated settlement.

The U.S. has long recognized that the goal of a strong and secure Israel, as a Jewish and democratic state, is not just a fundamental and basic right of the Jewish people, but it is also fundamental to peace in the Middle East and America's own strategic interests. The U.S. remains steadfastly committed to Israel's right and capability to deter and defend itself against external threats and terrorism.² The United States will continue its close military intelligence and political collaboration with Israel in meeting those threats and ensuring Israel's qualitative military edge. Close collaboration between the United States and Israel on security remains a prerequisite for progress in this region.³

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The United States is also deeply committed to the creation of a viable, contiguous, sovereign, and independent Palestinian state that is a homeland for the Palestinian people. The U.S. aims to achieve a negotiated settlement that would bring an end to the occupation that began in 1967 and ensure self-determination, security, and dignity for the Palestinians. The security of the Palestinian state must be assured against both terrorist attacks from within and aggression from outside its borders. The United States seeks to raise and enhance the level of its bilateral relationship with the Palestinian Authority and to initiate a strategic dialogue with its senior officials. The United States will lead an effort, working with others, to address the humanitarian crisis in Gaza and the humanitarian needs of Palestinian refugees in the region.

The United States is committed to comprehensive peace and security in the Middle East and will continue to work with our friends and allies in the region to deter aggression and promote dialogue and coexistence. The U.S. recognizes that the Arab Peace Initiative is a pillar in the framework of ending the Arab-Israeli conflict. Recognizing the security challenges of the region, assistance will be provided to help our friends and allies in the region cope with the threat of terrorism at home and from abroad.

Set out below are possible principles that would serve as a statement of American policy and that would define the U.S. approach to a comprehensive Arab-Israeli peace in the context of a more secure Middle East. These principles provide a clear vision of what the parties and the states in the region stand to gain from a comprehensive settlement. Although the United States believes that these principles embody a fair and equitable solution for all sides, the terms of an agreement will be set by the parties.

In the matrix that follows, the center column presents the core text of each principle; the column on the right offers possible add-ons to the core text; and the column on the left presents a less detailed or fallback formulation of the basic principle.

----- <i>(less specific)</i>	<i>Core Text</i>	+++++ <i>(more detailed)</i>
<u>American Objectives</u>		
Same	A comprehensive, negotiated settlement to the Arab-Israeli conflict is fundamental to American national security interests. ⁴	Add: Arab-Israeli peace, though not a panacea for the region's problems, is nevertheless a critical requirement for regional stability and development.
Central to that objective is an Israeli-Palestinian settlement that establishes two states, Palestine and Israel, with mutual recognition and secure borders.	Central to that objective is an Israeli-Palestinian settlement, in fulfillment of UNSCR 242, that establishes an independent, sovereign, contiguous, and viable Palestinian state; and a Jewish state, Israel, with secure and recognized borders that meet Israeli security requirements. ⁵ Such a settlement must also constitute an end of conflict and of all claims. ⁶	
<u>Regional Peace and Security</u>		
A land-for-peace arrangement, in accordance with UNSCR 242, requires security arrangements and guarantees to	A comprehensive, negotiated settlement, based on the June 4, 1967 lines, requires binding and verifiable security	Add: If asked by the parties, the United States would commit itself to monitor and guarantee the security arrangements that

