

MEETING NOTES ON MINISTER MOHAMMAD DAHLAN'S (MD) VISIT TO WASHINGTON, DC

Tuesday April 5, 2005

1. MEETING WITH DANNY ABRAHAM

Attendees

- Danny Abraham, founder, Center for Middle East Peace and Economic Cooperation
- Toni Verstandig, Special Adviser, Middle East Strategy Group, Aspen Institute
- Jihan Ghanim, Executive Assistant, Center for Middle East Peace

Discussions

Danny Abraham, an American-Jewish businessman, founded the Center for Middle East Peace and Economic Cooperation and is a very well-connected democrat who has been engaged in the peace process since its early days. He has a long standing relationship with MD and sought to help facilitate meetings during this visit.

MD explained the situation on the ground, emphasizing the restrictions on freedom of movement, the tenuous situation in which Abu Mazen finds himself, and the accomplishments of the PA since Abu Mazen's election. He noted, with regard to the disengagement, that the US must call on the Israelis to ease freedom of movement both in the West Bank and the Gaza Strip. Where the Gaza Strip is concerned, he said that while troops may not be in the territory of Gaza, they can control movement in and out of Gaza, which has a profound effect on the economic viability of any of the businesses which will be left behind by the Israeli withdrawal.

He noted with urgency that if the US and Israel fail to act, within the next few weeks, to ease the situation on the ground, Abu Mazen will be significantly weakened, as he will have nothing to deliver to his population. Failure to act on the part of the US and Israel will only result in gains for Hamas.

When asked what he is seeking from the State Department, MD said he wants (1) a timetable for the political horizon, (2) the appointment of a U.S. envoy, (3) significant U.S. engagement in the Gaza disengagement coordination and (4) a freeze on settlement and wall construction.

Wednesday April 6, 2005

1. BRIEF MEETING WITH AMI AYALON

Discussions

We ran into Ami Ayalon on our way out to a meeting and sat with him for a brief ten minutes. Ayalon is the architect of the Nusseibeh/Ayalon plan and was, from February 1996 to May 2000, the head of the Shin Bet, the Israeli internal security service.

Ayalon says he is worried because Sharon will not present a political horizon. Disengagement can be a first step but it can also be a last. Even Israelis say that it is the last step.

Ayalon noted that the Israelis do not intend to engage Abu Mazen or provide him with help. On the contrary, he is on his own. The Israelis see the agreement in Cairo as a huge mistake and the Israeli opinion is that Abu Mazen should have sent an envoy to negotiate with Hamas, instead of going there himself. He is now seen as being too close to Hamas.

Ayalon advised that the Palestinians focus their message to reach both the Israeli audience and the international community. He said that Palestinians should insist on the message that Israelis have a partner with whom it can negotiate. He thinks the Palestinians should issue a statement that sets out the basic framework for final status, so as to create hope and momentum.

2. BREAKFAST WITH SENATOR GEORGE MITCHELL

Discussions

MD gave the same briefing he gave to Abraham (see meeting notes above).

Mitchell said he believed that it was incumbent on the administration to appoint a US envoy, but he believes that they will not do it, in part because they fear that a peace process right now is a failing proposition. He agreed to help in any way he could but noted that, as a democrat, he was not in a position to influence the administration.

3. MIDDLE EAST STRATEGY GROUP CONFERENCE, ASPEN INSTITUTE

Attendees

More than 30 representatives from government, the private sector, and international organizations were in attendance at the conference.

Discussions

We arrived at the conference more than one hour late. The morning session included discussions about the going concerns as well the role of the private sector.

- Giora Eiland

When we arrived, Giora Eiland, Director of the Israel National Security Council, was in the middle of presentation in which he said that the government of Israel can facilitate a potential deal between the Israeli private sector and either the Palestinian private sector or the international private sector. He said that Israel prefers not to dismantle anything as it

is, first, a public relations nightmare and second, very costly because the removal of the rubble could cost as much as \$20 million.

