

17 July 2000, 12:00pm

Attendees: Palestinian: Maher al-Masri (MM), Omar Dajani (OD),

Hiba al-Husseini (HH)

American: Toni Verstandig (TV), Jake Wallace(JW),

Nicole Rothstein (NR)

Israeli: Avi Ben-Bassat (ABB), Ehud Keinan (EK),

Bari Bar Zion (BBZ), Tal Noiman (TN)

TV: Let's go back to the summary prepared by Jake. The basics are: This is a framework agreement. It's not going to be perfect. It is intended to recognize that there will be countless further bilateral negotiations. We need to give the folks at Camp David some language to work with. We'd be remiss if we didn't.

JW: We want to keep it brief/concise, but at the same time to give it some content. Let's group the issues together: there will be a labor section, a fiscal section, security, dispute resolution, and other issues.

BBZ: Security??

JW: It's listed under trade in my notes, but I'd like to put it on its own because it affects labor, as well.

TV: There has to be an interim. We go bogged down yesterday on what that will be. We need a practical approach that ends in an FTA.

MM: We agree with Jake's agenda/heading list. We agree there needs to be a transitional agreement. Once we've defined where we're going, we figure out how to get there – gradually.

ABB: 2 issues:

(1) We have to sign a FAPS. That is just the principles of the agreement, not the agreement itself. An FTA is going to include many, many issues. We can enlarge the list of issues, but we can't fix the principles. Either you fix all of the principles or none – not just some.

(2) The transition period is important. It can be a day or two – we prefer for it to be short – but we can't have an FTA without a border. There's a need for an effective economic border. I don't know how long that will take. Maybe 3 months. Maybe 1 year. We don't mind if there's no time dimension.

MM: I agree that the term FTA is wide. There are various models. It used to be simple – goods – now it addressed more. Even IP rights, etc.

In our paper, we tried to be more conclusive. Based on our experience, there are a lot of economic factors that we've been addressing – labor, investment, IP.

The idea behind this is to place the factors of this relationship in a definitive manner. Our approach is simply more comprehensive; saying "FTA" alone ignores the fact of our past relationship.

Regarding the transitional period, you require the Interim Agreement to persist in full.

TV: But is chaos what you want?

MM: Of course not. For example, why should I not be able to import from Saudi Arabia? I'm prevented from doing that now. Not everything in the Paris Protocol is dependent on the existence of borders.

I would say I'm not going to change my tariffs during the Interim Period. Why shouldn't I, upon agreement between two sovereign entities, be able to make all other decisions?

With regard to border crossings, you still haven't given us what we agree to in Paris!

ABB: Keeping interim arrangements is most practical. Signing new agreements would be time-consuming.

TV: In the transitional period, how does Maher's importation of tiles from Saudi Arabia affect you adversely?

TN: If the PA wants to add to the lists, it can.

JW: The question Toni asks is whether it's possible to introduce changes to the agreements that don't affect you adversely.

[Additional discussion, not transcribed.]

MM: What we want is for our people to feel that things are improving on the ground. That is essential.