<p>which all sides are committed.</p>	<p>commitments from all sides.⁷</p> <p>To be comprehensive, a settlement must include agreements between Israel and Syria, and Israel and Lebanon.</p>	<p>accompany a peace deal.⁸</p> <p>Add: These include verifiable commitments to end support for armed terrorist groups and violent, rejectionist forces and to dismantle terrorist organizations and infrastructure.⁹</p> <p>Add: For Israel and Syria, a peace treaty along these lines would require both the full return of the Golan Heights, as well as Syria aligning its regional policies appropriately – similar to Egypt and Jordan following their peace treaties with Israel.</p>
<p>Same</p>	<p>A comprehensive settlement, on all tracks, should be negotiated in parallel with steps toward normalization between Israel and the Arab states.¹⁰ The U.S. views the Arab Peace Initiative as central to such an effort.¹¹</p>	<p>Add: and encourages its sponsors to enhance their support for Arab-Israeli peace.</p>
<p>ISRAELI-PALESTINIAN SETTLEMENT</p>		
<p><u>Territory</u></p>		
<p>Drop 1:1</p> <p>Demarcation should reflect defensible</p>	<p>Two states based on the 1967 lines, reflecting mutually agreed 1:1 territorial swaps. In setting the West Bank-Israel boundary and determining territory to be swapped, there should be an emphasis on territorial contiguity for both sides.¹³</p>	<p>Add: swaps roughly comparable in size and quality¹⁴</p> <p>Add: The West Bank and Gaza will be treated as a single territorial unit.¹⁵</p>

<p>borders as well as contiguity and viability of both sides.¹²</p>		<p>Add: Implementation of any agreement would be subject to Road Map implementation and existence of an effective Palestinian government that accepts Quartet principles.</p> <p>Add: reference to West Bank-Gaza link and its impact on calculations of 100%¹⁶</p> <p>Add: Israeli settlers in the West Bank and East Jerusalem who are located in areas that are part of the Palestinian state, would be relocated.</p> <p>Add: Any agreement on territory must reconcile the Palestinian requirements of a viable state with Israel's security requirements and [Israel's desire to retain certain adjacent population centers] OR [existing demographic realities].¹⁷</p> <p>Add: There should be an agreed, equitable allocation of shared natural resources.</p>
<p>Same, but with the phrase "initial agreement."¹⁸</p>	<p>An agreement on borders and security may be the most constructive starting point in the final status negotiations leading to an across-the-board settlement.¹⁹</p>	<p>Add: An agreement on borders and security first should be binding, even if implementation is undertaken over time.</p> <p>Add: An agreement on borders and security first should be binding, even if other final status issues remain outstanding.</p>

<u>Jerusalem²⁰</u>		
<u>Two capitals</u>		
<p>Reaching a compromise on Jerusalem is vital to achieving a two-state solution. Israelis and Palestinians both have legitimate claims in the city.</p>	<p>Jerusalem should encompass the internationally recognized capitals of the two states.</p>	<p>Add: an “undivided” Jerusalem</p> <p>Add: A mutually agreed solution in Jerusalem would afford Israel international recognition of its capital, and also allow East Jerusalem to serve as the Palestinian capital.</p> <p>Add: In setting a permanent boundary beyond the 1967 lines, and outside the Old City, demography should be the guiding principle, with Arab areas to be Palestinian, and Jewish areas to be Israeli.²¹</p>
<u>Access & Recognition</u>		
	<p>There should be assured freedom of access and worship for all at Jerusalem’s holy sites.</p>	
	<p>There should be mutual recognition of the importance and centrality of Jerusalem as a holy city for Judaism, Islam, and Christianity.</p>	
<u>Old City/Holy Basin</u>		
<p>Same, but with “holy sites” instead of</p>	<p>There should be no change to the status quo in the Old City and Holy Basin, or in</p>	<p>Add: If an agreement based on traditional notions of sovereignty cannot be achieved</p>