- Ephraim Sneh

Sneh, member of the Knesset and former Minister of Health, Deputy Minister of Defense, And Minister of Transportation, said that the Palestinians have clearly shown an interest in the going concerns and he noted that he himself had met with Abu Mazen and Dubai businessman Mohammed Ali al-Abbar, chairman of Emaar Properties. He noted that al-Abbar was interested in creating tourism sites in the properties to be evacuated.

- Liz Dibble

Dibble said that the US understands that the PA is working on a plan, and that planning on all sides is encouraged.

- Mohammad MD

MD opened by stating that the PA will own the assets upon withdrawal, that the management, however, will be privatized, and that a process of privatization will ensue once the PA becomes the custodian of the assets. The PLC will be passing legislation clarifying the privatization process and ensuring that a transparent process will take place. He noted that a ministerial committee had been established to supervise the technical work related to the withdrawal and he added that technical teams have met both in Gaza and in the West Bank and that they have developed a work plan for what needs to be done next.

The Palestinian position is that what Israel leaves behind, the Palestinians will take over and manage. What it chooses not to leave behind, it must dismantle and take away upon withdrawal. As for the greenhouses, MD welcomed businesses plans and the engagement of the private sector, but he said, the Palestinians will not compensate settlers who have been carrying out illegal activity for over thirty years. He said that is the Israelis leaves the agribusinesses behind, they have to assure Palestinians that Israel will permit them to access the west bank and the rest of the world. Today, he said, we are only allowed to move thirty containers through Erez. We should be moving thousands, especially when products from former settlements are included.

4. MEETING WITH ISRAELI COUNTERPARTS

Attendees

- Giora Eiland, Director, Israel National Security Council
- Gabriella Blum, Strategic Adviser, Israel National Security Council
- Ephraim Sneh, Member of the Knesset, Labor Party
- Amnon Lipkin-Shahak, former member of the Knesset and chief Israeli negotiator in the Gaza-Jericho talks
- Hind Houry, Palestinian Minister of State, Jerusalem File

Discussion

Houses: Although not yet official, the cabinet will issue a statement next week regarding the houses in the Gaza Strip settlements. According to Eiland, the cabinet will announce that Israel does not intend to destroy houses except for synagogues and cemeteries. Israel, moreover, does not intend to ask for compensation, but only seeks cooperation to ensure that the transfer of responsibility does not result in chaos. Israel intends to transfer the houses to the PA and no one else, and the operational details will have to be worked out bilaterally.

Businesses: As for the businesses, Eiland noted that the Israelis could not manage the evacuation from the businesses and greenhouses in the same way it would manage the evacuation from the houses. Accordingly, there was a significant likelihood that the businesses would be destroyed by the settlers as they are being evacuated.

Based on this reality, Israel suggested that the PA could protect the businesses if it agreed to pay the owners of the businesses an economic incentive in order to ensure that they keep the structures intact. He noted that Israel has already agreed to compensate businesses owners for 66% of the value of their businesses, and said that, for the greenhouses, the remaining 34% would amount to a sum of \$21 million, or \$5,000/dunam. When MD asked why Israel could not pay the remaining 34% themselves, Gaby Blum said it raised a legal problem in that the compensation law had already been passed and the law could not be reopened in order to amend that provision. She proposed that Aspen pay the remaining \$21 million and transfer it to the PA as a gift, so that the PA would never have to be associated with payment. MD showed little enthusiasm and said that such a plan would inevitably implicate the PA.

Shahak noted that the West Bank market was not sufficiently big to accommodate the goods being produced in Gaza and he therefore suggested that the Palestinians would necessarily have to trade with Israel. He noted that the Palestinians would need AGREXCO as they would be unable, at the outset, to handle the importing on their own. He also added that the work has to be done immediately since the product produced in the greenhouses are sold to the retailers long before they are grown, and failure to act means the Palestinians risk losing those markets.

