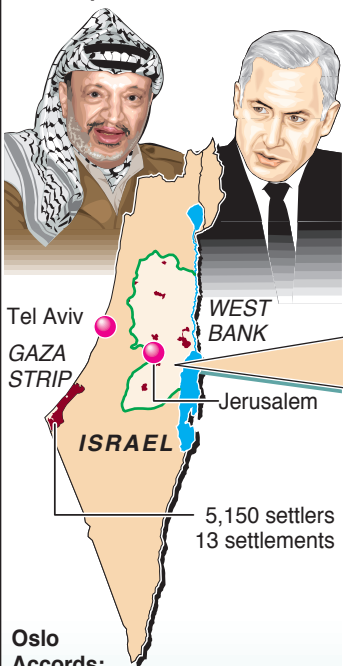


Countdown to confrontation

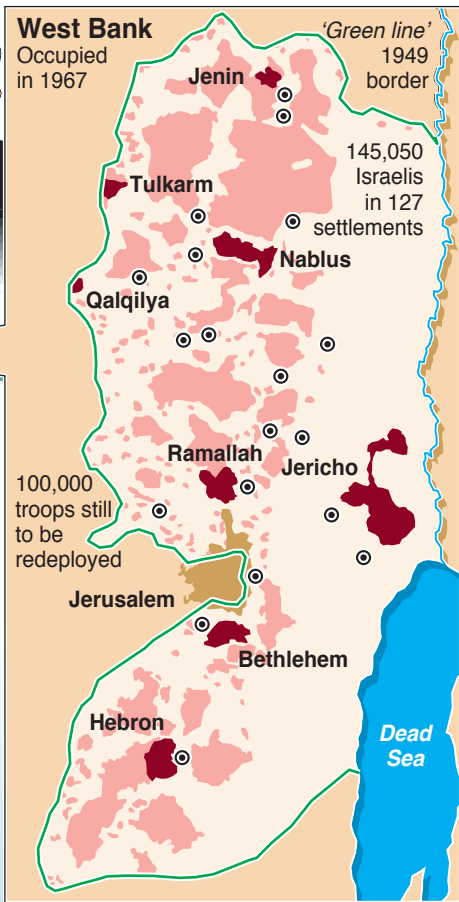
If Israeli Prime Minister Benjamin Netanyahu fails to accept the U.S. call to hand over 13 percent of West Bank territory – a deal already accepted by the Palestinian Authority – PA leader Yasser Arafat is expected to declare an independent Palestinian state when the Oslo Accords run out in May 1999



Oslo Accords:
Interim status of West Bank

- Area A – 3% of territory**
Palestinian Authority
- Area B – 27% of territory**
Israeli military control, Palestinian civil control
- Area C – 70% of territory**
Israeli military control
- Major Israeli settlements**

If peace process stays on track
Further talks towards 'final status' – but if transitional period is extended, risk of limited autonomy becoming permanent



If peace process stalls
On May 4, 1999 Palestinian statehood may be declared in only 30-40% of West Bank – risking major conflict