



BILL SUMMARY

March 2017

The Israel Anti-Boycott Act (S.720 & H.R.1697)

The Israel Anti-Boycott Act (S.720 and H.R.1697) would expand existing U.S. anti-boycott laws to international organizations like the United Nations and the European Union. Led by Sens. Ben Cardin (D-MD) and Rob Portman (R-OH), and Reps. Peter Roskam (R-IL) and Juan Vargas (D-CA), the measure also directs the U.S. Export-Import Bank to consider boycott, divestment and sanctions (BDS) activity when evaluating a foreign company's credit application. This bill was precipitated by the March 2016 resolution of the U.N. Human Rights Council (UNHRC) that directed the preparation of a "blacklist" of companies operating or investing beyond the "Green Line," including, among other areas, East Jerusalem and the Jewish Quarter of the Old City.

Key Provisions:

- Reiterates Congress' opposition to BDS and establishes that Congress consider the March 2016 action of the UNHRC to be an act of BDS.
- Expands the Export Administration Act (EAA), which already prohibits compliance with any foreign government's boycott of Israel, to also prohibit U.S. persons from responding to boycott requests from international governmental organizations such as the U.N. and the European Union.
- Requires the Export-Import Bank to consider an applicant's BDS-related activities when considering granting assistance.
- Clarifies that nothing in the bill alters the established policy of the United States concerning final status issues, including border delineation, which can only be resolved through direct negotiations between the parties.
- Limits its scope to commercial activities intended to harm Israel and in no way abridges First Amendment-protected activities.
- Calls for expanded and coordinated civilian science and technology cooperation between the United States and Israel to help counter BDS.

Context:

- The UNHRC has long targeted Israel with systemic, politically motivated assaults on its legitimacy. Israel is the only country in the world on the permanent agenda of the Council (“Agenda Item 7”), ensuring that it will be criticized at every gathering while real human rights violators are ignored.
- On March 24, 2016, the UNHRC voted to form a “blacklist” of companies that operate, or have business relations with entities that operate beyond Israel’s 1949 Armistice line, including in East Jerusalem. This recent action is reminiscent of the Arab League Boycott, which also called for the establishment of a “blacklist” and promoted a primary, as well as a secondary and tertiary, boycott against Israel.
- The current bill expands the reach of the EAA, which makes it illegal to comply with foreign government-led anti-Israel boycotts. The pending UNHRC blacklist reflects a need to update the EAA so that it also applies to international organizations that seek to harm Israel.
- The United States has repeatedly and successfully used international trade policy to combat economic mistreatment of Israel. In addition to the EAA, America has used its free trade agreement negotiations with Bahrain and Oman and World Trade Organization accession negotiations with Saudi Arabia to challenge discriminatory policies towards Israel. In 2015, Congress instructed the administration in trade negotiations with other countries to take into account whether their government agencies impose boycott, divestment and sanctions measures against Israel.