Mention was again made of Dubai Crown Prince and UAE Defense Minister General Sheikh Mohammed bin Rashid Al Maktoum, whose close associate al-Abbar had made a visit to Abu Mazen's office in February. Vague mention was also made regarding UAE commitments.

Crossing points: Eiland announced that the Israelis have a plan for upgrading the crossing points. He said that Israel could commit to paying for half of the cost of building the crossing points and that it would theretofore match, dollar for dollar, any money contributed towards that end. He noted that the World Bank has been unhelpful in this regard because it has been asking for management systems to be put into the Israeli plans, in addition to the construction plans which Israel has already developed.

Gaby Blum said that Israel is willing to add an additional passage at Karni which would process only agricultural goods. She also noted that a NSC team is looking into alternatives for the back-to-back system and that Israel is ready to commit to certain standards of service.

Security: On security, Eiland said that there must be coordination and that the situation on the border between Gush Katif and Khan Yunis was extremely delicate. Shahak said that the atmosphere on the ground is so desperate as to seem uncontrollable, and he urged the PA to take control between now and July, noting that the withdrawal, if it were to take place today, would result in total chaos. Because of that situation, the Israelis are willing to take actions to calm the situation, including providing 5,000 permits for family reunification. MD suggested issuing 20,000 permits to make up for the 5,000 which were supposed to be issued each year for the past four years. MD also mentioned easing the movement of labor back and forth from Gaza and said that such measures should be taken before the evacuation begins. Shahak said that this would be difficult.

Coordination: Eiland asked if the Palestinians could accept the above as a basis for further negotiation and suggested, in either event, that the Palestinians be in close contact with Jonathan Bassi, the head of the Israeli Disengagement Authority (SELA). He said the NSC was proposing five technical groups including access and passages, trade relations, assets, economic development, and the seaport. When I asked for more detail about each, I was given a paper, prepared by the NSC, and told that the structure was subject to further negotiation. A steering group should be created, they said, to coordinate the work of the various groups. These things that cannot be sorted out through the technical team should be raised in the political channels.

MD said that he had been given the political mandate to arrange the coordination with the Israelis, and he said he was at the meeting to carry out that assignment. He said the technical committees on the Palestinian side have been established and that they should be ready to meet in the upcoming weeks.

5. MEETING WITH WALTER ISAACSON

Attendees

- Walter Isaacson
- Hind Khoury

Discussion

Walter Isaacson, the President and CEO of the Aspen Institute <<http://www.aspeninstitute.org/Programt1.asp?i=118>>, in mid-February published an Op-Ed article in the New York Times arguing that Israelis and Palestinians needed to coordinate on the status of the assets. Peaceful transfer of some of structures, he argued, would be an inspiring symbol, but neither Israeli nor Palestinian officials want to propose this gesture of cooperation in public. See the following link for an abstract of the Op-Ed. <http://query.nytimes.com/gst/abstract.html?res=FA0712F73B5E0C7B8DDDAB0894DD404482>.

Based on their thinking that neither Israelis nor Palestinians could take public positions regarding the need to coordinate, Isaacson and the Aspen Institute sought to use the conference as a vehicle to get the parties together in one room, on neutral ground, in order to encourage a discussion about assets and coordination.

MD briefed Isaacson on the results of the meeting and then advised him that the PA does not support the purchase of the greenhouses. He urged Isaacson not pay the \$21 million that Israel had requested and said that it would set a precedent for the west bank, and in any event, would violate international law. Isaacson agreed and said that they would retract the offer.

6. MEETING WITH FORMER SECRETARY OF STATE, MADELINE ALBRIGHT - ASPEN INSTITUTE

Attendees

- Walter Isaacson
- Dennis Ross

Discussion

Albright urged MD to get political approval for his agreement to coordinate with Israel. Albright then spoke to Abu Mazen, confirmed his support, and congratulated him on having made the right decision. She asked MD to follow up with her for anything he needed.

