

1. The two state solution, meaning a sovereign, independent and viable Palestinian state is in the US national security interest.
2. Settlement expansion is not only illegal under international law and contrary to UN resolutions, it is also the single greatest threat to the two state solution.
3. Therefore it is in the US national security interest to take a strong and unequivocal position regarding Israel's obligation to freeze all settlement activity without exception.
4. There is no such thing as a partial or temporary freeze: either Israel stops all settlement activity (which is well within its ability) or it doesn't. Therefore the freeze is not negotiable. It cannot be part of a *quid pro quo* on other issues.
5. The US Administration has demonstrated strong resolve on this issue so far. To move forward, it must match its words with actions. This means adopting incremental measures that target the settlement enterprise and send a strong signal to the Israeli government and electorate that the US is serious about this issue.
6. Examples illustrating some of the measures the US administration can take:
  - a. Establishing a closer link between Israeli compliance with international obligations, particularly the settlement freeze, and foreign aid to Israel
  - b. Banning settlement products from US market or at least ensuring that they don't benefit from trade agreements.
  - c. Denying "charitable" status to entities that collect and donate money for settlements.
  - d. Divesting public funds (government holdings, pension funds etc) from corporations that do business in and support the settlement enterprise
  - e. Ensuring the US / Israeli dual citizens do not benefit from the legal status of residing in Israel if living in a settlement for the purposes of US law
  - f. Not recognizing residence or domicile addresses in settlements as addresses within Israel (e.g. for visa and other applications to the US government)
7. Re the political process, the architecture is already in place. There is no need to re-invent it:
  - a. Phase I Road Map provides the CBMs to build positive momentum
  - b. The Annapolis Process, while it did not resolve the majority of the issues, did yield a detailed matrix of the parties' respective positions at the close of negotiations. This should be the starting point for any US led initiative to bring the parties back to the negotiations table
  - c. The API provides the broad formula and terms of reference for regional peace (withdrawal from occupied territory and just and agreed upon resolution to refugee issue in exchange for normal relations)
8. The aim should be a comprehensive agreement that ends the conflict by addressing all outstanding grievances. After two decades of the peace process, more interim arrangements and conflict management will only erode the legitimacy and credibility of all regional actors that advocate a peaceful resolution of the conflict through diplomacy and negotiations.