<p>“Holy Basin”²²</p>	<p>East Jerusalem, other than as agreed upon by the parties.</p>	<p>in the Old City and Holy Basin, then consideration should be given to a special, mutually agreed regime with support from third parties.</p> <p>Add: There should be agreed safeguards for holy sites and archaeological excavations.</p>
<p><u>Refugees</u></p>		
<p>Any just, fair and feasible solution to the Palestinian refugee problem must be consistent with the principle of two states for two peoples, one the homeland of the Palestinian people, the other, Israel, the homeland of the Jewish people.²³</p>	<p>The Right of Return claimed by Palestinians will be realized in a negotiated settlement that allows Palestinians to return to a Palestinian state.</p> <p>Provisions will also be agreed on refugee compensation and resettlement.²⁴</p>	<p>Add: “rather than to Israel”²⁵</p> <p>Add: The limited return to Israel of any Palestinians refugees is subject to mutual agreement and Israel’s sovereign consent.²⁶</p> <p>Add: In coordination with the parties, the U.S. is prepared to lead an international effort of unprecedented scope to underwrite compensation, resettlement and rehabilitation of Palestinian refugees.²⁷</p>
<p>Any agreement must recognize that the Middle East conflict has exacted a massive human toll on refugees and displaced persons. This issues cannot be fully resolved on the bilateral level, and will require the involvement of relevant regional actors and the international community.²⁸</p>	<p>Recognition should be given to the moral and material suffering of Palestinian refugees.²⁹</p>	<p>Add: Recognition should also be given to Jewish refugees from Arab lands.</p> <p>Add: Israel should be prepared to acknowledge the moral and material suffering of the Palestinian people as a result of the 1948 war, and the need to assist the international community in addressing the problem.³⁰</p>

<u>Security</u>		
<p>A Palestinian state would be capable of maintaining security within its borders, but pose no security threat to its neighbors.</p>	<p>A Palestinian state would be capable of maintaining security within its borders and defending its population, but with internationally verified limits on its security services that the Palestinian side accepts in the exercise of its own fully sovereign authority.³¹</p> <p>Internal security, counter-terrorism, and promoting the rule of law would be core missions of the Palestinian security forces.</p> <p>Israeli troops could be withdrawn in parallel with effective implementation of agreed security arrangements.</p>	<p>Add: A Palestinian state would be verifiably demilitarized, but with sufficient security sector capability to maintain internal security and protect its population.³²</p> <p>Add: The Palestinian state would have adequate capabilities for internal security, police, and law enforcement responsibilities. The Palestinian state will not have equipment, infrastructure, or facilities associated with conventional military forces, militia, or irregular forces.</p> <p>Add: Implementation of a negotiated settlement requires the parties to exert effective control over their respective territories—including the authority over the use of weapons.³³</p> <p>Add: Special arrangements should be negotiated to safeguard entry to the Palestinian state and control over its airspace and territorial waters.³⁴</p> <p>Add: The Palestinian State will not enter into any military alliances or allow for the stationing of foreign troops or any armed groups on its soil, unless otherwise agreed.</p> <p>Add: International security guarantees,</p>

		including peacekeeping forces, will be provided if requested by the parties. Add: If asked by the parties, the United States would commit itself to monitor and guarantee the security arrangements that accompany a peace deal. ³⁵
	The U.S. commitment to Israel's security and its qualitative military edge would be maintained as part of any negotiated settlement. ³⁶	
	Agreed and effective regional security provisions are essential for meeting the security needs of Israel and of a Palestinian state.	
<u>Progress on the Ground¹</u>		
	Gaza: The U.S. would take the lead, working with the parties and others, to ease the humanitarian situation in Gaza by opening Gaza to normal trade and facilitating secure and sustained movement through recognized crossing points, while shutting it down to arms smuggling [consistent with the 2005 Agreement on Movement and Access].	Add: If progress is made, the U.S. would seek to establish a more durable ceasefire, as agreed between Israel and the PA, in coordination with Egypt.
Drop "opportunities" and "Lebanon"	Refugees: The U.S. supports international	Add: An international body should be

¹ The U.S. supports the following steps in parallel with Israeli-Palestinian negotiations.