7. MEETING WITH SHIMON PERES AND DANNY ABRAHAM AND PALESTINIAN BUSINESS PEOPLE

Attendees

- Shimon Peres, Vice Premier,
- Danny Abraham
- Toni Verstandig
- Samer Khoury, Executive Vice President of Operations, Consolidated Contractors
- Lester Crown
- Yasser Abbas
- Hani Findakli, Director and Vice Chairman, Clinton Group
- Ephraim Sneh
- Amnon Shahak
- Einat Wilf, Foreign Policy Adviser, vice Premier Minister Peres

Discussion

The discussion was broad and general. The Arab businessmen expressed their concern that there were, so far, no assurances from Israel which would encourage private sector investment in either Gaza or the West Bank. They noted that the financial issues could easily be solved, insofar as the money was out there and could be invested in the area.

One person pointed out that at least \$1.5 trillion of Arab capital was invested outside the region, and that it only required the right political will to redirect it to the region.

Peres noted that he worries about the negative effect of the possible failure of the Gaza plan and urged the business community to be involved in economic recovery projects. He added that a seaport could be negotiated but that an airport was, for now, out of the question. He did say, however, that there is agreement in the Israeli government that the Philadelphi belt should be under complete Palestinian control.

Danny Abraham called on the PA to disarm militant groups and said that before you talk about investing, you have to talk about disarming.

MD called for arrangements that permit Palestinians to move goods anywhere in the world. "I don't want a rail link to Tulkarem," he said, "I want access to *all* of the West Bank." He added that privatization laws are being developed in cooperation with the private sector.

8. MEETING WITH MARTIN INDYK

Discussion

Indyk advised MD that his message to the Americans should revolve around President Bush's democracy and governance agenda. He noted that the President sincerely believes that genuine reform by Palestinians is a prerequisite for moving towards negotiations for a Palestinian state. In the President's view of the Middle East, continuing Israeli occupation of the West Bank and Gaza is a result of Palestinian deficiencies – bad leadership, an unwillingness to end terrorism and violence, and dysfunctional institutions. The keys to capturing President Bush's attention, and that of the State Department, is to show progress on transparent government institutions, responsible leadership and concrete progress on security and ending violence.

Indyk said that MD had to bring home the message that Abu Mazen is the man for the job and that his failure is also the failure of the U.S. He did note that the Bush Administration remains ambivalent about what to do: it is afraid of trying and failing to make progress on the Palestinian issue; it remains ambivalent about Abu Mazen; and it does not want to get into a fight with Sharon. He has heard that the U.S. is contemplating naming a coordinator for the Gaza evacuation, and if the withdrawal is successful, that coordinator could then be charged with a more hefty peace mandate.

He advised MD to focus on democracy, the small window of opportunity that Abu Mazen has to make things work, and the urgent need for U.S. support.

Indyk then turned to the PA's representation in Washington. He said – a message we heard repeatedly throughout our visit – that Hassan Abdel Rahman is not only ineffective but may very well be counterproductive. It stands to reason, he said, that when so much is at stake, the Palestinians should invest some political capital in getting rid of Abdel Rahman and appointing someone who is capable and well-respected. He urged MD to

send more PA representatives to Washington and promised to help set-up hill meetings as well as any administration meetings he could organize. MD agreed that the issue needed addressing and he promised to raise it with Abu Mazen.

