CONFIDENTIAL NOT FOR CIRCULATION

## Proposed PS Parameters (detailed)

The following proposed parameters, which reflect current Palestinian thinking and are in line with Palestinian positions taken in previous negotiations, would satisfy the main requirements of the Arab Peace Initiative.

I - "Full Israeli withdrawal from all the territories occupied since 1967, to the June 4, 1967 lines" (Article 2(I)) and "the establishment of a sovereign independent Palestinian state... in the West Bank and Gaza Strip with East Jerusalem as its capital" (Article 2(III)).

### **Borders & Territory**

- 1. The borders between the state of Palestine and the state of Israel shall be the June 4<sup>th</sup> 1967 Line, though the two parties may agree to minor, reciprocal and equal boundary modifications that do not affect, among other things, territorial contiguity.
- 2. The full withdrawal of all Israeli forces from the territory of Palestine shall be carried out according to an agreed timetable and under the supervision of an international presence, to be determined in future negotiations between the parties.
- 3. The states of Palestine and Israel each shall exercise full sovereignty over their respective territory, including all air, sea and land borders, in accordance with international law and norms. State-to-State relations, under a future agreement, shall be determined in accordance with international law, namely the principle of sovereign equality.
- 4. The state of Palestine will have permanent sovereignty over its natural resources in accordance with international law. The allocation of water resources will be based on international law, namely the principle of equitable and reasonable allocation.

#### <u>Jerusalem</u>

- 5. East Jerusalem, within the pre-occupation municipal lines, shall be the capital of the state of Palestine, and West Jerusalem shall be the capital of the State of Israel, on the basis of the June 4<sup>th</sup> 1967 Line and subject to possible minor, reciprocal and equal boundary modifications agreed to by the two parties. Each state shall enjoy full sovereignty over its respective part of the City subject to mutually agreed arrangements and coordination on specified matters.
- 6. Jerusalem and its holy places, which are venerated by the three monotheistic religions, will remain open to all peoples.

# Security

- 7. Palestine will be an independent sovereign state with limited, defensive armament and a strong internal security force with ground, air and naval elements.
- 8. Neither Palestine nor Israel will enter into military alliances against each other, or allow their territory to be used for military operations against each other.

CONFIDENTIAL NOT FOR CIRCULATION

9. Palestine and Israel will establish security cooperation arrangements, in which international forces will play a central role. In addition, the two states will strive to establish a regional security regime.

## Transitional Arrangements

- 10. Until the completion of Israel's withdrawal and the end of its occupation of Palestinian territory, Israel will continue to provide basic services to the Palestinian population consistent with its obligations under international law.
- II "Achievement of a just solution to the Palestinian refugee problem to be agreed upon in accordance with U.N. General Assembly Resolution 194..." (Article 2(II))

## Refugees

- 11. A just and agreed upon resolution to the Palestinian refugee problem shall be based on UNGA Res. 194. While the rights of refugees, in principle, should be fully acknowledged by Israel, the implementation of these rights will be determined in direct negotiations between the PLO and Israel, and will be agreed upon by all relevant parties, including host countries and countries of resettlement.
- 12. A just and agreed upon resolution for the refugees will address: (1) normalization of status of refugees, (2) reparations for refugees' property, and (3) reparations for damages incurred since refugees' displacement.
- 13. The refugees should be given the right to choose remedies from a number of options that would be presented to them, taking into consideration at the same time, the special circumstances and demographic composition of the relevant countries in the region.