	and regional efforts to improve the living conditions and opportunities afforded to Palestinian refugees, particularly those in Lebanon and the Palestinian territories. ³⁷	composed to start considering compensation and claims of refugees. ³⁸
	<p>Easing Movement & Access: Israel and the PA should maintain and enhance security cooperation, so as to facilitate further redeployment of Israeli forces as PA security forces increasingly assume security responsibility and improve their effectiveness.</p> <p>This would allow Israel to avoid incursions into areas under Palestinian control, gradually redeploy Israeli troops to their September 28, 2000 positions, and ease movement and access of goods and people.</p>	Add: Israel should permit expanded Palestinian presence or redesignate territory from Areas B to A and C to B/A where this could significantly assist Palestinian institutional and economic development.
There should be no further Israeli construction outside existing built-up settlement areas.	<p>Settlers/Settlements: There should be cessation of further Israeli settlement activity, until the borders of the two states are agreed.³⁹</p> <p>The U.S. does not accept the legitimacy of continued Israeli settlement building.⁴⁰</p>	<p>Add: "including in East Jerusalem"</p> <p>Add: "including in East Jerusalem"</p> <p>Add: The U.S. will support Israeli plans for the early compensation and re-location of Israeli settlers.</p>
Drop "access and movement" clause	Palestinian State Building and Economic Recovery: US supports efforts by	Add: The PA's two-year timeline for institution-building should serve as an

	<p>President Abbas and Prime Minister Fayyad to build institutions and infrastructure in preparation for statehood – including Palestinian internal security forces and a strong and transparent legal system – with the full support of Israel, neighboring Arab states, and the international community.</p> <p>The U.S. commits itself to continued efforts to improve access and movement in the Palestinian territories as part of internationally supported efforts at economic recovery.</p> <p>The United States will offer greater support for training of Palestinian security, intelligence, and counter-terror forces, and assist in reforming the justice system.</p>	<p>organizing principle for international donor efforts.</p> <p>Add: This effort includes the development of democratic political institutions, reconstruction of civic institutions, the growth of a free and prosperous economy, and the building of security institutions dedicated to maintaining law and order and preventing terrorism.⁴¹</p>
	<p>Regional Engagement: Arab states have a uniquely important role in creating a regional environment conducive to peace and coexistence. Arab states should step-up support and encouragement of Israeli-Palestinian negotiation process, consistent with the Arab Peace Initiative, including steps toward normalization with Israel and continued support for Palestinian public institution building and economic recovery.</p>	<p>Add: Arab states should provide increased diplomatic support, substantially increased financial assistance, direct training, and other hands-on help to the Palestinians.</p> <p>Add: “even before a final status agreement is reached.”</p>

	<p>Setting the Table: Efforts at Israeli-Palestinian dialogue and interaction should be supported and encouraged by engaging NGOs, the business community, and civil society actors on all sides.⁴²</p> <p>Increased interfaith dialogue is an essential requirement of building and sustaining regional support for peace. Initiatives like those of Saudi King Abdullah and the Alexandria Declaration should be redoubled and replicated.</p>	<p>Add: Efforts should include encouraging steps to prevent and end incitement, promoting cooperation between the Israeli and Palestinian educational systems and civil society to promote peace and co-existence, and promoting rule of law cooperation between the two sides</p> <p>Add: An international investment fund should be created to support development and infrastructure projects, on a fair basis, in Israel and the Palestinian state, with priority given to joint or cooperative projects.</p>
	<p>Multilateral Talks: The resumption of action-oriented and public-private multilateral workshops on natural resources, economic development, and regional security should be encouraged and supported.</p>	<p>Add: "including health systems, water, sanitation, and education."</p> <p>Add: The resumption of multilateral governmental working groups should be encouraged.</p>

¹ The term "principles" denotes that U.S. views are of a general nature, thus allowing the parties to negotiate more detailed arrangements. With the exception of the Clinton "parameters" (December 23, 2000) and the Reagan Plan (1982), the U.S. has refrained from putting forward an overarching set of guidelines, although the Bush-Sharon letters (2004) allude to American principles on territory and refugees.

² Adapted from Bush-Sharon letters (2004): "Israel will retain its right to defend itself against terrorism, including to take actions against terrorist organizations."

³ Adapted from Secretary Clinton's AIPAC Speech, March 22, 2010: "To make progress in this region, there must be no daylight between the United States and Israel on security."

