

TIM SCOTT, SOUTH CAROLINA, CHAIRMAN  
ELIZABETH WARREN, MASSACHUSETTS, RANKING MEMBER

MIKE CRAPO, IDAHO  
MIKE ROUNDS, SOUTH DAKOTA  
THOM TILLIS, NORTH CAROLINA  
JOHN KENNEDY, LOUISIANA  
BILL HAGERTY, TENNESSEE  
CYNTHIA LUMMIS, WYOMING  
KATIE BOYD BRITT, ALABAMA  
PETE RICKETTS, NEBRASKA  
JIM BANKS, INDIANA  
KEVIN CRAMER, NORTH DAKOTA  
BERNIE MORENO, OHIO  
DAVID MCCORMICK, PENNSYLVANIA

JACK REED, RHODE ISLAND  
MARK R. WARNER, VIRGINIA  
CHRIS VAN HOLLEN, MARYLAND  
CATHERINE CORTEZ MASTO, NEVADA  
TINA SMITH, MINNESOTA  
RAPHAEL G. WARNOCK, GEORGIA  
ANDY KIM, NEW JERSEY  
RUBEN GALLEGO, ARIZONA  
LISA BLUNT ROCHESTER, DELAWARE  
ANGELA D. ALSOBROOKS, MARYLAND

CATHERINE FUCHS, STAFF DIRECTOR  
JON DONENBERG, DEMOCRATIC STAFF DIRECTOR

## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

September 16, 2025

The Honorable Marco Rubio  
Secretary of State  
U.S. Department of State  
2201 C Street N.W.  
Washington, D.C. 20451

The Honorable Scott Bessent  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue N.W.  
Washington, D.C. 20220

Dear Secretary Rubio and Secretary Bessent:

We write to express growing alarm over the deteriorating security situation in the West Bank amid new warnings by Israel's security agency Shin Bet that the Palestinian Authority (PA) could soon collapse, threatening to plunge the region into violent new chaos.<sup>1</sup> U.S. Ambassador Mike Huckabee has also expressed concern about this imminent risk and emphasized, "If the Palestinian economy were to completely collapse, it won't be a winning deal for anyone. It would lead to an escalation and further desperation."<sup>2</sup> The Trump Administration should demonstrate that it takes this concern seriously by immediately taking three concrete steps. Otherwise, the Administration's policies will continue contributing to that desperation, including by emboldening settler violence and standing by as the Palestinian economy nears the brink of collapse.

**First, we call on the Trump Administration to press the Israeli government to release clearance revenues that are critical to restoring the stability of the Palestinian economy and banking system.** Clearance revenues are tax revenues, including duties that Israel collects on behalf of the PA for commercial goods imported into the West Bank. Israel's Ministry of Finance has been withholding hundreds of millions of dollars in revenues for months now, depriving the PA of funds to pay for basic services. That withholding has deepened the PA's crisis, as the World Bank recently underscored. Israel's finance ministry has also moved to cut

---

<sup>1</sup> Times of Israel, "Shin Bet said to warn PA at risk of collapse; Netanyahu holds discussion on West Bank," Lazar Berman, Nava Freiberg, and Jacob Magid, September 4, 2025, <https://www.timesofisrael.com/shin-bet-said-to-warn-pa-at-risk-of-collapse-netanyahu-holds-discussion-on-west-bank/>.

<sup>2</sup> Axios, "'Desperate people do desperate things': Huckabee warns of West Bank collapse," Barak Ravid, September 2, 2025, <https://www.axios.com/2025/09/02/huckabee-west-bank-economic-collapse-israel>.

off correspondent banking relationships—a critical mechanism for banks to access the broader financial system—between Israeli and Palestinian banks. This step threatens to cause an accumulation of excess shekels in Palestinian banks that could lead to systemic crisis.

**Second, in keeping with longstanding U.S. policy, the Administration must condemn Israel’s approval of settlements explicitly designed to end Palestinian and Israeli aspirations for a two-state solution.** Last month, despite wide international opposition, Israel’s government approved the E1 settlement and construction of thousands of new housing units in the occupied West Bank, a step intended to “bury the idea of a Palestinian state” because it would cut the West Bank in half.<sup>3</sup> Despite longstanding U.S. efforts to push back against this prospect—dating back to the Bush Administration’s opposition in the early 2000s—the Trump Administration has conspicuously failed to condemn the decision. Now, Israeli officials are reportedly considering annexation of large portions of the West Bank under the impression the United States won’t stand in the way.<sup>4</sup> The Administration must correct this misperception or, if it is accurate, reverse such an irresponsible position that threatens long-term peace in the region.

**Third, we urge the Administration to restore the authority to impose financial sanctions targeting destabilizing acts in the West Bank including extremist settler violence, forced displacement, and property destruction.** Since the President revoked that authority in January and removed U.S. sanctions designations on dozens of individuals and entities who have contributed to violence in the region,<sup>5</sup> we have witnessed record levels of settler violence and intimidation against Palestinian villages—with more than 750 attacks on Palestinians and their property during the first half of 2025 alone.<sup>6</sup> That includes the killing of U.S. citizen Sayfollah Musallet earlier this year.<sup>7</sup> Extremist settler violence and property destruction make it impossible for many Palestinians to make a living, contributing to the economic crisis and the instability. The United States must counter settler violence, intimidation, and displacement, including the establishment of outposts and settlements, which are illegal under international law.

We call on the Administration to use all the tools at its disposal to take the above steps and avert a broader collapse that will further destabilize the region. We request a response by October 1, 2025 describing steps the Administration is taking to that end.

Thank you for your attention to this important matter.

Sincerely,

---

<sup>3</sup> BBC, “Israeli settlement plans will ‘bury’ idea of Palestinian state, minister says,” Tom McArthur, August 14, 2025, <https://www.bbc.com/news/articles/ckgdzxpkkdd7o>.

<sup>4</sup> Axios, “UAE warns White House that Israeli annexations could unravel Abraham Accords,” Barak Ravid, September 3, 2025, <https://www.axios.com/2025/09/03/israel-annex-west-bank-uae-trump-abraham-accords>.

<sup>5</sup> ABC News, “Trump administration lifted sanctions on Israeli settler accused of killing Palestinian activist,” Emily Chang, July 31, 2025, <https://abcnews.go.com/Politics/trump-administration-lifted-sanctions-israeli-settler-accused-killing/story?id=124185259>.

<sup>6</sup> New York Times, “With Arson and Land Grabs, Israeli Settler Attacks in West Bank Hit Record High,” Patrick Kingsley, Fatima AbdulKarim, and Natan Odenheimer, August 14, 2025, <https://www.nytimes.com/2025/08/14/world/middleeast/west-bank-israel-settler-attacks.html>.

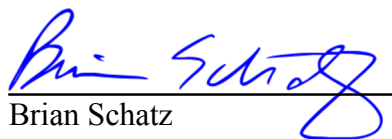
<sup>7</sup> AP, “Families of Americans slain in the West Bank lose hope for justice,” Julia Frankel, July 27, 2025, <https://apnews.com/article/israel-palestinians-killed-west-bank-trump-gaza-41ec0962b4fe87498a781b87f85949ba>.



Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Christopher A. Coons  
United States Senator



Brian Schatz  
United States Senator



Jack Reed  
United States Senator



Mark R. Warner  
United States Senator



Jeanne Shaheen  
United States Senator