Thursday April 7, 2005

1. MEETING WITH ED ABINGTON

Discussion

Ed noted the following:

- He still thinks Sharon is likely to ask for and receive a U.S. commitment to fund the building of a new Israeli military facility in the Negev to replace facilities that will be abandoned by the IDF in Gaza.
- He thinks Sharon may raise with Bush the possibility of increased economic assistance to pay for compensation and relocation of Israeli settlers from Gaza.
- He does not believe that Israeli officials are talking to the Bush Administration about final status commitments of the type given Sharon on April 14 of last year (support for Israeli retention of settlement blocs in the West Bank and no return of Palestinian refugees to Israel), but thought that Sharon would press for a reaffirmation of those commitments.
- Sharon could press for and obtain U.S. acquiescence in the current route of the separation barrier.
- He thinks that Sharon may ask for and get President Bush's commitment to reject any alternative peace plan and to reaffirm U.S. support for sticking to the Road Map and to its timelines, i.e. the U.S. has not shown willingness to support jumping to final status negotiations later this year, following Israeli disengagement from Gaza.

2. MEETING WITH CONGRESSMAN HOWARD BERMAN

Attendees

- Berman Staffers
- Ed Abington

Discussions

MD gave the same briefing he gave to Abraham (see meeting notes above).

Follow Up

- Thank you letter to congressman Berman.

3. MEETING WITH STAFFERS OF THE SENATE FOREIGN RELATIONS COMMITTEE

Attendees

- Kim Savit, Senior Staff Member, Committee on Foreign Relations
- Aaron D. Pina, Analyst in Middle East Affairs, congressional Research Service

- Kenneth Katzman, Specialist in Middle East Affairs, Congressional Research Service
- Ed Abington, Bannerman and Associates

Discussion

MD gave the same briefing he gave to Abraham (see meeting notes above).

4. LUNCH WITH SENATOR DIANE FEINSTEIN (D-CA)

Attendees

- Richard Harper, Legislative Assistant, Senator Diane Feinstein
- Peter Cleveland, Legislative Director and General Counsel, Senator Diane Feinstein
- Ed Abington, Bannerman and Associates

Discussion

Senator Feinstein is an honorary chair of the Aspen Institute's Middle East Strategy Group, and is interested in economic development issues in the Gaza Strip.

MD gave the same briefing he gave to Abraham (see meeting notes above).

Senator Feinstein invited us to lunch, which we had in the Senate dining room. She then took MD around the room and introduced him to the senators present, including Senators Jeff Bingaman (D-NM), Mark Pryor (D-AR), Ted Stevens (R-AK), Ron Wyden (D-OR), Gordon Smith (R-OR), Arlen Specter (R-PA), Lamar Alexander (R-TN), and John Sununu (R-NH).

She asked about the situation on the ground and when advised that the Mofaz Memorandum of Understanding was yet to be implemented, she asked to see a copy. She is particularly interested in the Gaza evacuation and asked to be advised if there was anything she could do.

5. MEETING WITH DEPUTY SECRETARY FOR DEFENSE PAUL WOLFOWITZ

Attendees

- Joanne Dickow, Special Assistant to the Deputy Secretary of Defense

Discussion

MD gave the same briefing he gave to Abraham (see meeting notes above). Lamia briefed Wolfowitz on the AHLC process and the disengagement work we have thus far prepared.

Wolfowitz welcomed MD's visit and noted that the economic situation in the OPT would be one of his top priorities at the World Bank, along the economic situation in Indonesia, and Iraq. Accordingly, he intends to focus his efforts on ensuring the Gaza disengagement creates economic momentum. In addition, he welcomed MD's comments

regarding the urgency of the situation and said that he would exert his influence on the administration where he felt it was wise to do so.

6. MEETING WITH ASSISTANT SECRETARY OF STATE DAVID WELCH AND NATIONAL SECURITY COUNCIL MIDDLE EAST DIRECTOR ELLIOTT ABRAMS

Attendees

- Liz Dibble, Deputy Asst. Secretary for Near Eastern Affairs, Department of State
- Rob Danin, Director for Near East and South Asia, National Security Council
- Gemal Helal, Senior Adviser, Department of State
- Ellen Germain, Near Eastern Affairs, Department of State

Discussions

MD gave the same briefing he gave to Abraham (see meeting notes above). He called on the U.S. to place the Gaza disengagement within a political framework, to reengage the Roadmap and set a timeline for negotiations, to appoint a Middle East envoy, to pressure Sharon to cease work on the E-1 plan, and to ease restrictions on Palestinian movement. After Abrams left the meeting, Lamia briefed David Welch on the AHLC process and the disengagement work we have thus far prepared.