⁴ President Obama, Vice President Biden, Secretary Clinton, and NSA Jones have all stated that the resolution of the Arab-Israeli conflict is in the U.S. national interest. In Cairo, President Obama said, "The only resolution is for the aspirations of both sides to be met through two states, where Israelis and Palestinians each live in peace and security. That is in Israel's interest, Palestine's interest, America's interest, and the world's interest." In Tel Aviv, Vice President Biden stated: "Building peace and security between a Jewish democratic state of Israel and a viable, Palestinian state is profoundly in Israel's interest, if you will forgive me for suggesting that, and it's fundamentally in the national security interest of the United States of America."

⁵ Adaptation of Secretary Clinton's November 25, 2009 statement, but without the "reconcile" language. UNSCR 242 has long been a bedrock framework for negotiations, and its continued reference is particularly important for the Arabs, who place greater weight on international legal frameworks.

President Clinton introduced "contiguity" in the Clinton parameters.

President George W. Bush introduced the notion of a "viable" Palestinian state.

A separate point concerns recognition of Israel as a homeland for the Jewish people, increasingly a demand of Israeli leaders – most likely as a strategy to blunt Palestinian demands on the refugee question. Although the U.S. has not demanded that Palestinians and Arabs recognize Israel as a "Jewish state", both President Bush (43) and President Obama have used variations on the term to assure Israelis.

In his 2007 Annapolis speech, President Bush said "This settlement will establish Palestine as the Palestinian homeland, just as Israel is the homeland for the Jewish people...the US will never abandon its commitment to the security of Israel as a Jewish state and a homeland for the Jewish people."

At the UNGA in 2009, President Obama said "The goal is clear: two states living side by side in peace and security; a Jewish state of Israel, with true security for all Israelis; and a viable, independent Palestinian state, with contiguous territory that ends the occupation that began in 1967 and realizes the potential of the Palestinian people."

"Secure and recognized borders" has been used previously by the U.S. and is also enshrined in several UNSCRs. It was most recently used in Secretary Clinton's March 22 AIPAC speech. Conservatives in Israel (and President Bush, in his 2004 letter to Prime Minister Sharon) have used the phrase "defensible" borders when making the case that the '67 lines leave Israel vulnerable. This phrase might appeal to the right wing in Israel, but it is also a landmine because the connotation for Palestinians will be a state that is not viable.

⁶ End of conflict/end of claims is a longtime Israeli demand, the argument being that Israel needs a guarantee that Palestinians could not re-open old files, like property or other claims. Without this provision, Israelis would argue that they could not sell a deal to a skeptical public.

The Clinton parameters stated: "I propose that the agreement clearly mark the end of the conflict and its implementation put and [sic] end to all claims."

⁷ June 4 intended here for both Palestinians and Syrians---combined with "security" to appeal to Israelis.

The Road Map went a step further, articulating: “The settlement will resolve the Israeli-Palestinian conflict, and end the occupation that began in 1967, based on the foundations of the Madrid Conference, the principle of land for peace, UNSCRs 242, 338, 1397, agreements previously reached by the parties, and the initiative of Saudi Crown Prince Abdullah – endorsed by the Beirut Arab league summit...This initiative is a vital element of international efforts to promote a comprehensive peace on all tracks, including the Syrian-Israeli and Lebanese-Israeli tracks.”

⁸ Signal that the United States remains willing to deploy peacekeeping forces—if asked—as President Clinton first offered in 2000.

⁹ “Armed terrorist groups and violent rejectionist forces” implies Hamas, Hizbullah, Islamic Jihad, etc.

The Road Map stated: “Arab states cut off public and private funding and all other forms of support for groups supporting and engaging in violence and terror.”

¹⁰ President Bush’s June 2002 Rose Garden speech stated: “As we move toward a peaceful solution, Arab states will be expected to build closer ties of diplomacy and commerce with Israel, leading to full normalization of relations between Israel and the entire Arab world.”

Secretary Clinton’s March 2010 AIPAC speech stated: “We applaud Israel’s neighbors for their support of the Arab Peace Initiative and the proximity talks. But their rhetoric must now be backed up by action. They should make it easier to pursue negotiations and an agreement. That is their responsibility.”

