To provide for a United States response in the event of a unilateral declaration of a Palestinian state.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Peace Through Negotiations Act of 2000'.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Resolving the political status of the territory controlled by the Palestinian Authority is one of the central issues of the Arab-Israeli conflict.
(2) The Palestinian threat to declare an independent state unilaterally constitutes a fundamental violation of the underlying principles of the Oslo Accords and the Middle East peace process.
(3) On March 11, 1999, the Senate overwhelmingly adopted Senate Concurrent Resolution 5, and on March 16, 1999, the House of Representatives adopted House Concurrent Resolution 24, both of which resolved that: `any attempt to establish Palestinian statehood outside the negotiating process will invoke the strongest congressional opposition.'.
(4) On July 25, 2000, Palestinian Chairman Arafat and Israeli Prime Minister Barak issued a joint statement agreeing that the `two sides understand the importance of avoiding unilateral actions that prejudice the outcome of negotiations and that their differences will be resolved in good-faith negotiations'.

**SEC. 3. POLICY OF THE UNITED STATES.**

It shall be the policy of the United States to oppose the unilateral declaration of a Palestinian state, to withhold diplomatic recognition of any Palestinian state that is unilaterally declared, and to encourage other countries and international organizations to withhold diplomatic recognition of any Palestinian state that is unilaterally declared.

**SEC. 4. MEASURES TO BE APPLIED IF A PALESTINIAN STATE IS UNILATERALLY DECLARED.**

(a) MEASURES- Notwithstanding any other provision of law, beginning on the date that a Palestinian state is unilaterally declared and ending on the date such unilateral declaration is rescinded or on the date the President notifies the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that an agreement between Israel and the Palestinian Authority regarding the establishment of a Palestinian state has been concluded, the following measures shall be applied:

(1) **DOWNGRADE IN STATUS OF PALESTINIAN OFFICE IN THE UNITED STATES-**

   (A) Section 1003 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) as enacted on December 22, 1987, shall have the full force and effect of law, and shall apply notwithstanding any waiver or suspension of such section that was authorized or exercised subsequent to December 22, 1987.

   (B) For purposes of such section, the term `Palestine Liberation Organization or any of its constituent groups, any successor to any of those, or any agents thereof' shall include the Palestinian Authority and the government of any unilaterally declared Palestinian state.

   (C) Nothing in this paragraph shall be construed to preclude--

   (i) the establishment or maintenance of a Palestinian information office in the United States, operating under the same terms and conditions as the Palestinian information office that existed prior to the Oslo Accords; or

   (ii) diplomatic contacts between Palestinian officials and United States counterparts.
(2) PROHIBITION ON UNITED STATES ASSISTANCE TO A
UNILATERALLY DECLARED PALESTINIAN STATE- United States
assistance may not be provided to the government of a unilaterally
declared Palestinian state, the Palestinian Authority, or to any successor or
related entity.
(3) PROHIBITION ON UNITED STATES ASSISTANCE TO THE
WEST BANK AND GAZA- United States assistance (except
humanitarian assistance) may not be provided to programs or projects in
the West Bank or Gaza.
(4) AUTHORITY TO WITHHOLD PAYMENT OF UNITED STATES
CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS THAT
RECOGNIZE A UNILATERALLY DECLARED PALESTINIAN
STATE- The President is authorized to--
(A) withhold up to 10 percent of the United States assessed
contribution to any international organization that recognizes a
unilaterally declared Palestinian state; and
(B) reduce the United States voluntary contribution to any
international organization that recognizes a unilaterally declared
Palestinian state up to 10 percent below the level of the United
States voluntary contribution to such organization in the fiscal year
prior to the fiscal year in which such organization recognized a
unilaterally declared Palestinian state.
(5) OPPOSITION TO LENDING BY INTERNATIONAL FINANCIAL
INSTITUTIONS- The Secretary of the Treasury shall instruct the United
States Executive Director at each international financial institution (as
defined in section 1701(c)(2) of the International Financial Institutions
Act) to use the voice, vote, and influence of the United States to oppose--
(A) membership for a unilaterally declared Palestinian state in such
institution, or other recognition of a unilaterally declared
Palestinian state by such institution; and
(B) the extension by such institution to a unilaterally declared
Palestinian state of any loan or other financial or technical
assistance.
(6) LIMITATION ON USE OF FUNDS TO EXTEND UNITED STATES
RECOGNITION- No funds available under any provision of law may be
used to extend United States recognition to a unilaterally declared
Palestinian state, including, but not limited to, funds for the payment of
the salary of any ambassador, consul, or other diplomatic personnel to
such a unilaterally declared state, or for the cost of establishing, operating,
or maintaining an embassy, consulate, or other diplomatic facility in such
a unilaterally declared state.
(b) SUSPENSION OF MEASURES-
(1) IN GENERAL- The President may suspend the application of any of
paragraphs (3) through (5) of subsection (a) for a period of not more than
one year if, with respect to the suspension of the application of each such
paragraph, the President determines and certifies to the Committee on
International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that such suspension is in the national security interest of the United States. Such certification shall be accompanied by a justification for the basis of the determination.

(2) RENEWAL- The President may renew the suspension of the application of any of paragraphs (3) through (5) of subsection (a) for a successive period or periods of not more than one year if, before each such period, the President makes a determination and transmits a certification in accordance with paragraph (1).

(3) ADDITIONAL REQUIREMENT- A suspension of the application of any of paragraphs (3) through (5) of subsection (a) under paragraph (1) or paragraph (2) shall cease to be effective after one year or at such earlier date as the President may specify.

(c) DEFINITION- For purposes of paragraphs (2) and (3) of subsection (a), the term `United States assistance'--

(1) means--

(A) assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), except--

(i) assistance under chapter 8 of part I of such Act (relating to international narcotics control assistance);

(ii) assistance under chapter 9 of part I of such Act (relating to international disaster assistance); and

(iii) assistance under chapter 6 of part II of such Act (relating to assistance for peacekeeping operations);

(B) assistance under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including the license or approval for export of defense articles and defense services under section 38 of that Act; and

(C) assistance under the Export-Import Bank Act of 1945; and

(2) does not include counter-terrorism assistance.

Passed the House of Representatives September 27, 2000.

Attest:

Clerk.