Assurances: Abrams made two comments before he and Rob Danin had to leave the meeting. First, he said that Sharon had taken the “bold” decision to withdraw from Gaza, and that based on that decision, Bush had been prepared last April to give Sharon assurances. MD explained that the decision was not as courageous as it has been perceived, and he added that equally courageous steps had been taken by Abu Mazen since then, suggesting that it was time for the US to make assurances to Abu Mazen as well. Welch later asked what assurances we would want if and when Abu Mazen came to the region. MD said he would need to get back to them, but noted generally that the assurances would be tied to the message he came with: empowering Abu Mazen and setting a timeline for final status negotiations.

Envoy: Abrams also asked what we expected from an envoy which General Ward and the two diplomatic representatives, David Pearce and Dan Kurtzer, were not doing. With all due respect to the diplomatic staff, said MD, the envoy we envision would have a much more aggressive mandate to get the peace process under way. The envoy would have a direct line to the president and political authority to make decisions on the ground. S/he would have an agenda on security, economy, and politics, and would ensure that both parties can sit at the table and satisfy the agenda’s requirements. Welch later added that the administration had been considering appointing an envoy to coordinate the Gaza evacuation, which MD suggested indicated insufficient commitment to the larger political framework.

Road Map: Welch asked MD what changes the Palestinians are looking for with regard to the Road Map. Is it merely a change of dates, the dates clearly being antiquated, or is the PA calling for something else. MD noted that the PA’s problems were not with the Road Map itself, but with the timeline established and the political will.

Gaza Disengagement: Welch said that he has heard the request for further American involvement on the coordination and he reciprocated with a request of his own. He said that the Israelis were closer to being ready for coordination – on all fronts – than were the Palestinians. They are ready to make concessions on technical issues but will give up the least on the political issues. MD explained that the Palestinians had been hard at work on the disengagement and that many of the technical studies were already under way. He added that the PA had taken an official decision to coordinate with the Israelis and that meetings would be set-up in the upcoming weeks. In addition, he said that Mofaz had asked for a meeting on coordination, which meeting has been scheduled for next week. He noted, however, that it was absolutely essential that the withdrawal from Gaza lead to other withdrawals and a peace process that gives people a sense of hope and convinces them that there is light at the end of the tunnel.

Welch was not aware of the work that had been done, and he further added that during his last visit to the region, Abu Mazen was in Algiers, Abu Ala' said there would be no coordination, and MD said that was in charge of coordinating the disengagement with Israel. Given the lack of clarity within the PA, how is the US to have any confidence, he asked. MD said that the important thing is that a cabinet decision was taken, by Abu Ala' cabinet, that MD be the chair of the ministerial committee responsible for all the details of the disengagement.

Welch explained that the administration was using the disengagement as a test, to determine whether the Palestinians were capable of managing the technical, institutional, and political aspects. His instructions were that the Gaza Disengagement must succeed. While success is necessary, it is clearly not the only thing.

Security: MD briefed the participants about the actions taken on security, in particular the merging of the forces into three divisions and the submission of the pension law for PLC review. Welch welcomed MD's presentation but noted that the changes that have been suggested need to be implemented by the PA. Until that happens, PA reports are just talk and no action. There is a perception, Welch explained, that the PLO/PA has been trapped by its agreement with Hamas. MD explained that Hamas' power is illusory, in the sense that it has little to offer the public. It's only in the face of the failure of the peace process that Hamas is empowered. Otherwise, Hamas can deliver little more than ad-hoc humanitarian support, and the PA, with sufficient international support, should be able to deliver that and much more.