¹¹ The Arab Peace Initiative speaks of “normal” relations with Israel in connection with a “comprehensive” peace.

¹² The “defensible borders” language is employed here, but applied to both sides – not just in reference to Israeli borders, as it has been used in the past.

¹³ This matches the U.S. position to date, with addition of “1:1” ratio—which the U.S. has so far refrained from endorsing, despite that many Arabs and Israelis have (for example, as reflected by the Ayalon-Nusseibeh plan, 2003) . The Clinton parameters of late 2000 offered a range of ratios that fall short of 1:1. Prime Minister Olmert came close to offering 1:1 swaps in 2008.

Reference to ‘67 lines is long-standing, though under President George W. Bush the U.S. introduced language about the “1949 armistice lines” in an attempt to further reassure Israel--“It is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949, and all previous efforts to negotiate a two-state solution have reached the same conclusion” (Bush-Sharon letters April 2004). Emphasis on territorial “contiguity” is drawn from President Bush (43), although in this case the phrasing is designed to appeal to both parties.

¹⁴ Palestinians, including President Arafat, have emphasized this point about the “quality” of land being swapped in response to Israeli proposals to swap land adjacent to Gaza (Halutza dunes) or the southern West Bank—considered to be poor quality land (versus suburbs of Jerusalem or near settlement “blocs”). Adding a provision about “1:1” would already move U.S. policy some distance. It is unclear whether the current Palestinian leadership would need an additional assurance about “quality”—something that needs to be explored through indirect channels.

¹⁵ Since the phraseology on the West Bank originates in the Oslo agreement, raising it here does not break new ground, but can serve to provide a double assurance – to the Palestinian leadership concerned about Israel seeking a “three-state solution,” as well as the Israeli leadership worried about cutting a deal with Ramallah-based Palestinians who lack control over Gaza.

¹⁶ Prime Minister Olmert tried to play with the territory used for the West Bank-Gaza link as part of creative accounting to get closer to 100%. One of the many problems with using the territorial link is that Israel is likely to agree only to conditional use, and thereby maintain effective sovereignty.

¹⁷ This phrasing is formulated from a combination of language used in Secretary Clinton’s November 25, 2009 statement (“...reconciles the Palestinian goal of an independent and viable state based on agreed swaps, and the Israeli goal of a Jewish state with secure and recognized borders that reflect subsequent developments and meet Israeli security requirements.”), and the letters exchanged between President Bush and Prime Minister Sharon in 2004, which referenced, “new realities on the ground, including already existing Israeli population centers.” This new formulation is meant to provide an assurance to Israel about “blocs,” without explicit mention, as did the Clinton parameters (“80% of settlers in blocs”).

¹⁸ Inserting “initial” reflects the argument that there should first be an interim agreement on borders, rather than a permanent agreement on borders before other final status issues are resolved. President Bush (2002) and the Roadmap (2003) proposed a Palestinian state with “provisional borders.”

¹⁹ Special Envoy Mitchell noted the preference for addressing borders in a press conference on November 25, 2009: “My personal and fervent wish is that we will during this process at some point have a resolution of the issue of borders so that there will no longer be any question about settlement construction, so that Israelis will be able to build what they want in Israel and Palestinians will be able to build what they want to build in Palestine.”

²⁰ Given that Jerusalem has so often proved a landmine in negotiations, in this case the principles should be as general as possible. Despite the obvious difficulties given Israel’s stated policy on no compromise, American principles on Jerusalem would be enormously valuable insofar as they provide a much needed context to the current disputes over settlement building in East Jerusalem. The absence of an American position on Jerusalem’s future status sows confusion about U.S. criticisms of various Israeli building projects. Setting out an American position will hopefully provoke a debate that clarifies and begins to narrow the positions of the parties.

