

111TH CONGRESS
1ST SESSION

S. 1671

To enhance the reporting requirements on the status of the Arab League trade boycott of Israel and other trade boycotts of Israel.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 2009

Mr. GRAHAM (for himself and Mr. SCHUMER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To enhance the reporting requirements on the status of the Arab League trade boycott of Israel and other trade boycotts of Israel.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds the following:

5 (1) The Arab League's trade boycott of the
6 State of Israel is inconsistent with World Trade Or-
7 ganization's (WTO) principle of nondiscrimination.

8 (2) Trade boycotts of the State of Israel are a
9 barrier to better relations between Israel and nations
10 of the Arab League.

1 (3) It has been the long-standing policy of the
2 United States to oppose the enforcement of trade
3 boycotts of Israel.

4 (4) Many members of the World Trade Organi-
5 zation continue to enforce the primary trade boycott
6 of the State of Israel. Other WTO members continue
7 to enforce the secondary and tertiary trade boycott
8 of the State of Israel.

9 (5) Taxpayers are required to report requests to
10 participate in or cooperate with an international boy-
11 cott. Section 999 of the Internal Revenue Code of
12 1986 requires the Secretary of the Treasury to keep
13 a list of countries which require or may require par-
14 ticipation in, or cooperation with, a trade boycott of
15 Israel. Currently, the list of countries which require
16 or may require participation in a trade boycott of
17 Israel includes Kuwait, Lebanon, Libya, Qatar,
18 Saudi Arabia, Syria, the United Arab Emirates, and
19 the Republic of Yemen.

20 (6) In 2005, during negotiations for the acces-
21 sion of the Kingdom of Saudi Arabia to the World
22 Trade Organization (WTO), the United States re-
23 ceived assurances from the Kingdom of Saudi Ara-
24 bia that, upon accession, “WTO rules will apply be-
25 tween Saudi Arabia and all current members” which

1 includes Israel. Further, the United States received
2 assurances that “Saudi Arabia is legally obligated to
3 provide most-favored nation treatment to all WTO
4 Members, including Israel. Any government sanc-
5 tioned activity on the Boycott [of Israel] would be
6 a violation of Saudi Arabia’s obligations and subject
7 to dispute settlement. This legal obligation cannot be
8 changed.”.

9 (7) The United States Trade Representative re-
10 ports annually on the Arab League’s trade boycott
11 of Israel under the National Trade Estimate report
12 but that reporting on trade boycotts of Israel can be
13 improved through additional reporting requirements.

14 (8) Greater transparency and more comprehen-
15 sive reporting will assist United States taxpayers in
16 complying with United States law and policy regard-
17 ing trade boycotts of Israel.

18 (9) Improved reporting will enhance efforts to
19 end all trade boycotts of Israel and allow progress
20 on ending such boycotts to be better measured.

21 (10) Taking steps to improve transparency with
22 respect to the boycott of Israel can serve the United
23 States goal of the elimination of the trade boycott of
24 Israel. Fostering increased trade and investment ties
25 between Israel and the countries of the greater Mid-

1 cott sponsored by the Arab League or the
2 Organization of Islamic Conference.

3 “(ii) Whether any officials of the boy-
4 coting country have attended any Arab
5 League or Organization of the Islamic
6 Conference boycott meetings in any official
7 or unofficial capacity during the year pre-
8 ceding the submission of the report.

9 “(iii) Whether the boycotting country
10 maintains a government office with respon-
11 sibility for enforcement of a boycott of
12 Israel.

13 “(iv) Whether the boycotting country
14 has laws enforcing a boycott of Israel or
15 otherwise prohibiting Israeli origin goods
16 from entering its territories and a sum-
17 mary of those laws.

18 “(v) Whether the boycotting country
19 has recently changed its domestic boycott
20 laws or regulations with respect to either
21 strengthening or eliminating the boycott.

22 “(vi) Whether a country’s laws or
23 practices with respect to a boycott of Israel
24 are of a nature that they may lead a tax-
25 payer to reasonably conclude that the tax-

1 payer would be required to report a re-
2 quest to participate in or cooperate with
3 the boycott to the Secretary of the Treas-
4 ury pursuant to section 999 of the Internal
5 Revenue Code of 1986.

6 “(vii) Whether a country encourages
7 or otherwise condones, through govern-
8 ment-sponsored actions, an unofficial boy-
9 cott of goods of Israeli origin, including
10 consumer marketing campaigns directed
11 against the purchase of goods of Israeli or-
12 igin.

13 “(viii) Whether a country’s formal or
14 informal boycott practices have had an
15 identifiable impact on United States ex-
16 ports of goods that have Israeli content.

17 “(ix) Whether a country’s formal or
18 informal boycott practices have had an
19 identifiable impact on United States busi-
20 nesses with operations or investments in
21 Israel.

22 “(B) OTHER INFORMATION.—The United
23 States Trade Representative shall include in the
24 National Trade Estimate, a report on any steps
25 taken by the United States at the World Trade

- 1 Organization or other international fora to end
- 2 the trade boycott of the State of Israel.”.

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