7. MEETING WITH THE ISRAEL POLICY FORUM

Attendees

- Various members of the progressive Jewish-American community.

Discussion

The discussion was broad and circuitous, covering various areas. The overwhelming message was that the PA needed more representation in Washington. Everyone present

praised with great enthusiasm the work of the NSU as well as that of Ghaleb Darabya, who is the Ministry of Foreign Affairs representative in Washington. They noted, however, that similar gains needed to be made in Washington. The PA should ensure, for example, that the work being done on the evacuation is made known to all American policymakers. In addition, the PA must dispatch its top leaders to Washington for frequent visits, to engage with American policy makers, and to humanize the Palestinian experience. The overwhelming message, once again, was that the current PLO representative, Hassan Abdel Rahman, was ineffective and often counterproductive and that he needed to be replaced urgently.

MD gave an impassioned description of the urgency of the

Friday April, 8, 2005

1. MEETING WITH TONI VERSTANDIG

Discussion

Toni focused on the issue of follow-up and insisted that follow-up for this and all other visits was absolutely necessary. She advised that focus in upcoming meetings should be on time frame, on the urgency of the situation, and on what Abu Mazen's administration has accomplished.

2. MEETING WITH ROB MALLEY

Discussion

Rob suggested that the PA get a message to the State Department or the White House regarding Sharon's upcoming visit. Specifically, he suggested we advise the State Department of what Palestinians wish to gain from Bush's meeting with Sharon. After several consultations with Abu Mazen and other ministers, MD advised Rob to talk to Elliott Abrams and advise him of the following asks: (1) immediate end to construction on E-1 plan, (2) lifting of checkpoints between main urban centers and their associated villages (3) issuing of 20,000 family reunification permits (4) release of prisoners including: the 400 remaining prisoners whose release was agreed upon in the Sharm summit, the 500 prisoners who were incarcerated prior to the signing of Oslo, the 370 imprisoned children, and all women prisoners.

MD also asked Rob to advise Abrams that the Palestinians would agree to form two committees: (1) a Palestinian/Egyptian/US/Israeli committee to devise plans for closing the tunnels and (2) a Palestinian/US committee to investigate the death of three American in Gaza.

3. MEETING WITH GAMAL HELAL

Discussion

Gamal advised that the fall-out of the meeting at the State Department had been very positive. He said that Abrams and Welch had both asked him to relay that message.

He advised that all requests for funding outside the \$200 million already committed should be focused on women, youth, institution building, educating, and strengthening the private sector.

He advised that we work with David Pearce on these issues and strongly recommended that we meet with Liz Cheney on our next official visit. He further recommended that we send a delegation to DC within the next 3 to weeks to sketch out the broad framework for funding, to be followed by the end of May with proposed plans and benchmarks.

4. LUNCH AND TALK AT THE COUNCIL ON FOREIGN RELATIONS

Participants

List of participants attached.

Discussion

MD gave the same briefing he gave to Abraham (see meeting notes above).

5. MEETING WITH NABIL FAHMI, AMBASSADOR OF EGYPT TO THE UNITED STATES

Discussion

PA relationship with U.S.: The Palestinian relationship with the United States has suffered over the past four years due to Palestinian failure to follow-up. Ambassador Fahmi recommended that the PA send official delegations and he further recommended that those delegations focus their attentions on Condoleeza Rice and Stephen Hadley, who have no understanding of the situation in the Occupied Territories and whose mind has not yet been made up. His advice about Rice was that she should be quickly informed, because once she makes up her mind, she is not likely to revisit her conclusions. He advised making contact with her legal adviser, Phil Zelikow. Liz Cheney is also important, he said, but she is not responsible for negotiations on the peace process. He further noted that the Palestinians should use all avenues available to communicate their position, including the private sector both in the United States and abroad. He advised keeping contact with Walter Isaacson, and offered to intervene on the PA's behalf if ever there is a problem. On a final note, he noted that Paul Wolfowitz, the president-elect of the World Bank, will be a very useful ally as he is opposed to settlements and wants a resolution to the conflict.