²¹ This formulation borrows from the Clinton parameters, but offers more clarity. Aside from unique problems relating to the Old City, President Clinton simply said “The general principle is that Arab areas are Palestinian and Jewish ones are Israeli.” The formulation here is more explicit in referencing only those areas beyond the ‘67 lines.

²² Some Palestinians oppose the use of “Historic Basin” or “Holy Basin.”

²³ This formulation contains the essence of the Clinton parameters, but stated more definitively and without specifying all options available to refugees.

²⁴ As indicated in the Clinton Parameters: “the guiding principle should be that the Palestinian state be the focal point for the Palestinians who choose to return to the area, without ruling out that Israel will accept some of these refugees.”

²⁵ From Bush-Sharon letters (2004).

²⁶ The Clinton parameters stated: “The Israeli side could not accept any reference to a right of return that would imply a right to immigrate to Israel in defiance of Israel’s sovereign policies.”

²⁷ The Draft Framework agreement presented at Camp David in 2000 proposed the creation of an international fund to facilitate the compensation of refugees and “rehabilitation assistance directly or indirectly through the governments of their host countries. The US and other countries have indicated their readiness to assist in these international efforts to resolve the refugee problem.”

²⁸ This language draws on Article 8 of the Israel-Jordan peace treaty (1994), which makes no distinction based on ethnic or religious identity (i.e., no reference to Jewish or Arab refugees).

²⁹ Adapted from the Clinton parameters.

³⁰ As stated in the Clinton parameters.

³¹ Many Palestinians oppose the idea of a “de-militarized” state, but would accept the notion of a state with “limited” arms. President Clinton suggested the use of the phrase “non-militarized” state (Clinton parameters). The Ayalon-Nusseibeh plan refers to a “demilitarized” state (“The Palestinian State will be demilitarized and the international community will guarantee its security and independence”).

³² Prime Minister Netanyahu in his Bar-Ilan speech has called for a Palestinian state to be “demilitarized.”

³³ Assurance to Israel that any peace deal would apply to Gaza as well—but at the same time, emphasis here is on “implementation” so that Hamas control of Gaza cannot be pretext for Israel refusing to negotiate.

³⁴ This formulation differs from the Clinton parameters (“On airspace...the state of Palestine will have sovereignty over its airspace but that the two sides should work out special arrangements for Israeli training and operational needs.”), avoiding the explicit mention of sovereignty and instead focusing on its functional implications – access and usage (of airspace and territorial waters).

³⁵ President Clinton was the first to offer U.S. peacekeepers and security assurances, which both sides sought.

³⁶ Similar commitments were offered as early as the Ford-Rabin letters (1975).

³⁷ Some Palestinians argue that compensation mechanisms in advance of a permanent settlement are unrealistic, but that efforts to improve the living conditions of the refugee community could restore some goodwill and gradually move an important constituency toward compromise.

The Clinton parameters suggested a priority for refugees in Lebanon: "I believe that priority should be given to the refugee population in Lebanon."

³⁸ The idea of developing refugee compensation mechanisms before an end-game agreement is designed to avoid missteps of earlier negotiations, when the refugee issue was mishandled – and to begin to condition a public debate about practical solutions. However, this idea raises concerns on both sides. Israelis fear that international actors would raise terms it cannot accept; Palestinians fear that this would be seen as a waiver on the right of return, even before a final agreement.

³⁹ The Mitchell Report (May 2001) called on Israel to "freeze all settlement activity, including the 'natural growth' of existing settlements." The Roadmap called for "freezing of all settlement activity (including natural growth of settlements)," but made no reference to East Jerusalem. It also called on the Government of Israel to "immediately dismantle settlement outposts erected since March 2001."

⁴⁰ President Obama and his White House have used the language about "legitimacy" on numerous occasions, including in the Cairo speech and at UNGA in 2009.

⁴¹ Bush-Sharon letters (2004).

⁴² This is very similar to the Roadmap, which stated: "Continued donor support, including increased funding through PVOs/NGOs, for people to people programs, private sector development, and civil society initiatives."