Bush Administration: As for the administration, his opinion is that the administration fears failure in the peace process, so it is unwilling to become involved unless it has assurances of Palestinian commitment. The administration has 2 ½ years to address this issue. After that, Bush will have a hard time garnering political support for a peace plan. Based on that assessment, his recommendation is to prepare as thoroughly as possible for the Gaza withdrawal. Failure to coordinate with Israel and to prepare internally will make it difficult to convince the U.S. that there is any commitment on the Palestinian side.

Sharon: With regard to Sharon, the strategy, Fahmi said, is to convince the U.S. that Sharon has a negative strategy. Fahmi's thinking on the E-1 plan is that Sharon knows he can't move forward with it. Instead, Sharon is leveraging the plan in order to make gains with the U.S. administration and negotiate something in exchange for his agreement to cease construction.

Assurances for Abu Mazen: Fahmi advised the Palestinians to ask the U.S. for assurances on settlements and to concentrate on that issue in a preemptive way, rather than using it to point out Israeli violations. He noted that there should be a difference between what Palestinians need and the assurances they ask for. The assurances should allow the Palestinians to maintain some level of political control. When Abu Mazen comes to the U.S., he must advise the Americans that he faces elections in the summer and that American support will result in significant dividends for the U.S. Abu Mazen may be shy to ask for too much, but he should ask for as much as he believes is possible to get.

Arab Allies: He further advised MD that Palestinians should ask Arab leaders to call the White House prior to Abu Mazen's visit and express support for Abu Mazen's agenda.

CONCLUSIONS

The outcome of the meetings requires the following actions:

1. Coordination
 - Organize a meeting of the Ministerial Coordinating Committee for a full briefing
 - Review Israeli coordination proposal
 - Develop a strategy for coordination
 - Complete all recommended work in the technical committee's work plan
 - Establish technical teams to work on the five technical committees
 - Make contact with NSC and Perez's office to set date for first meeting
2. Abu Mazen's visit to Washington DC
 - Confer with leadership to determine assurances that Abu Mazen would get from President Bush
 - Prepare list of assurances that Abu Mazen would get from President Bush
 - Dispatch Palestinian delegations (Salam Fayyad, Naser el Qidwa) to prepare for Abu Mazen's visit
 - Dispatch technical teams to present presentations regarding Gaza disengagement
3. Communications
 - Dispatch technical teams to DC to do briefings for members of Congress and for the administration. Visits should take place approximately every two weeks.
 - Appoint a person or individual to prepare a daily briefing of no more than half a page to be dispatched to both members of Congress and to the administration

- Prepare briefings on work plan prepared by the technical team and the work thus far accomplished
 - Discuss with Abu Mazen and his press team the advantages and disadvantages of pursuing the initiatives described by Richard Plepler and follow-up.
4. Institutional Arrangements
- Reorganize the PLO Representative office in Washington, DC
 - Retire Hassan Abdel Rahman and appoint a new representative
 - Hire a team of lawyers and policy advisers to work in the PLO representative's office in Washington, DC
 - Appoint representatives from each ministry to work in the PLO representative's office in Washington, DC
 - Appoint a protocol person to work with all Palestinian official delegations traveling to Washington
 - Develop a press/communications unit either in the office of the President, or in the office of MD
5. US Donor Aid
- Develop a broad proposal for Palestinian funding needs in Gaza Strip/West Bank
 - Set-up meetings with David Pearce for assistance in developing funding requests
 - Make contact with Liz Cheney regarding funding proposals
 - Organize trips to DC in the upcoming 3 to 4 weeks for presentation to Liz Cheney